

Village of Clyde **Viability Review**

Initial Findings Report

OCTOBER 2014



A report concerning the viability of the Village of Clyde
by the Village of Clyde Viability Review Team

Viability Review Team

Village of Clyde Viability Review

Alberta Municipal Affairs

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How to read this report

The Village of Clyde Viability Review Initial Findings Report is intended to provide Clyde community members with information about the Village of Clyde's finance and governance, as well as programs and services that are offered by the village for the Clyde community.

The Village of Clyde Viability Review Team analyzed and reviewed the information which is based on provincial records and information provided by the Village of Clyde between March 2013 and May 2014 and is reflective of the information available at that time.

Introduction

The Initial Findings Report was developed as part of the Village of Clyde Viability Review in order to determine the viability of the Village of Clyde (village) as an incorporated municipality. The structure of this report reflects the spirit of the Government of Alberta's Municipal Sustainability Strategy, and the viability review team's approach to the determination of the village's viability.

This report is divided into five sections:

Section 1 provides an overview of the Government of Alberta's Municipal Sustainability Strategy and the viability review.

Section 2 contains information about the Village of Clyde Viability Review, including composition and mandate of the viability review team, and the viability review process.

Section 3 provides the history and profile of the Village of Clyde and lists municipalities in the region and municipalities in Alberta with a similar population to Clyde.

Section 4 presents the Viability Review Team's initial findings of the village's viability based on the eight areas identified in the Municipal Sustainability Strategy. The analysis includes comparisons with municipalities in the region and municipalities in Alberta with similar population.

Section 5 provides information on the next steps in the viability review process including the opportunities for the public to provide input and to participate in the process.

Executive Summary

The Village of Clyde is a municipality located in Westlock County with a population of 503 residents. In January 2013, following receipt of a sufficient petition from electors of the Village of Clyde that a dissolution study be undertaken for the village, the Minister of Municipal Affairs advised that a study would proceed in the form of a viability review.

In May 2013, the Village of Clyde Viability Review Team (VRT) was convened to lead the viability review for the Village of Clyde.

As part of the review the VRT has:

- reviewed the input provided by stakeholders on the initial stakeholder input forms;
- collected, analyzed, and compiled information about the village’s finances, governance, infrastructure, and programs and services in the **Initial Findings Report**;
- planned a stakeholder engagement event to provide an overview of the information in this report and collect feedback; and
- distributed the report to residents inviting them to a stakeholder engagement event in October 2014.

Viability challenges encountered by the Village of Clyde and identified in the Initial Findings Report include, but are not limited to:

- attraction and retention of municipal staff and councillors;
- a high amount of outstanding property taxes;
- a utility system not consistently operating in full cost recovery;
- lack of a long-term capital infrastructure and associated funding plan; and
- pending cuts to grant funding for the operations of the village.

Residents, property owners, and other stakeholders are invited to review the Initial Findings Report, to attend the stakeholder engagement event in October, and to join in the discussion about the viability of the Village of Clyde. Following the stakeholder engagement event, the team will consider the information in the Initial Findings Report and the stakeholder input in order to render a viability determination for the Village of Clyde.



The next steps in the viability review process, following the rendition of the viability determination, will be dependent on whether the viability review team determines the Village of Clyde to be viable or trending towards non-viability. Stakeholders will continue to be kept informed of the viability review as it proceeds.

Municipal Sustainability Strategy and the Viability Review

The Municipal Sustainability Strategy was developed in collaboration with Alberta’s municipal associations to bring key decision makers together and to empower communities to make sound decisions about their future that are based on collaboration, cooperation, and a vision of success.

With the introduction of the Municipal Sustainability Strategy, the viability review process replaced the dissolution study process previously used by Alberta Municipal Affairs.

The **viability review process** was developed to focus on:

- **finding solutions** through a strong partnership of neighbouring municipalities, municipal associations, and Municipal Affairs;
- more **community engagement and involvement**, including neighbouring municipalities;
- supporting **community development and community identity**; and
- developing a suite of **solution-focused options** including, but not limited to restructuring, for a municipality whose sustainability or viability is in jeopardy.

The viability review is the process to determine the viability of a municipality and if required, to develop a plan that would lead the municipality to viability. The viability review process includes:

- The completion of the **self-assessment questionnaire**, which is designed to help municipalities assess and enhance their own viability by assisting them to identify where and how they might improve;
- A **viability review**, which includes: 1) stakeholder engagement; 2) the development of an Initial Findings Report that reviews the finances and governance of the municipality, and the programs and services that are currently provided by the municipality; and 3) a **viability determination**.
- If the viability review team determines that the municipality is trending towards being non-viable, a viability plan is developed with community and stakeholder engagement, and identifies options for the municipality to achieve viability.

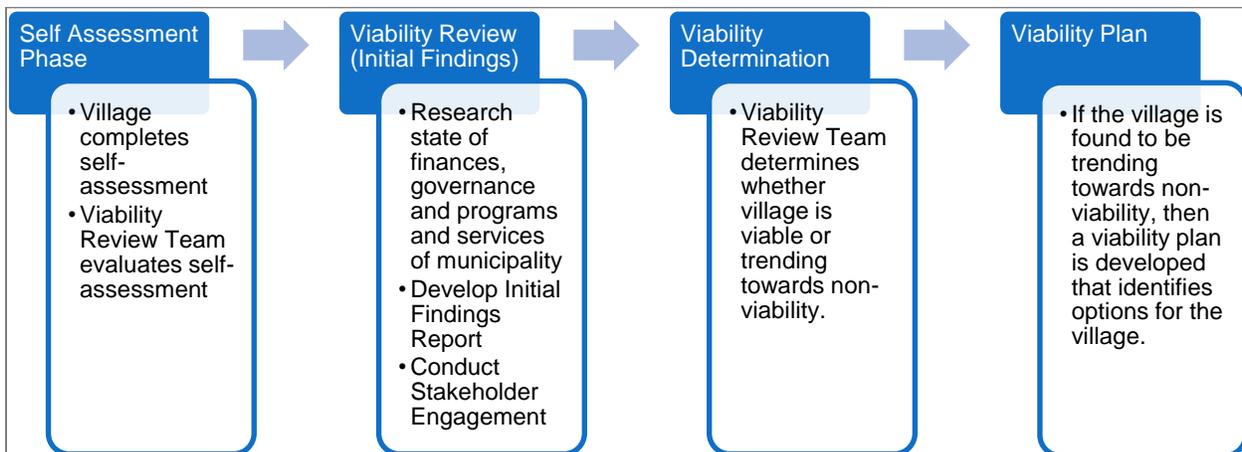


Figure 1 - Overview of the Viability Review Process

The Municipal Sustainability Strategy can be found on the Municipal Affairs website at: <http://municipalaffairs.alberta.ca/1330.cfm>.

Village of Clyde Viability Review

In June 2012, the electors of the Village of Clyde submitted a petition to the Minister of Municipal Affairs requesting the Minister undertake a dissolution study for the Village of Clyde. The Minister deemed the petition to be sufficient and in January 2013, the Minister advised that a study would be undertaken in the form of a viability review.

The Village of Clyde Viability Review officially began in May 2013 when the Viability Review Team, whose role it is to lead the Village of Clyde Viability Review, met for the first time.

Viability Review Team

Each viability review is led by a viability review team composed of elected officials and administrators from the affected municipalities, and representatives from municipal associations and Municipal Affairs.

The following individuals have served on the Village of Clyde Viability Review Team:

Village of Clyde Viability Review Team		
Member	Term	Representing
Darryl Joyce, Chair Coral Callioux, Chair	March 2014 to Present May 2013 to March 2014	Alberta Municipal Affairs
Neil Olson	May 2013 to Present	Village of Clyde (elected official)
Garth Bancroft Annette Schwab	July 2013 to Present May 2013 to June 2013	Village of Clyde (administrative official)
Jim Wiese	May 2013 to Present	Westlock County (elected official)
Laurie Strutt Ed LeBlanc	June 2014 to Present May 2013 to March 2014	Westlock County (administrative official)
John Whaley	May 2013 to Present	Alberta Association of Municipal Districts and Counties
Jenelle Saskiw	May 2013 to Present	Alberta Urban Municipalities Association
Mark Oberg	May 2013 to Present	Alberta Rural Municipal Administrators Association
Vicki Zinyk	May 2013 to Present	Local Government Administration Association

Viability Review Team Mandate

The Minister gave the Village of Clyde Viability Review Team the mandate to collaboratively:

- evaluate the viability of the Village of Clyde;
- lead public engagement of local residents, property owners, and other stakeholders in the affected municipalities;
- if required, develop a viability plan for Clyde that focuses on partnerships between neighbouring municipalities, municipal associations, and Alberta Municipal Affairs;
- develop an implementation plan for the selected viability option; and
- provide feedback to Alberta Municipal Affairs on the municipal viability review process.

Based on the direction set by the viability review team, information concerning the Village of Clyde's finances, governance, infrastructure, and programs and services was collected from the village administration and from provincial records. The information was analyzed and reviewed by the viability review team and the results incorporated in this report.

Performance on Key Measures of Sustainability

The Municipal Sustainability Strategy outlines ten key measures of sustainability for municipalities in Alberta. The key measures are designed so that a municipality that answers yes to three of the ten key measures, or to measure number three (3) alone, is flagged for further review by Municipal Affairs.

