

VILLAGE OF HUSSAR VIABILITY PLAN AND NEXT STEPS

JUNE 2018

A report concerning the viability of the Village of Hussar
Drafted by the Village of Hussar Viability Review Team

Viability Review Team
Village of Hussar Viability Review
Alberta Municipal Affairs
© 2018 Government of Alberta

www.municipalaffairs.alberta.ca

Print Version ISBN No.: 978-1-4601-3935-6 (Print)

Digital (PDF) Version ISBN No.: 978-1-4601-3936-3 (PDF)

Printed in Canada

TABLE OF CONTENTS

Introduction and Summary	4
Village of Hussar Viability Review.....	5
Request and Initiation	5
Viability Review Team.....	5
Viability Review Mandate and Approach	6
Viability Review Team Findings	7
Viability Determination and Viability Factors.....	7
Recommendations for the Long-Term Viability of Hussar as a Village	8
Next Steps.....	8
Public Presentation of the Viability Plan	8
Minister's Decision	9
After a Vote on Dissolution	9
Communication with Residents	9
Analysis of Operations and Options	10
1. Sustainable Governance	10
2. Regional Co-operation.....	14
3. Operational and Administrative Capacity	16
4. Financial Stability.....	17
5. Infrastructure.....	22
6. Service Delivery.....	25
7. Community Well-being	30
8. Risk Management.....	32
Appendices	34
Appendix A: Key Measures of Municipal Viability.....	35
Appendix B: Financial Information 2012 – 2016	36
Appendix C: Grant Allocations and Proposed Projects	39
Appendix D: Infrastructure 10-Year Capital Plan.....	40
Appendix E: Utility Revenues and Expenses	41
Appendix F: What the VRT Heard in September 2015.....	43
Appendix G: Recommendations for Long-Term Viability.....	44
Next Steps in the Village of Hussar Viability Review	48
Presentation of the Village of Hussar Viability Plan.....	48
Additional Information	48

INTRODUCTION AND SUMMARY

Hussar, a village in southern Alberta within Wheatland County, is located on Highway 561, approximately 93 km (70 minutes) east of Calgary on the Trans-Canada Highway.

In 1913, the Canadian Pacific Railway (CPR) established a station in the area that is now Hussar. The community of Hussar grew up around the station and was incorporated as a village in 1928. According to the two past Federal Censuses, the population of Hussar was 176 in 2011 and 190 in 2016.

In April 2015, the Minister informed the Village of Hussar council that a viability review would be undertaken for the village in response to the village council's request for a viability review. A viability review addresses a municipality's governance, finances, and infrastructure to determine whether changes are required for the community to become viable and may result in dissolution. Dissolution is a municipal restructuring process whereby a municipality is no longer a separate legal entity and becomes a part of its neighbouring municipality.

A viability review team (VRT) was established in 2015 to review and recommend whether the Village of Hussar is viable, and to develop a plan to address the factors contributing to the long-term viability of the village. The review included consultation with village residents and community groups.

This document is the Village of Hussar Viability Plan. It reflects the spirit of the Municipal Sustainability Strategy, and also reflects the VRT's approach to determining the long-term viability of the village. The plan outlines the village's current finances, governance, services, and infrastructure. It also highlights a number of viability concerns. This plan provides:

- an overview and analysis of village operations over the past ten years;
- the actions that the village council could undertake to address identified viability challenges;
- a description of what Village of Hussar residents and businesses could expect to occur if the village dissolves and becomes part of Wheatland County; and
- the outcome of the infrastructure study conducted as part of the viability review.

The Village of Hussar Viability Plan describes two options for long-term viability:

Option 1: The Village of Hussar continues as an incorporated municipality and implements changes, based on the recommendations of the VRT, to achieve long-term viability.

Option 2: The Village of Hussar dissolves and Hussar becomes part of Wheatland County.

A detailed analysis of the implications of each option is provided in the Analysis of Operations and Options section of this report.

This Viability Plan provides council, administration, residents, community groups, and businesses of Hussar with an opportunity to discuss and debate the future of the village.

VILLAGE OF HUSSAR VIABILITY REVIEW

REQUEST AND INITIATION

The Village of Hussar council requested a viability review in response to residents' feedback received at the public town hall meeting that the council held fall of 2014.

When asked, at that time, whether Hussar is viable or trending towards non-viability, the Village of Hussar council gave the following responses:

What makes the Village of Hussar viable?