When assessed against the key measures in May 2014, the Village of Clyde responded no to key measure number three and yes to only one of the other nine key measures as outlined below:

1. Has your municipality reported an accumulated deficit, net of equity in tangible capital assets, for the past three fiscal years?
No, Clyde has maintained an accumulated surplus, net of equity in tangible capital assets, for the past three fiscal years
2. Does your municipality have less than a 1:1 ratio of current assets to current liabilities?
No, the Village of Clyde has a current ratio of 1.75 to 1:00.
3. Has your municipality received a "qualified audit opinion", "denial of opinion" or an "adverse opinion" with respect to your most recent annual financial statements?
No, the auditors found the recent annual consolidated financial statements to present fairly the financial position of the Village of Clyde in their opinion.
4. Has your municipality reached 80 per cent of its debt or debt service limit?
No, the Village of Clyde reported no borrowing outstanding in 2013.
5. Based on the annual audited financial statements, have provincial and federal grants accounted for more than 50 per cent of your municipality's total revenue in each of the past three fiscal (calendar) years?
No, provincial and federal grants accounted for 37 per cent of revenue in 2011, 39 per cent of revenue in 2012, and 16 per cent of revenue in 2013.
6. Has your municipality's non-residential assessment base declined over the past 10 years?
No, non-residential assessment base is \$592,804 higher in 2013 than in 2003.
7. Does your municipality have more than five per cent of current property tax unpaid for the most recent completed fiscal year?
Yes, Clyde has 22 per cent of its current property tax reported as unpaid.
8. Has your municipality experienced a decline in population of the municipality over the last 20 years?
No, Clyde has 62 more residents in 2013 than in 1993.
9. Is the remaining value of the tangible capital assets (TCAs) less than 30 per cent of the original cost?
No, Clyde's 2013 financial statements indicate that the village's TCAs have 51 per cent of their value remaining.
10. Has your municipality missed the legislated May 1 reporting date for the annual audited financial statements in each of the last two years?
No, both the 2012 and the 2013 audited financial statements were submitted to Municipal Affairs on time.

Based on the Village of Clyde’s responses of yes to only one of the ten key measures, Municipal Affairs would not have contacted the village and no further action would have been required if a viability review was not underway for the village. The key measure pertaining to property taxes, that the Village of Clyde triggered, can be addressed with some policy changes and greater use of the tax recovery process available to municipalities through the *Municipal Government Act*.

Detailed calculations of the performance of the Village of Clyde on the ten key measures are included in the relevant sections throughout this report.

Municipal Self-Assessment Questionnaire

The Self-Assessment Questionnaire was developed to assist municipal officials in assessing a municipality’s viability. The questionnaire includes measures and indicators of viability, highlights best practices, and may lead municipal officials to consider some enhancements that the municipality may wish to adopt. The self-assessment is composed of 124 questions organized into eight broad subject areas. The self-assessment questionnaire can be found on the Alberta Municipal Affairs website at: <http://municipalaffairs.alberta.ca/1330.cfm>.

The eight broad subject areas in which to assess the viability of a municipality are:



Sustainable governance addresses topics such as council practices and procedures, compliance with legislation, citizen engagement, and strategic planning.

Regional co-operation addresses the municipality’s approach to collaborating with neighbours for the benefit of local and regional residents.

Operational and administrative capacity addresses the capacity of the municipality to operate on a daily basis and support council decisions.

Financial stability addresses the municipality’s capacity to generate and manage revenues sufficient to provide necessary infrastructure and services to the public.

Infrastructure addresses the municipality’s capacity to effectively and efficiently manage public infrastructure on behalf of residents.

Service delivery addresses the capacity of the municipality to provide essential services that meet residents’ expectations and any appropriate standards.

Community well-being addresses local community characteristics that contribute to the vitality of the community and the long-term viability of the municipality.

Risk management addresses the capacity of the municipality to identify and manage key risks on behalf of residents.

These eight broad areas and the Village of Clyde’s responses in each of the areas in the self-assessment questionnaire are reflected throughout the Initial Findings Report.

Overview of the Village of Clyde

History and Profile

The Village of Clyde was formed on January 28, 1914 when land was withdrawn from Improvement District No. 30-T-4 (later becoming part of Westlock County). The village subsequently grew to its existing size through annexation of lands. The total land area of the municipality is 129 hectares. In June 2014, the village celebrated its 100th birthday.

The Village of Clyde is located on Highway 18 approximately 15 kilometres east of the Town of Westlock, 35 kilometres west of the hamlet of Thorhild, and 80 kilometres north of Edmonton. According to the 2011 federal census, the village has a population of 503 residents.

The village's rural neighbour is Westlock County (county). The county's office is located in the Town of Westlock. The county governs and provides services to nine hamlets (Busby, Dapp, Fawcett, Jarvie, Nestow, Pibroch, Pickardville, Tawatinaw, and Vimy) within its municipal boundary.

For the purposes of analyzing the Village of Clyde, two groups of Alberta municipalities were selected to compare the village's finances, governance, and other statistics with.

The first group is comprised of Westlock County and the Town of Westlock both of which are municipal neighbours to the Village of Clyde.

Due to the differences between the population, finances, and capacity of the neighbouring municipalities, a second group of municipalities with populations similar to the village's population was also selected for comparisons in this report. These municipalities are the Town of Stavely, and the villages of Berwyn, Breton, Caroline, Foremost, Glendon, Irma, and Ryley.

Village of Clyde Initial Findings

1. Sustainable Governance

Council

The Village of Clyde council consists of the mayor and four councillors for a total of five council members. All council positions are elected at-large by the electors of the village. The mayor is appointed annually at the village council's organizational meeting. The village council holds regular monthly meetings on the third Tuesday of each month in the council chambers in the village office.

The village has a Council Procedural Bylaw that establishes rules and regulations to provide for the orderly and efficient conduct of the council and council meetings.

The Village of Clyde legislative policies address:

- the date and time for meetings of council; council honorariums, and per diem amounts;
- guidelines for the structure, authority, and conduct of council committees;
- roles and responsibilities of the council and the chief administrative officer;
- an annual mandatory council orientation session on governance; and
- rules of procedure for delegations.

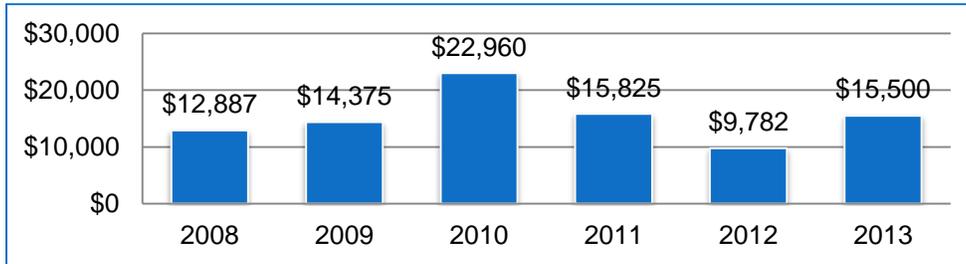
During the annual organizational meeting held in October, council members are appointed to various boards and committees to represent the interests of village residents. Clyde council members share the responsibility of representing the village on at least sixteen boards and committees within the region.

Council Remuneration

Effective November 20, 2012, council members were remunerated based on the Councillor Honorariums and Expenses Policy number 2012-01. According to the policy, council members, including the mayor and deputy mayor, received \$200 per month.

At the April 16, 2013 council meeting, council approved increasing the council honorarium from \$200 to \$350 per month. The honorarium covers attendance at council meetings, committee meetings, parades, social functions, workshops, and seminars, and other related duties. Councillors are eligible to claim mileage expenses for travel outside the village at the same rate as set out by the Government of Alberta. The rate at this time is \$0.505 per kilometre. The 2013 operational budget includes \$22,000 for council fees (honorariums). Chart 1 summarizes the remuneration costs (salaries, benefits, and allowances) for council as reported in the village’s audited financial statements.

Chart 1: Village of Clyde Council Remuneration Costs, 2008 - 2013



Collectively, the total remuneration costs for village council in 2013 was \$15,500. The costs in prior years ranged from \$12,887 in 2008 to \$22,960 in 2010.

Tables 2 and 3 provide the population, the number of councillors including mayor, and the council remuneration costs in 2013 for the neighbouring municipalities and the municipalities with similar population.

Table 2: Comparison of Council Size and Council Remuneration, 2013 Neighbouring Municipalities

Municipality	Population	Size of Council	Remuneration Costs
Westlock County	7,644	7	\$252,236
Town of Westlock	4,823	7	\$173,684
Village of Clyde	503	5	\$15,500

**Table 3: Comparison of Council Size and Council Remuneration, 2013
Municipalities with Similar Population**

Municipality	Population	Size of Council	Remuneration Costs
Village of Ryley	497	5	\$33,899
Village of Irma	457	5	\$29,731
Village of Caroline	501	5	\$26,625 ¹
Village of Berwyn	526	5	\$19,300
Village of Breton	581	5	\$17,025
Village of Clyde	503	5	\$15,500
Village of Foremost	526	5	\$11,958
Town of Stavely	505	7	\$10,440
Village of Glendon	486	3	\$5,150
1. At the time of print, the Village of Caroline's 2013 audited financial statements had not been submitted to Municipal Affairs. Financial information from the Village of Caroline's 2012 audited financial statements is used in this report.			

As summarized in Tables 2 and 3:

- When compared to other municipalities, the Village of Clyde has the lowest number of councillors of the neighbouring municipalities and the average number for municipalities with similar populations; and
- In 2013, the total remuneration costs of \$15,500 for the Village of Clyde council were the lowest of the neighbouring municipalities and fourth lowest of the group of Alberta municipalities with similar population.

For each of the compared municipalities, the remuneration costs are the total as stated in the municipality's annual financial statements. Depending on the municipality, remuneration costs include benefits, and/or allowances in addition to salaries.

Local Elections

Starting in October 2013, municipal councils are elected for four-year terms. Prior to that, councils were elected for three-year terms. By-elections are held to fill vacancies on a council during a term of office.

The following table provides the election history of the Village of Clyde for the past three election cycles.

Table 4: General Elections and By-elections, 2004 - 2013

Year	Acclamation or Election	Number of Candidates	Number of Positions	Number of voters
2004 General Election	Acclamation	5	5	Not applicable
2006 By-election	Acclamation	1	1	Not applicable
2007 General Election	Election	7	5	156
2008 By-election	Election	2	1	96
2009 By-election	Acclamation	2	2	Not applicable
2010 General Election	Election	9	5	185
2012 By-election	Acclamation	2	2	Not applicable
2013 General Election	Acclamation	5	5	Not applicable
Note: When the number of persons nominated for office is the same as the number required to be elected, the returning officer declares the persons nominated to be elected by acclamation.				

Bylaws and Policies

To assist with consistent governance and consistent operations and services, municipalities have bylaws and policies. Typically, municipal bylaws describe what will occur and policies outline procedures.

The Village of Clyde has approximately 375 active bylaws dating back to March 1914, to govern matters in the Village of Clyde. Matters addressed in these bylaws include.

- number of councillors;
- council procedures;
- provision of information to the public;
- appointment of the chief administrative officer, assessor, and the fire chief;
- municipal borrowing;
- annual rates of taxation;
- manufactured home park taxes;
- assessment review boards;
- water and sewer utilities;
- garbage collection and disposal;
- animal control;
- nuisances and unsightly premises;
- traffic;
- business licenses;
- land use and municipal development;
- subdivision and development appeal board;
- campground; and
- bylaw enforcement.

The village also has legislative and administrative policies. Bylaws and policies are public documents. Reference is made to the village bylaws and policies in other sections of this report. Enforcement of bylaws is explained in Section 6, Services Delivery, under Policing and Bylaw Enforcement.

2003 Municipal Inspection

Initiated as a result of a petition, a municipal inspection for the Village of Clyde was completed in November 2003. Concerns, contained in the letter to Municipal Affairs requesting the petition, referred to administrative and engineering services, financial statements not being available to the public by May 1, 2002, and the lateness of approving the annual budgets and tax rates in 2003.

The inspector found no evidence of any deliberate actions or conduct which would be described as improper, irregular, or improvident. Several minor matters, which could be considered poor judgement, were found to be relatively insignificant and largely related to a lack of access to experienced personnel.

In the inspection report, the inspector noted a number of observations, findings, and recommendations relative to the ongoing governance and operations of the village that related to a lack of necessary policies and other similar issues.

Strategic and Sustainability Planning

In 2009, the village developed a sustainability plan to guide the development of the village.

The Village of Clyde Integrated Community Sustainability Plan (ICSP) for the period 2009 to 2018 contains the following goals for the village:

- improve/maintain the village infrastructure to meet residential needs;
- attract residential growth;
- increase commercial activity in the village;
- foster a vibrant and active community;
- become a greener place to live; and
- provide quality services to residents while ensuring fiscal responsibility.

According to the ICSP, the village would prepare a 10-year capital plan and associated budget in 2010. A 10-year capital plan has not been prepared.

The village council approves capital projects as part of the annual capital budget approval process and at regular council meetings. The ICSP is not referred to as part of a request for decision at council meetings.

Communications and Community Engagement

As part of community engagement, the village recognizes and celebrates community events and special weeks and includes presentations from the public as part of council meetings.

At the beginning of each council meeting, council and administration respond to questions from the public. Issues responded to in the past year include: water quality, road maintenance, animal control, the timing of the installation of water meters, development approval for duplexes, liability during the installation of a community bulletin board, participation in public events, and flooding on village streets. Responses to issues brought forward included: directing administration to address the issue and councillors offering to help with the installation of the village's community bulletin board.

Community posters are posted on the community bulletin board and the village's bi-monthly newsletter is mailed out with the village utility bills. The village also accesses the highway sign and the local school to make announcements about upcoming events. The village website includes contact information and hours of operation of the village office, contact information for the animal control officer, and the village newsletters.

2. Regional Co-operation

Intermunicipal Relationships

The village is a member of the Joint Services Committee along with Westlock County and the Town of Westlock. Representatives from the three municipalities meet on a regular basis to discuss issues and ideas that affect all three municipalities.

The village cooperates with neighbouring municipalities to provide regional services through the following regional groups:

- Westlock Regional Water Services Commission
- Westlock County Emergency Disaster Services
- Westlock and District Family and Community Services
- Westlock Regional Waste Management Services Commission
- GROWTH Alberta (economic development)
- Westlock Foundation Board (housing authority)
- Westlock and District Transportation Services
- Yellowhead Regional Library

3. Operational and Administrative Capacity

Administrative Services

The Village of Clyde administration office is located at 4812 – 50 Street in Clyde. The village office is open from 9:30 a.m. to 4:30 p.m. on Monday to Thursday. The office does not close over lunch time in

order to meet the needs of those residents who wish to conduct business at that time. In addition to municipal services, the village provides photocopying services and free advertising to community groups.

The village has operational and administrative bylaws in place to address:

- establishment of the position of chief administrative officer;
- appointment of an assessor; and
- freedom of information and protection of privacy.

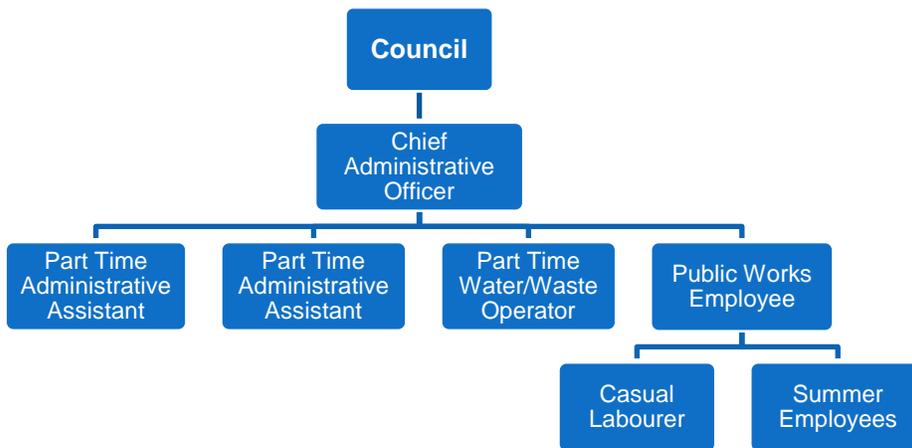
Human Resources

Municipalities are legislated to appoint a Chief Administrative Officer (CAO). Since the village was created in 1914 there have been 26 CAOs. In the seven years from 2006 to 2012, five individuals held the position of CAO. From March 2012 to June 2013, the village had an Interim CAO. As of July 2013, the village contracts part-time CAO services.

The Council Governance policy clarifies the roles and responsibilities of the council and the CAO and includes a performance appraisal form to be completed annually as part of the CAO annual appraisal process.

Chart 2, the Village of Clyde Organizational Chart, shows the structure of the village organization and the relationships between positions.

Chart 2: Village of Clyde Organizational Chart



The village contracts CAO services, employs one permanent full-time and three permanent part-time staff members, and contracts casual labour when required. In addition, the village employs part-time employees during the summer months.

There are job descriptions for all positions except the casual labourer and summer employees. During winter 2013 to 2014, the village chose not to fill the position of public works employee and instead to hire an independent contractor to grade and remove snow using village equipment when required.

Effective December 2009, the Village of Clyde Personnel Policy for Municipal Employees outlines an employee discipline process, working conditions, remuneration, vacation leave and statutory holidays, medical and insurance benefits, employee performance reviews, and educational training support.

Contracted Services

In addition to CAO services, the village contracts with private contractors for snow removal when required, animal control, assessment, and planning services.

Administrative Processes and Procedures

The administrative assistants cross-train to become knowledgeable of the village operations and services and to be able to assist and to fill in for each other when required.

Administrative responsibilities of the CAO include provision of administrative support to the Westlock Regional Water Services Commission.

The village has a retention of municipal records policy. The paper records are filed at the village office according to a pre-defined system. The village bylaws and minutes are kept in a fire-proof vault.

The village's electronic records are stored on computers in the village administration office. The village uses MIG financial software. Information technology hardware support is provided by a local company on an as needed basis.

4. Financial Stability

Council Practices

Council is provided with a budget variance report, bank records, and a cheque listing for approval at each council meeting.

Municipal Budget

The annual budget is a financial plan that details the sources of funding and the levels of spending required to provide the municipal programs and services to the community and to maintain infrastructure desired by residents, businesses, and ratepayers.

The municipal fiscal year is the calendar year. All municipalities in Alberta must adopt operating and capital budgets that detail the planned annual expenditures and expected revenues that are at least sufficient to pay the expenditures. This would be considered to be a balanced budget as required by the *Municipal Government Act*.

To prepare the village's operating and capital budgets, council holds committee meetings, prior to approval of the budgets at a regular council meeting.

Financial Position

At the end of each fiscal year, Alberta municipalities must prepare annual financial statements and those statements must be audited by an independent auditor, appointed by council, and submitted to Alberta Municipal Affairs by May 1 of the year following the year for which the financial information was prepared.

Key Measure	
<p>Has your municipality missed the legislated May 1 reporting date for the annual audited financial statements in each of the last 2 years?</p>	<p>→</p>
<p>No. The Village of Clyde did not miss the legislated May 1 reporting date for the annual audited financial statements in each of the last two years. Clyde's 2012 and 2013 financial statements were submitted on time.</p>	
Key Measure 10	Reference: Municipal Affairs, Financial Advisory Services

The independent auditor will express an opinion on the financial statements. An unqualified audit opinion indicates that the financial statements fairly present the financial position of the municipality at December 31. A “qualified, denied, or adverse opinion” would indicate concerns with matters contained in the financial statements.