"Hussar has many long term families that have lived in the community for generations. Hussar residents are very motivated volunteers that actively take part in council and community groups. It has the amenities that a small urban centre needs: a store, church, skating rink, recreation center, a restaurant, gas station and more. It also has working infrastructure. The roads need a bit of work but the water and sewer serve the people well. Hussar is a busy rural community that has a great gateway location to the Alberta Badlands.

Hussar is certainly viable because there is a willingness on the part of our people to accept what we can and can't do. As long as we are making progress on all fronts, we feel they will support us and our efforts to remain viable. There is an amazing community spirit here that will survive and get things done, and will continue on no matter who is in charge. We are viable because councils now and in the past have been nothing but honourable in their intentions and extremely hard working."

What indicates that the Village of Hussar might be trending towards non-viability?

"The provincial government collects tax dollars from our residents, but there are increased diminishing returns. With the lack of funding or the re-direction of funding to larger communities, Hussar suffers terribly. The lack of funding creates a tax burden on our residents too large for us to be competitive with the larger centers. We manage our finances diligently, run a balanced budget every year, and yet we fall further behind in maintaining our infrastructure and administrative needs. We also fall further behind in providing basic services that a home owner would expect to receive in the larger communities. Reasons for trending toward non-viability centre on inconsistent municipal support, and a catastrophic infrastructure failure, which no village our size could hope to recover from."

VIABILITY REVIEW TEAM

In July 2015, the Village of Hussar Viability Review began with the establishment of the Village of Hussar Viability Review Team (VRT) that was tasked with leading the viability review.

The team consisted of one elected and one administrative official from both the Village of Hussar, (review municipality), and from Wheatland County, (potential receiving municipality), and one representative each from the Rural Municipalities of Alberta, the Alberta Urban Municipalities Association, the Alberta Rural Municipal Administrators Association, the Local Government Administration Association, and Alberta Municipal Affairs.

VIABILITY REVIEW MANDATE AND APPROACH

The Minister gave the Village of Hussar VRT the mandate to:

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

The Municipal Sustainability Strategy was developed in 2010 by a partnership between Alberta Municipal Affairs and the province's municipal and administrative associations to improve the long-term viability of municipalities across the province. The village's viability was assessed by considering the eight broad areas identified in the Municipal Sustainability Strategy:

1. **Sustainable governance** - addresses council practices and procedures, compliance with legislation, citizen engagement, and strategic planning.
2. **Regional cooperation** - addresses the municipality's approach to collaboration with neighbours for the benefit of the community and the region.
3. **Operational and administrative capacity** - addresses the capacity of the municipality to operate on a daily basis and implement council decisions.
4. **Financial stability** - addresses the municipality's capacity to generate and manage revenues sufficient to provide for necessary infrastructure and services.
5. **Infrastructure** - addresses the municipality's capacity to effectively and efficiently manage its infrastructure.
6. **Service delivery** - addresses the capacity of the municipality to provide essential services that meet public expectations and applicable regulated standards.
7. **Community well-being** - addresses characteristics that contribute to the vitality of the community and the long-term viability of the municipality.
8. **Risk management** - addresses the capacity of the municipality to identify and manage key risks.

During the review and analysis, the VRT considered a number of factors about the village, including:

- finances;
- municipal services;
- the current state of municipal infrastructure;
- long-term planning of services and infrastructure needs;
- community demographics;
- economic development and economic activity;
- municipal structure; and
- relationship with Wheatland County.

VIABILITY REVIEW TEAM FINDINGS

The VRT distributed a stakeholder workbook then hosted a public meeting in September 2015 to discuss the viability review and collect stakeholder feedback through the workbook.

The VRT received 29 completed stakeholder workbooks. Of the respondents, 25 stated that they were residents of Hussar and 4 that they owned businesses in the village. The team reviewed the responses in the workbooks. A summary of the feedback from residents is provided in **Appendix F**.

In October 2016, the VRT met with twelve community residents representing the following six Hussar community groups: the Hussar Lions Club, the Village of Hussar Municipal Library, the Hussar Curling Club, the Hussar Hall Board, the Sundowners, and the Hussar Historical Association.