The auditors found the village's 2013 annual consolidated financial statements to present fairly in their opinion.

Key Measure	
<p>Has your municipality received a “qualified audit opinion”, “denial of opinion” or an “adverse opinion” with respect to your most recent annual financial statements?</p>	<p>→</p>
<p>No. The Village of Clyde did not receive a “qualified audit opinion”, “denial of opinion” or an “adverse opinion” with respect to its 2013 financial statements.</p>	
Key Measure 3	Reference: Village of Clyde, 2013 Financial Information Return

As stated in the budget section of this report, municipalities must have a balanced budget. During the year the village may need to adjust its planned expenditures or it may realize more or less revenue than anticipated. As a result, certain years will end in a surplus while others result in a shortfall.

Key Measure	
<p>Has your municipality reported an accumulated deficit, net of equity in tangible capital assets, for the past three fiscal (calendar) years?</p>	<p>→</p>
<p>No. The Village of Clyde has maintained an accumulated surplus, net of equity in tangible capital assets, for the past three fiscal years.</p>	
Key Measure 1	Reference: Village of Clyde, 2011-2013 Financial Statements

Table 5 provides the operating surplus or deficit for the Village of Clyde from 2003 to 2013.

Table 5: Village of Clyde Operating Surplus or Deficit, 2003 - 2013

Fiscal Year	Operating Surplus/(Deficit)	Fiscal Year	Operating Surplus/(Deficit)
2013	Surplus \$55,447	2007	Surplus \$35,523
2012	Surplus \$217,975	2006	Surplus \$43,203
2011	Surplus \$228,360	2005	Surplus \$149,129
2010	Surplus \$123,612	2004	Surplus \$12,413
2009	Surplus \$36,108	2003	Deficit (\$60,031)
2008	Surplus \$153,957		

Revenues and Expenses

The Statement of Operations is part of the annual audited financial statement. Tables 6 and 7 show the operating revenues and expense amounts reported in the village's 2009 to 2013 annual audited financial statements.

Table 6: Operating Revenues for the Village of Clyde, 2009 - 2013

Revenue Source	2013	2012	2011	2010	2009
Net Municipal tax	\$279,023	\$307,637	\$319,296	\$312,145	\$302,656
User fees and sales of goods	\$244,173	\$227,993	\$197,370	\$183,914	\$184,530
Government transfers for operating	\$110,072	\$96,630	\$104,386	\$84,601	\$71,522
Licenses and permits	\$4,692	\$10,673	\$5,637	\$7,076	\$3,873
Penalties and costs on taxes	\$13,869	\$9,518	\$9,410	\$8,496	\$16,730
Investment income	\$6,609	\$2,414	\$1,319	\$16	\$207
Other	\$32,256	\$22,023	\$22,150	\$4,429	\$1,489
Total Revenue	\$690,694	\$676,888	\$659,568	\$600,677	\$581,007

Reference: Village of Clyde Audited Financial Statements
Note: Government Transfers excludes grants for capital purposes.

Table 7: Operating Expenses for the Village of Clyde, 2009 - 2013

Expense Type	2013	2012	2011	2010	2009
Council	\$18,360	\$16,599	\$21,004	\$34,117	\$28,416
Administration	\$180,384	\$126,107	\$117,062	\$164,253	\$140,810
Fire protection services	\$15,752	\$14,293	\$14,071	\$17,857	\$15,279
Bylaw enforcement	\$436	\$910	\$1,068	\$5,192	\$4,898
Roads, street, walks, lighting	\$139,881	\$86,863	\$70,811	\$111,510	\$112,831
Water supply and distribution	\$165,463	\$119,182	\$101,914	\$49,929	\$109,429
Wastewater treatment and disposal	\$28,486	\$19,685	\$15,566	\$44,123	\$33,303
Waste Management	\$35,363	\$31,927	\$30,077	\$23,566	\$26,564
Family and community support (FCSS)	\$4,355	\$3,484	\$2,639	\$3,074	\$4,545
Land use planning, zoning, development	\$6,399	-	-	\$867	\$21,220
Parks and recreation	\$36,405	\$40,163	\$56,996	\$27,561	\$42,620
Ambulance services (recovery)	-	-	-	(\$4,984)	\$4,984
Culture	\$2,163	-	-	-	-
Loss on disposal of tangible capital assets	\$1,800	-	-	-	-
Total Expenses	\$635,247	\$459,213	\$431,208	\$477,065	\$544,899

Reference: Village of Clyde Audited Financial Statements
Note: Excludes capital purchases and related amortization expense

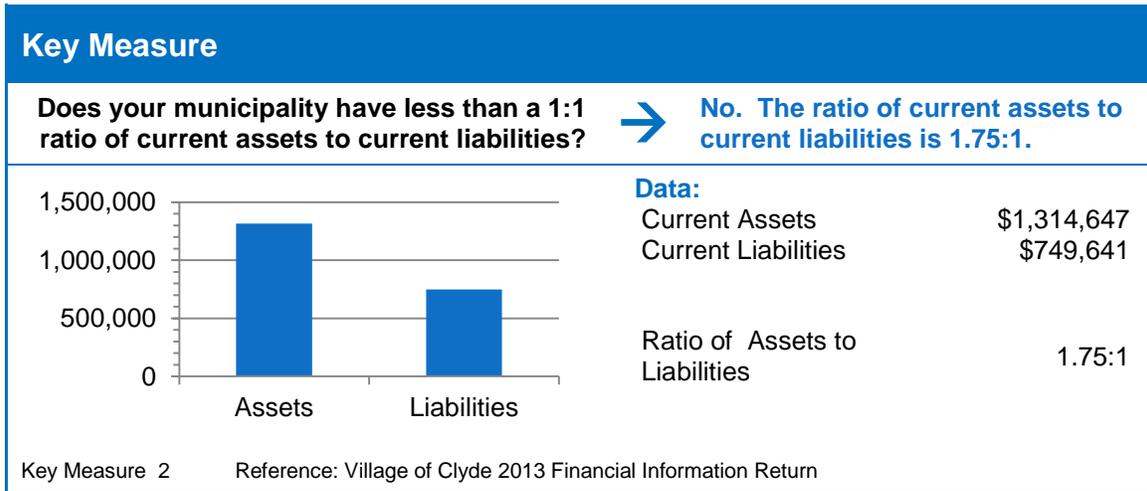
Financial Assets and Liabilities

The overall financial position of a municipality can be considered by reviewing two key amounts reported on the annual financial statements: Net Financial Assets (Debt) and Accumulated Surplus. Net Financial Assets (Debt) is equal to total financial assets less total liabilities. Table 8 shows the net financial assets for the Village of Clyde from 2009 to 2013.

Table 8: Net Financial Assets for the Village of Clyde, 2009 - 2013

	2013	2012	2011	2010	2009
Net Financial Assets (Net Debt) end of year	\$579,047	\$727,839	\$504,179	\$292,081	\$174,205

A positive result indicates that the municipality has some financial assets available to meet future liabilities. As of December 31, 2013, the Village of Clyde had \$579,047 in net financial assets.

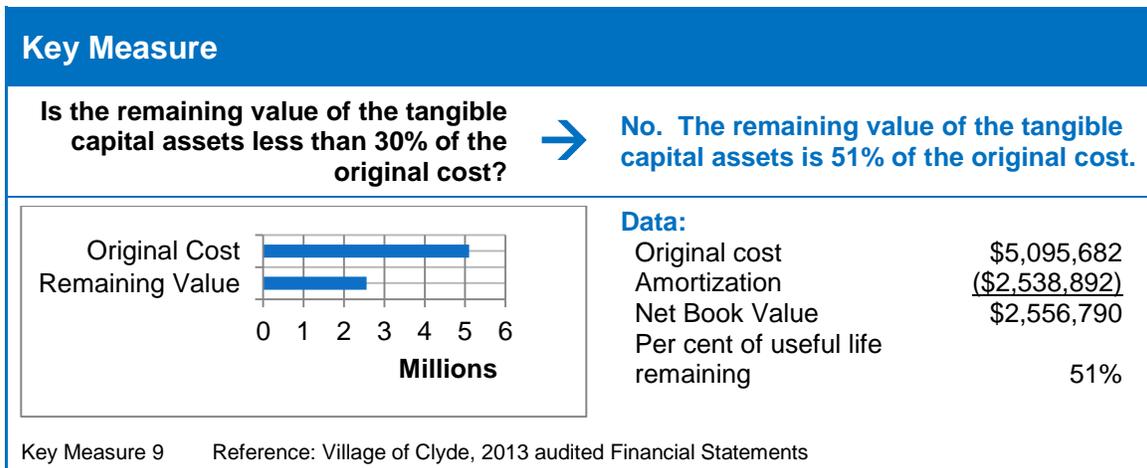


Accumulated Surplus

The accumulated surplus has three components unrestricted surplus, restricted surplus, and equity in tangible capital assets:

- Unrestricted surplus is the unallocated amount of excess revenue available for a future purpose;
- Restricted surplus is the amount that results from excess revenues that have been internally designated for a specified future purpose or are externally restricted; and
- Equity in Tangible Capital Assets is the net book value of tangible capital assets.

Village owned physical assets (tangible capital assets) include buildings, vehicles, underground infrastructure, and public works equipment. These assets are amortized over their expected useful life. Approximately 51 per cent of the useful life of the village’s capital assets remains.



The Municipal Finance Regulation requires that every municipality maintain a surplus, net of equity in tangible capital assets. This indicates that in general terms the municipality is managing within its financial means. Clyde has a positive result in each of the past five years as summarized in Table 9.

Table 9: Accumulated Surplus for Village of Clyde, 2009 - 2013

	2013	2012	2011	2010	2009
Unrestricted	\$420,283	\$515,658	\$334,466	\$200,739	\$141,855
Restricted	\$122,636	\$217,636	\$192,725	\$118,123	\$118,123
Accumulated Surplus net of Equity in TCAs	\$582,919	\$733,294	\$527,191	\$318,862	\$259,978

Municipal Revenue Sources

The Village of Clyde, like other municipalities in Alberta, has several different sources to generate revenue to fund municipal services. The primary source is property taxes. Other revenue sources include grants from the federal or provincial government, user fees on municipal services, development fees from the sale of development permits, and franchise fees, which are collected by utility providers based on a percentage of the utility bill and forwarded to the municipality.

Property Assessment and Taxation

Property assessment is the process of assigning a dollar value to property for taxation purposes. In Alberta, property is taxed “according to value”. This means that the amount of tax paid is based on the market value of the property. Each municipality is responsible for ensuring that each property owner pays his or her share of taxes. Property assessment is the method used to distribute the tax burden among property owners in a municipality.

Often the terms “assessment” and “taxation” are considered interchangeable. However, assessment and taxation are very different. Although one affects the other, each is a distinct and independent process.

- “Assessment” is the process of estimating a dollar value on a property for taxation purposes.
- “Taxation” is the process of applying a tax rate to the assessed value of a property to determine the taxes payable by the owner of that property.

Equalized Assessment

In Table 10, the equalized assessment for the Village of Clyde is provided.

Table 10: Equalized Assessment for Village of Clyde, 2010 - 2014

Year	Residential	Farmland	Non-Regulated Non-Residential ¹	Linear ²	Total Assessment
2014	\$26,803,443	\$3,800	\$993,572	\$655,690	\$28,456,505
2013	\$27,067,008	\$3,800	\$1,069,735	\$665,000	\$28,805,543
2012	\$27,950,434	\$4,450	\$959,050	\$758,430	\$29,672,364
2011	\$25,949,950	\$4,450	\$954,818	\$761,050	\$27,670,268
2010	\$26,852,564	\$4,450	\$757,731	\$867,770	\$28,482,515

Notes:
 1. Non-Regulated Non-Residential assessment refers to all non-residential properties, excluding farmland, linear property, machinery and equipment, and railway property.
 2. Linear assessment refers to the assessment of oil and gas wells, pipelines to transport petroleum products, electric power systems (generation, transmission, and distribution facilities), telecommunication systems (including cellular telephone systems), and cable television systems.

Equalized assessment is a means of comparing property wealth among municipalities. The assessed values of all properties in Alberta are brought to a common level, which is used for cost-sharing programs such as education funding. The value is calculated by Alberta Municipal Affairs and it may differ from the assessment found in the municipal tax bylaw.

The 2014 equalized assessment base in Clyde is comprised of 94 per cent residential assessment and six per cent non-residential assessment. The ratio for all villages in Alberta is 83 per cent resident and 17 per cent non-residential. This means that the ratio of residential to non-residential assessment in Clyde is greater than the average ratio for villages in Alberta and that the Village of Clyde is more dependent on raising taxes from residential properties than other villages.

For 2014, the equalized property assessment of all taxable properties in Clyde is \$28,456,505. In 2010, the equalized assessment was \$28,482,515

Key Measure

Has your municipality's non-residential assessment base declined over the past 10 years? → **No. The 2013 non-residential assessment base is \$592,804 higher than in 2003.**

Year	Assessment (Millions)
2003	\$1,141,931
2013	\$1,734,735

Data:

2003	Non-residential assessment	\$1,141,931
2013	Non-residential assessment	\$1,734,735

Increase in non-residential assessment **\$592,804**

Note:
Non-residential assessment includes linear property assessment.

Key Measure 6

Property Taxes

Municipal property taxes are calculated by multiplying the assessed value of a property by the tax rates. Municipalities levy property taxes for municipal purposes and to fund requisitions from other governing bodies. The Village of Clyde is requisitioned for funding for education purposes by the Alberta School Foundation Fund (ASFF) and for social housing by the Westlock Foundation. The village sets separate tax rates to levy taxes for municipal purposes and to fund the requisitions.

The Village of Clyde:

- has a minimum municipal tax of \$700;
- does not have local improvement tax levies, (additional charges on the property tax bill for approved local improvements affecting specific properties in the village);
- offers a payment plan for property owners to pay property taxes in twelve equal payments without penalty; and
- charges tax penalties on late payments of: four per cent on the current taxes unpaid on July 1, eight per cent on August 1, and an additional fifteen per cent on the total outstanding balance on January 1 of the year after the tax levy.

The following table provides the village's 2014 property tax rates and the amount of property tax that property owners could have expected to pay in 2014 based on assessments of sample properties in the Village of Clyde.

Table 11: Municipal Property Taxes Based on Sample Properties in Clyde, 2014

Property Assessment Values				
Assessment Class	Residential			Commercial
Assessed Value	\$80,000	\$160,000	\$240,000	\$200,000
Property Tax Rates				
Municipal Purpose	9.0	9.0	9.0	18.0
ASFF (School)	2.53275	2.53275	2.53275	3.72217
Westlock Foundation	0.683172	0.683172	0.683172	0.683172
Total	12.215922	12.215922	12.215922	22.405342
Property Taxes				
Total Taxes	\$977	\$1,955	\$2,932	\$4,481

Property taxes are used to finance local programs and services such as road construction and maintenance, parks and leisure programs and facilities, and fire protection. The tax rates and the revenue the village proposed to raise from property taxes in the six-year period from 2009 to 2014 are provided in Table 12.

Table 12: Property Tax Rates and Property Taxes Levied by the Village of Clyde, 2009 - 2014

Year	Population	Residential Tax Rate	Non-Regulated Non-Residential and Linear Tax Rate	Revenue from Municipal Property Tax
2014	503	9.0	18.0	\$316,609
2013	503	8.5	18.0	\$298,741
2012	503	8.5	18.0	\$297,208
2011	493	9.5	18.0	\$320,455
2010	493	9.5	18.0	\$316,343
2009	493	9.5	18.0	\$304,055

Reference: Village of Clyde Tax Rate Bylaws

The municipal tax rates and taxes levied have remained relatively stable in the past five years.

In the following Tables 13 and 14, the 2014 property taxes for residential and non-residential properties for the Village of Clyde are compared with the neighbouring municipalities in the region and with the sample group of municipalities with similar population in Alberta.

These are simple comparisons of the municipal tax rates and the total amount of municipal taxes raised. Property taxes are dependent upon the assessed value of a property. Differences in non-residential assessment, tax rates for different assessment classes (such as vacant land), minimum taxes, and local improvement levies or special taxes are not taken into consideration in these tables.

Table 13: Property Tax Rates and Property Taxes Levied in the Village of Clyde and Neighbouring Municipalities, 2014

Municipality	Population	Residential Municipal Tax Rate	Non-Residential Municipal Tax Rate	Total General Municipal Taxes Levied
Village of Clyde	503	9.0000	18.0000	\$318,609
Town of Westlock	4,823	8.2692	18.3298	\$5,819,746
Westlock County	7,644	4.2798	24.5575	\$10,257,017

Reference: 2014 Municipal Tax Rate Bylaws

Table 14: Property Tax Rates and Property Taxes Levied in the Village of Clyde and Municipalities with Similar Population, 2014

Municipality	Population	Residential Municipal Tax Rate	Non-Residential Municipal Tax Rate	Total General Municipal Taxes Levied
Village of Irma	457	8.21503	13.27486	\$530,040
Village of Berwyn	526	11.39100	27.52600	\$522,719
Village of Breton	581	8.72999	11.66317	\$467,821
Village of Foremost	526	10.68210	10.68210	\$452,206
Village of Ryley	497	9.50140	18.07490	\$451,032
Village of Glendon	486	7.10000	23.52000	\$408,747
Village of Caroline	501	11.57650	11.79090	\$392,255
Town of Stavely	505	6.48200	8.25900	\$337,263
Village of Clyde	503	9.00000	18.00000	\$318,609

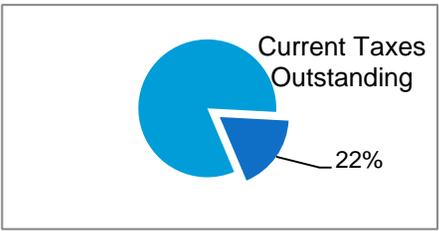
When compared to the neighbouring municipalities and to the municipalities of similar population, Clyde generates the lowest amount of property taxes.

The Village of Clyde triggered one of the ten key measures for municipalities. At the end of the 2013 fiscal year, the Village of Clyde had 22 per cent of its current property tax reported as unpaid.

The village has taken steps to address this issue. In March 2014, the village started the tax recovery process in respect to the parcels of land in Clyde, which had tax arrears for more than one year, by preparing a tax arrears list pursuant to the tax recovery process outlined in the *Municipal Government Act*.

Key Measure

Does your municipality have more than 5 per cent of current property tax unpaid for the most recent completed fiscal year? → **Yes. The village had 22 per cent of current property tax unpaid for the 2013 tax year.**



A pie chart with a small slice removed, representing 22% of the total. The slice is labeled '22%' and the remaining part is labeled 'Current Taxes Outstanding'.

Data:

Tax Receivables	\$60,471
Taxes Assessed for 2013	\$279,023

Notes:
Tax receivables are the amount of current taxes owing from property owners to the village at the end of the tax year (December 31, 2013).

Key Measure 7 Reference: Village of Clyde, 2013 Financial Information Return

Borrowing and Debt

Municipalities are permitted to borrow funds and incur debt for municipal projects. Municipal borrowing activities, including the total amount of borrowing allowed, and the amount of annual debt servicing costs as a percentage of municipal revenues, are legislated in the *Municipal Government Act*, and the Debt Limit Regulation.

The debt limit is the maximum amount of money that can be borrowed by the municipality for municipal projects as defined in the Debt Limit Regulation. The debt service limit is the maximum amount of money

that can be spent in a financial year by a municipality to repay the principal and interest of debt the municipality holds. When a municipality borrows, the annual payments can be funded through general revenues, including property taxes, and user fees.

Based on the 2013 revenues of the village, the village is eligible to borrow up to \$1,036,041 with debt servicing not to exceed \$172,674 annually. As of December 31, 2013, the village did not have any outstanding debt.

Key Measure			
Has your municipality reached 80% of its debt or debt service limit?		➔	No. The village has not reached 80% of its debt or debt service limit.
Data:			
Current Debt Service	\$0	Current Debt	\$0
Debt Service Limit	\$172,674	Debt Limit	\$1,036,041
80% of Debt Service Limit	\$138,139	80% of Debt Limit	\$828,832
Key Measure 4	Reference: Village of Clyde, 2013 Financial Statements		

User Fees

User fees are the costs a consumer pays for a service or program. For some services such as utility services, municipalities are encouraged to fund the service fully through user fees. This is referred to as full cost recovery. For other services and programs, such as a municipal swimming pool, the user fees the municipality would be required to charge to break even would be so high that residents would not use the service, so municipalities chooses to subsidize the fees with other revenues including property taxes. User fees for utility services are detailed in the Services Delivery section of this report.

The village reviews utility rates annually as part of the budget process. The village has not adopted a full cost recovery policy regarding utility rates.

Grants

Provincial and federal grants are another form of revenue for municipalities, depending on those programs' eligibility and funding requirements.

Table 15 summarizes government grants received by the Village of Clyde in the provincial fiscal year April 1, 2012 to March 31, 2013.

Table 15: Provincial/Federal of Alberta Grants to Clyde, 2012/2013

Government of Alberta Grant Program	Funding
Basic Municipal Transportation Grant	\$29,580
Family and Community Support Services Program	\$11,611
Federal Gas Tax Fund	\$50,000
Municipal Sustainability Initiative – Capital Funding	\$168,992
Municipal Sustainability Initiative – Conditional Operating Funding	\$93,360
Summer Temporary Employment Program (Municipal Component)	\$2,070
Total	\$355,613
Reference: Municipal Grants Web Portal	

Table 16 summarizes funding allocated to the Village of Clyde under the Municipal Sustainability Initiative (MSI) administered by Municipal Affairs.

Table 16: Municipal Affairs MSI Grant Allocations to Clyde, 2007 - 2014

Year	Capital	Operating	Total MSI Allocation
2007	\$43,904	\$1,379	\$45,283
2008	\$55,925	\$57,759	\$113,684
2009	\$45,548	\$62,549	\$108,097
2010	\$166,482	\$81,352	\$247,834
2011	\$167,686	\$100,200	\$267,886
2012	\$168,992	\$93,360	\$262,352
2013	\$168,791	\$108,872	\$277,663
2014	*\$205,269	\$61,446	\$266,715
Total	\$1,022,597	\$566,917	\$1,589,514

* The Basic Municipal Transportation Grant (BMTG) was transferred to Municipal Affairs in 2014 and consolidated under the MSI capital program. The BMTG component of Clyde's 2014 MSI capital allocation is \$30,180.

Since the MSI was announced in 2007, the Village of Clyde has been allocated a total of \$1,589,514: \$1,022,597 under the MSI the capital component and \$566,917 under the MSI operating component.

MSI grant allocations are based in part on the population of a municipality in addition to education tax requisitions and kilometres of roads. Municipalities with populations under 10,000 and limited local assessment bases, such as the Village of Clyde, also receive Sustainable Investment funding as part of their MSI operating allocation.

In 2013, the Government of Alberta announced that the funding focus over the next years will shift away from operational support towards municipal collaboration. The phase out of MSI operating funding was initiated with a reduction from \$50 million to \$30 million in 2014, to be followed by a reduction from \$30 million to \$15 million in 2015, and discontinuation in 2016. Any decision to alter the phase out period for MSI operating will become apparent in the 2015-16 Budget.

This gradual reduction of MSI operating takes place over three years to allow municipalities to adjust their plans and budgets. The village may need to find alternate sources of revenue to continue its current programs and services as MSI operating grant accounted for \$108,872 (16 per cent) of the village's total municipal operating revenues in 2013. Tables 17a and 17b summarize the village's MSI operating funding commitments.

Table 17a: Village of Clyde Accepted MSI Operating Projects, 2007 - 2011

Year	Project Description	Accepted Amount	Status
2007	Support salary and training expenses of administrative staff.	\$1,379	Completed
2008	Purchase computers for the administration office and support staff salary and training expenses.	\$57,759	Completed
2009	Hire an engineering firm to provide an evaluation of the municipal water and sanitary systems.	\$50,000	Completed
2009	Hire a consultant to develop a municipal sustainability plan.	\$9,049	Completed
2009	Contract bylaw enforcement services from Westlock County.	\$3,500	Completed
2010	Support the fuel and maintenance expenses of the Westlock and District Transportation transit system.	\$1,408	Completed
2010	Hire a consultant to develop a disaster services emergency plan with the County of Westlock.	\$1,500	Completed

2010	Support the leadership training of staff and council and purchase software upgrades and a multi-functional printer with fax and photocopier.	\$15,000	Completed
2010	Support the utility and insurance expenses of the water treatment facility.	\$14,000	Completed
2010	Contract an animal control officer and bylaw enforcement services from the County of Westlock.	\$8,500	Completed
2010	Support the utility and insurance expenses of, and purchase dispatch radios for, the Clyde Volunteer Fire Department.	\$11,100	Completed
2010	Support the utility, insurance and maintenance expenses of the outdoor skating rink.	\$8,500	Completed
2010	Support the utility expenses of sanitary operations and replace a lift station pump.	\$8,909	Completed
2011	Hire a contractor to provide solid waste management services.	\$25,000	Completed
2011	Support the operating expenses of the Clyde Fire Department.	\$14,265	Completed
2011	Hire a contractor to clean the water treatment plant and repair water line breaks.	\$6,769	Completed
2011	Hire a contractor to maintain sanitary sewer lines and the sewage lagoon.	\$11,000	Completed
2011	Purchase water from the Westlock Regional Water Services Commission.	\$46,000	Completed
Total ¹		\$293,638	

1. * Total may be greater than the annual MSI operating allocation as municipalities may use their current year's allocation plus any unexpended carry forward funds from the previous program year.

In 2012, the MSI Operating Program Spending Plan replaced the MSI Conditional Operating Project Application. Municipalities are now required to submit a single spending plan per year with funding applied to functional categories (of common municipal expenditures) rather than to individual projects.

Table 17b: Village of Clyde Accepted MSI Operating Spending Plans, 2012 - 2014

Year	Functional Category	Accepted Amount
2012	Water	\$101,682
2012 Total ¹		\$101,682
2013	Planning and Development	\$6,000
	Roads and Bridges	\$92,872
	Water	\$10,000
2013 Total ¹		\$108,872
2014 ²	Planning and Development	\$6,500
	General Administration	\$11,700
	Municipal Buildings and Administration	\$10,800
	Parks, Sport, and Recreation	\$6,200
	Roads and Bridges	\$7,746
	Wastewater	\$5,500
	Water	\$8,500
	Staff Development	\$4,500
2014 Total ¹		\$61,446
<p>1. Total may be greater than the annual MSI operating allocation as municipalities may use their current year's allocation plus any unexpended funds carried forward from the previous program year.</p> <p>2. The 2014 spending plan has been recommended to the Minister for acceptance but not yet formally approved.</p>		

Table 18 summarizes how the village proposed to spend its MSI capital grant allocations and the list of accepted projects.

Table 18: Proposed Village of Clyde Approved MSI Capital Projects, 2011 - 2014

Year	Accepted Projects	Accepted MSI Amount	Status
2011	Install a water main along a portion of Highway 18 to tie into the existing water distribution system	\$100,814	In Progress
2011	Pave a portion of 49 Street and rehabilitate a portion of 52 Avenue	\$47,033	Completed
2012	Purchase and install water meters	\$66,000	In Progress
2012	Pave portions of several roads	\$246,981	Completed
2013	Pave a portion of 47 Avenue and 51 Street	\$421,000	Not Started
2014	Upgrade the water treatment plant	\$320,000	Not Started
Total		\$1,201,828	

Note: Information is current as of August 25, 2014.

Municipalities are required to submit an Annual Statement of Funding and Expenditures report by May 1 for the previous year’s MSI expenditures. The Village of Clyde is current with its reporting.

In addition to MSI, the Village of Clyde received grant funding from Alberta Transportation to address its infrastructure needs (see Table 19).

Table 19: Other Grant Funding Allocated to the Village of Clyde for Infrastructure Projects, 2010 - 2013

Year	Basic Municipal Transportation Grant	Federal Gas Tax Fund	Total Grant Funding from Alberta Transportation
2010/11	\$29,580	\$50,000	\$79,580
2011/12	\$29,580	\$50,000	\$79,580
2012/13	\$29,580	\$50,000	\$79,580
2013/14	\$30,180	\$50,000	\$80,180

1. In 2010/11 the Streets Improvement Program was consolidated under the Basic Municipal Transportation Grant (BMTG). In 2014, the BMTG was transferred to Municipal Affairs and funding allocated under the MSI capital (see Table 16)

According to the Village of Clyde audited financial statements as of December 31, 2013, the village had \$702,118 in deferred grant revenue from: MSI capital grants (\$492,358), Federal Gas Tax (\$150,000), and the Basic Municipal Transportation Grant (\$59,760) for future capital projects in Clyde.

Key Measure

Based on the annual audited financial statements, have provincial and federal grants accounted for more than 50% of your municipality’s total revenue in each of the past three fiscal (calendar) years?



No. Provincial and federal grants accounted for 37 per cent of village revenue in 2011, 39 per cent of village revenue in 2012, and 16 per cent of village revenue in 2013.

Key Measure 5 Reference: Village of Clyde 2013 Financial Statements

5. Infrastructure

Municipal Infrastructure

According to the Village of Clyde 2013 statistical information return, the village operates and maintains:

- 15 kilometres of water mains,
- 12 kilometres of wastewater mains, and
- nine kilometres of roads.

Water Distribution System

In 2010, the village used MSI operating grant funds to contract engineers to develop a water distribution system master plan to evaluate the existing water distribution network, identify any system deficiencies and upgrade requirements, and make recommendations required to service future growth. The report recommends:

- system maintenance work be conducted;
- upgrades to improve fire flows and to ensure security of supply for the entire village including:
 - a new water main and use of 200 mm pipe for looping - estimated cost of \$1 million;
 - a new fire pump - estimated cost of \$225,000; and
- decommissioning and removal of the existing water tower.

The village has been approved by the Minister to use MSI capital grant funds to install a water main along a portion of Highway 18 to tie into the existing water distribution system for the waterline looping project (\$100,814) and to install remote water meters (\$66,000).

Wastewater Collection System

In 2011, the village contracted engineers to provide an evaluation of the capacity of the existing wastewater collection system network, including lift station, and lagoon capacities.

The evaluation estimated the capacity of the village's existing wastewater collection system to be adequate for wet and dry weather flow conditions, and no capacity related upgrades were recommended. Recommendations in the report to upgrade the current system include:

- replacement of pump at Lift Station 1 (completed) – estimated cost \$20,000; and
- rehabilitation of the southeast sanitary sewer system which is too shallow and freezes in the winter – estimated cost \$1.9 million.

Recommendations in the report for construction and upgrading required to service ultimate development include:

- Lift Station 2 pump upgrades – estimated cost \$200,000;
- twinning of 250 mm lagoon outfall sewer with 300 mm pipe to accommodate development in the future west and east lands – estimated cost \$500,000;
- twinning with a 250 mm pipe to service future west land - at the developers expense;
- capacity upgrades to the lagoon for full build-out of existing development, as well as ultimate development; and
- new lift station for future east development at the developer's expense.

Transportation – Road Networks, Streets, and Sidewalks

The Village of Clyde has approximately nine kilometres of paved and gravel roads within its municipal boundaries. The village is responsible for the construction and maintenance of the roads. This includes road and pothole repairs, dust control, and snow clearance. The village contracts dust control and snow clearance services.

In 2006, the village contracted consulting and testing engineers to conduct a geotechnical investigation and pavement investigation to determine the appropriate construction method for upgrading/rehabilitating the existing roadways in the village.

The following is a list of the roadways recommended in the report for reconstruction and their recommended roadway classification:

- 49 Street (completed) – from 50 Avenue to 56 Avenue – Major Collector
- 52 Avenue – from west of 51 Street to 49 Street - Major Collector
- 51 Street – from 47 Avenue to 52 Avenue – Minor Collector
- 50 Avenue – from east of 47 Street to 49 Street – Minor Collector
- 47 and 48 Street – from 47 Avenue to 50 Avenue – Local Residential

The village used MSI capital grants to pave a portion of 49 Street (\$47,033) and rehabilitate a portion of 52 Avenue in 2011 and to pave portions of several roads in 2012 (\$247,000).

6. Service Delivery

Utility Rates and Services

Utility services in the village are funded through bi-monthly fees charged to customers. Utility rates are reviewed annually as part of the budget process. The village's goal is to make utilities self-sufficient. In 2012 the utility revenues fully funded the expenses as reported in the village's 2012 financial information return to Municipal Affairs.

From 2007 to 2012, the village used \$213,460 in MSI operating grant monies to partly fund utility services including to:

- support the utility and insurance expenses of the water treatment facility;
- support the utility expenses of sanitary operations and replace a lift station pump;
- hire a contractor to provide solid waste management services;
- hire a contractor to clean the water treatment plant and repair waterline breaks;
- hire a contractor to maintain sanitary sewer lines and the sewage lagoon; and
- purchase water from the Westlock Regional Water Services Commission.

As stated in the Grants section of this report, the village will no longer receive an MSI operating grant in 2016 and may need to find an alternate source of revenue to continue with the same activities. This means that utility rates may increase.

The Financial Information Returns submitted to Municipal Affairs indicate that the total utility revenues and expenditures in 2010, 2011, and 2013 resulted in a deficit and in 2012 generated a surplus as summarized in Table 20. Deficits are funded through general revenues (property taxes). Surpluses may be transferred to general revenues or to reserves to fund maintenance of infrastructure, emergency repairs, and capital projects in the future.

Table 20: Overall Utility Balances, 2010 - 2013

Year	Revenue	Expenses	Surplus/Deficit
2013	\$195,746	\$264,254	(\$58,508)
2012	\$227,396	\$204,555	\$22,841
2011	\$168,741	\$204,912	(\$36,171)
2010	\$209,542	\$213,026	(\$3,484)

Reference: Village of Clyde Financial Information Returns (FIR) to Municipal Affairs

Water Services

The village is responsible for the operation and maintenance of the Clyde water distribution system. Water is purchased from the Westlock Regional Water Services Commission.

Water meters are installed on properties in Clyde and customers are charged for water based on actual usage. In 2014, the Westlock Regional Water Services Commission increased the cost of water to the village. The increase in cost was passed on to the consumer through the village water utility rate. The bi-monthly water utility rates, as of March 1, 2014, are summarized in Table 21.

Table 21: Village of Clyde Bi-monthly Water Utility Rates, 2014

Location	Base Rate	Cost of Water per Cubic Meter
Within Corporate Limits	\$40.00	\$2.70
Outside Corporate Limits	\$60.75	\$2.70

From 2010 to 2013, the village subsidized the operation of the water utility with \$177,769 of the MSI operational grant funding as summarized in Table 22.

Table 22: Water Utility Projects Funded with MSI Operating Grant Funding, 2010 - 2013

Year	Project	Amount
2010	utility and insurance expenses of the water treatment plant	\$14,000
2011	Cleaning of water treatment plant and repair of waterline breaks	\$6,769
2011	purchase of water from the commission	\$46,000
2012	*water	\$101,000
2013	*water	\$10,000
Total		\$177,769

Note: As of 2012 municipalities submit a spending planning stating the functional category the funding will be applied and not the individual project.

As summarized in Table 23, the water utility revenue from utility rates and the related expenses resulted in a deficit in 2011 and 2013 and generated a surplus in 2010 and 2012.

Table 23: Village of Clyde Net Revenue for Water Services, 2010 - 2013

	2013	2012	2011	2010
Water Revenues	\$138,882	\$163,028	\$110,120	\$151,494
Water Expenses	\$186,654	\$139,193	\$145,612	\$131,772
Net Revenue	(\$47,772)	\$23,835	(\$35,492)	\$19,722

Wastewater Services

The village is responsible for the operation and maintenance of the Clyde wastewater collection system and sewage lagoon.

The bi-monthly residential and commercial wastewater utility rate is 35 per cent of the cost of the metered water usage with a minimum charge for \$19.00.

From 2010 to 2013, the village subsidized the operation of the wastewater utility with \$19,909 of the MSI operational grant funding as summarized in Table 24.

Table 24: Wastewater Utility Projects Funded with MSI Operating Grant Funding, 2010 - 2011

Year	Project	Amount
2010	support the utility expenses of sanitary operations and replace a lift station pump	\$8,909
2011	hire a contractor to maintain sanitary sewer lines and the sewage lagoon	\$11,000
Total		\$19,909

As summarized in Table 25, the wastewater utility revenues and expenses resulted in a deficit in 2010, 2011, 2012, and 2013 that was subsidized from general revenues.

Table 25: Village of Clyde Net Revenue for Wastewater Services, 2010 - 2013

	2013	2012	2011	2010
Wastewater Revenues	\$32,851	\$31,778	\$24,745	\$22,067
Wastewater Expenditures	\$42,237	\$33,434	\$29,223	\$57,688
Net Revenue	(\$9,386)	(\$1,656)	(\$4,478)	(\$35,621)

Solid Waste Management Services

The village is a member of the Westlock Regional Waste Management Commission and contracts services for weekly curb side garbage pick-up and bi-weekly recycle pick-up for transportation to the commission site.

Household waste disposal and recycling is available to Clyde residents at the landfill transfer sites operated by the Westlock Regional Waste Management Commission.

In 2011, the village used \$25,000 of the MSI operational grant funding to hire a contractor to provide solid waste management services.

Waste management in the village is funded through bi-monthly fees charged to each customer. The bi-monthly solid waste management fees, as of March 1, 2014, are summarized in Table 26.

Table 26: Village of Clyde Bi-Monthly Solid Waste Management Fees, 2014

	Residential Property	Non-Residential Property
Solid Waste	\$19	\$21
Recycling	\$4.35	\$4.32
Landfill Fees	First 500 kilograms at no charge, and \$0.10 per kilogram after 500 kilograms	

As summarized in Table 27, the waste management utility generated a surplus from 2010 to 2012 and in 2013 generated a deficit that was subsidized from general revenues.

Table 27: Village of Clyde Net Revenue for Waste Management Services, 2010 - 2013

	2013	2012	2011	2010
Waste Management Revenues	\$34,013	\$32,590	\$33,876	\$35,981
Waste Management Expenses	\$35,363	\$31,928	\$30,077	\$23,566
Net Revenue	(\$1,350)	\$662	\$3,799	\$12,415

Road and Sidewalk Maintenance

The village is responsible for the maintenance of the nine kilometers of roads and the sidewalks in the village. The village maintains, grades, and clears snow from roadways as required.

The village does not have transportation bylaws or policies to address road and sidewalk maintenance or snow clearance.

In 2013, the Minister gave approval for the village to use \$92,872 of MSI operational grant funding for road (maintenance) projects.

Land-Use Planning and Development

Land-use planning in the Village of Clyde is governed by the village’s Land-Use Bylaw No. 2008-10 adopted on October 20, 2008 and as amended in subsequent amending bylaws.

Planning services are contracted from Municipal Planning Services when required. An administrative assistant is designated as the village development officer. It is the responsibility of the village’s designated development officer to issue development permits. The village issued 12 development permits in 2011, 12 in 2012, and 21 in 2013. Development permit fees range from \$50 for a single family dwelling to \$300 for a commercial/industrial development.

According to the Integrated Community Sustainability Plan, the village planned to develop a Municipal Development Plan (MDP) in 2010 at a budgeted cost of \$30,000 and to review and revisit the plan on a three year cycle. Staff resources were to be provided to oversee the implementation of the MDP activities. Pursuant to Section 632 of the *Municipal Government Act*, municipalities with a population less than 3,500 are not required to have an MDP. To date, the village has not developed an MDP.

Economic Development

The village is a member of GROWTH Alberta, a regional economic development alliance that supports sustainable regional growth.

According to the village’s 2009 to 2018 Integrated Community Sustainability Plan, the village plans to pursue opportunities to attract and retain commercial development. Two businesses lease space in the village complex.

Businesses operating within the village are required to have a business license in accordance with the village’s business license bylaw. The cost of a resident business license is \$50 and a non-resident business license \$100. The number of business licenses issued by the village from 2009 to 2013 is provided in the following table:

Table 28: Business Licenses Issued by the Village of Clyde, 2009 - 2013

	2013	2012	2011	2010	2009
Business Licenses Issued	16	26	25	26	14

Policing and Bylaw Enforcement

The village has a collection of bylaws regulating activities and services within the municipality. Some of the actively enforced bylaws include bylaws concerning animal control, untidy and unsightly premises, and business licensing within the municipality. As of February 2014, the village contracts animal control services.

Policing for the Village of Clyde is provided by the RCMP from the Westlock detachment.

7. Community Well-being

Demographics

Some provincial and federal grant funding to municipalities is based on the population of the municipality. When the result of a federal census indicated a decrease in population, the village conducted a municipal census the following year as indicated in the following table.

Table 29: Population of Clyde, 1992 - 2013

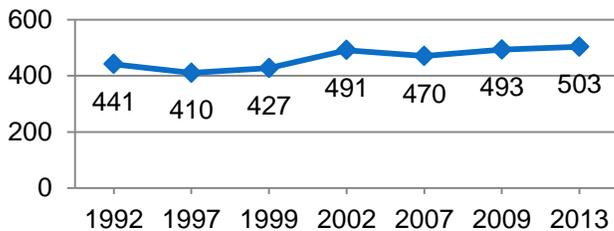
Years	Based On	Population
1992 - 1996	1991 Federal Census	441
1997 - 1998	1996 Federal Census	410
1999 - 2001	1999 Municipal Census	427
2002 - 2006	2001 Federal Census	491
2007 - 2008	2006 Federal Census	470
2009 - 2011	2009 Municipal Census	493
2012 - 2013	2011 Federal Census	503

Key Measure

Has your municipality experienced a decline in population of the municipality over the last 20 years?



No. The population of the Village of Clyde increased 14% over the last 20 years.



Data:

2013 Population	503
1992 Population	441
Change in Population from 1992 to 2013	62 (+14%)

Key Measure 8 Reference: Alberta Municipal Affairs, Alberta Population Lists

According to the 2011 Federal Census, 79 per cent of the population of Clyde is over the age of 15 compared with 81 per cent of the population of all of Alberta as shown in Table 30.

Table 30: Age Profile of the Village of Clyde, 2011

Age Range	Number of Residents
0-19	150
20-54	230
55+	130

Note: The numbers are rounded based on Statistics Canada's census standards.

Community Groups

There is a strong sense of community pride in Clyde. Events organized by village community groups include the summer solstice celebration, volunteer recognition, a Santa Claus parade, and monthly suppers and birthday celebrations. The Village of Clyde provides financial support to community groups as part of the annual budget process.

Clyde and District Agricultural Society

The Clyde and District Agricultural Society's mission is to improve the quality of life for urban and rural residents within its agricultural community by providing facilities, activities, and events. Annually, the agricultural society hosts volunteer appreciation for volunteers in the community. The agricultural society owns and operates the Clyde Community Hall, owns the curling rink that is leased to the Clyde Curling Club, and jointly owns and operates, with the Village of Clyde, the ball diamonds that are used by Clyde Minor Ball.

Clyde Senior Drop-in Centre

The Clyde Senior Drop-in Centre has an elected board that makes decisions for the group. The group hosts a senior supper and birthday celebration supper each month and rents out its facility upon request.

Parks and Recreation

The Clyde Parks and Play Committee is an active community group. It is a separate entity from the village council. The committee's mandate is to provide the village with beautification, recreational parks, playgrounds, and other projects through volunteers, fundraisers, grant money, and some matching funds contributions of the village. A councillor is appointed to represent the village on the committee. Volunteers maintain the village park and campground.

Library Services

At the November 2012 council meeting, council approved the Village of Clyde becoming a member of the Yellowhead Regional Library system. This means that although the Village of Clyde does not have a municipal library, Clyde residents may access library services at any of the system libraries. The closest library is in the Town of Westlock.

Family and Community Support Services

Family and Community Support Services (FCSS) is a unique 80/20 funding partnership between the Government of Alberta and participating municipalities.

Westlock County, the Town of Westlock, and the Village of Clyde have a joint FCSS program, the Westlock and District Family and Community Support Services. A village councillor is a member of the FCSS board. Village residents may access FCSS programming in the Town of Westlock. Services include parenting classes, counselling, and home support for seniors.

Housing Services

The Village of Clyde is a member of the Westlock Foundation. In 2014, the housing authority requisition from the village was \$19,770. Village property owners fund this requisition through property taxes.

8. Risk Management

Emergency Services

Emergency management services for the Village of Clyde are administered by Westlock County. A councillor represents the village on the Westlock County Emergency/Disaster Services Committee. The village has filed an emergency management plan with the Province of Alberta

A councillor is appointed to represent the village on the village's volunteer fire department, the Clyde Volunteer Fire Department. Westlock County manages the fire department, trains the Clyde volunteer firefighters, and contributes 50 per cent of the cost of utilities for the village fire hall.

It is estimated that 95 per cent of calls responded to by the Clyde Volunteer Fire Department are for incidents outside of the village.

Risk Mitigation

The village does not have a risk mitigation plan to address the loss of critical community resources such as labour or major industries.

How You Can Contribute To the Viability Review

The Initial Findings Report provides members of the Clyde community with the information that the Viability Review Team has analyzed and reviewed so far. Residents, stakeholders, and members of the public are asked to participate in the next phase of the viability review where they can contribute to the Viability Review Team's determination of the viability of the Village of Clyde.

Considerations for Stakeholder Input

The Viability Review Team needs additional information from stakeholders to assist in making a viability determination. The team asks residents, property owners, and other stakeholders to review the Initial Findings Report and consider the following questions:

1. What is important about Clyde being a village?
2. What should the top priorities for the Village of Clyde be?
3. Are the property taxes and utility rates in Clyde reasonable for the current service levels?
4. What other viability issues should the Viability Review Team be analyzing? and
5. Do you consider the Village of Clyde to be viable?

Ways to contribute to the viability review

Residents, concerned stakeholders, and members of the public can contribute to the Village of Clyde Viability Review in the following ways:

➤ **Participate in a stakeholder engagement event hosted by the Viability Review Team.**

On Thursday, October 23, 2014 the Village of Clyde Viability Review Team will hold a public meeting.

The objectives of the public meeting are to explain the viability review process, to give stakeholders an opportunity to discuss the viability of the Village of Clyde, and to gather input regarding the viability of the Village of Clyde

You are invited to the public meeting:

Public Meeting

Date: Thursday, October 23, 2014

Time: 7:00 p.m. to 9:00 p.m.

Location: Clyde and District Agricultural Society Community Hall
5035 – 50 Street
Clyde, Alberta

➤ **Provide written input to the Viability Review Team**

Residents, stakeholders, and members of the public who are not able to participate in the public meeting, or who would prefer to contribute by writing, may submit written submissions to the Viability Review Team at the following mailing address by Friday, November 7, 2014.

Alberta Municipal Affairs
Attention: Village of Clyde Viability Review
17th Floor, Commerce Place
10155 – 102 Street NW
Edmonton, AB T5J 4L4

Submissions will also be accepted by fax at 780-420-1016 or by email at viabilityreview@gov.ab.ca.

Questions?

For further information, please contact:

Linda Reynolds
Municipal Sustainability Advisor
Alberta Municipal Affairs

Email: viabilityreview@gov.ab.ca

Toll-free in Alberta by dialing: 310-0000 and entering 780-427-2225