Shared information and discussion at the meeting included:

- The history of the organizations, funding initiatives to fund major community projects, the groups' contributions to the village, and ongoing initiatives.
- Village ownership of community buildings, benefits and challenges associated with transfer of ownership to community organizations, and if transfer did not occur, revision of long-term agreements with Wheatland County for management of the facilities should dissolution occur.
- Financing associated with community group initiatives including: fund raising, the ability to borrow money, and the strength of the community in supporting, funding, and sharing with each other.

The community groups' written comments that stand out are:

- *"This is a community – not just a village. Our village, with local governance, helps ensure all residents, including rural, have a community to call their own;"* and
- *"Our community is our (funding) reserve. If any organization was in need of aid, the whole community would help."*

The VRT also collected and reviewed the information contained in this document, including the analysis of village operations over the past ten years.

Feedback, collected at the public and community group meetings, through completed stakeholder workbooks, and other written submissions from residents and businesses, was considered by the VRT in determining the viability of the Village of Hussar and in developing the recommendations contained in this report.

VIABILITY DETERMINATION AND VIABILITY FACTORS

In May 2017, the VRT reached consensus that the Village of Hussar is not clearly viable. This determination was based on the Key Measures of Municipal Viability for Hussar (**Appendix A**), the input provided by Hussar residents, and the findings detailed in this plan including the following identified viability factors:

1. feedback collected at the public meeting in September 2015 expressing concerns about the long-term sustainability of Hussar;
2. use of special council meetings to conduct regular business;
3. an inability to retain municipal staff and implement a succession plan;

4. the financial subsidization of the ongoing village operations with deferred revenues (grants intended for capital projects) in years 2011 and 2012;
5. more than 5 per cent outstanding current property taxes, 7.0% in 2013, 6.4% in 2014, and 17.8% in 2016: and
6. the unknown state of the village infrastructure prior to the infrastructure study.

In making this determination, the team acknowledged the huge strides the village council and administration have made towards achieving the viability of Hussar since April 2015, and that though the community of Hussar appears to have increased its viability, the corporate entity did not appear clearly viable at the time.

Following the viability determination, Wheatland County submitted input to the VRT to inform Hussar residents of what they could expect to occur should Hussar dissolve and become part of the county.

RECOMMENDATIONS FOR THE LONG-TERM VIABILITY OF HUSSAR AS A VILLAGE

In the event that the community remains incorporated as a village, the VRT came to the determination that the village must take steps to ensure the community's long-term viability, including:

- completion of an assessment of all new legislative requirements resulting from the review of the *Municipal Government Act*, and at a minimum, implementation of all mandatory requirements within the given timelines.
- adoption of an action plan for implementation of the VRT's recommendations in this viability plan; and
- adoption of a ten-year capital plan to address infrastructure deficits.

Detailed recommendations for the long-term viability of Hussar are provided in the **Analysis of Operations and Options** section of this report, and listed in **Appendix G: Recommendations for Long-Term Viability**.

NEXT STEPS

PUBLIC PRESENTATION OF THE VIABILITY PLAN

Alberta Municipal Affairs will present the Viability Plan at a public meeting to be held on June 19, 2018, in the Hussar Community Hall.

The meeting will provide participants with an opportunity to:

- gain information about the Village of Hussar Viability Plan;
- provide feedback to the Minister regarding the viability options for Hussar; and
- learn the final steps in the viability review.

MINISTER'S DECISION

Following the public presentation of the Village of Hussar Viability Plan, the Minister of Municipal Affairs has the responsibility to determine the next steps for the Village of Hussar.

The Minister will consider the information contained in this Viability Plan, the feedback collected during the public presentation of the Viability Plan and received during a 30-day comment period following, and the input provided by the village and county councils.

If the Minister determines that remaining incorporated as the Village of Hussar is the preferred option, no vote of the village electors will be held.

The Minister may issue a Ministerial Order providing directives to the village council and administration for implementation. Directives are specific actions for the village council and administration to complete and report back to the Minister on within given timelines. The directives would be based on the viability team's recommendations in this Viability Plan. Alberta Municipal Affairs would monitor the completion of the directives and provide advisory assistance.

If the Minister determines that dissolution is the appropriate course of action, the Minister will hold a vote of village electors on the question of dissolution. The vote will be conducted in accordance with the *Local Authorities Election Act*. Notice of the time, date, and location of the vote will be provided to electors by Municipal Affairs.

AFTER A VOTE ON DISSOLUTION

If the Minister decides to hold a vote on dissolution and if village electors vote that Hussar should not be dissolved, Hussar will remain an incorporated village. The Minister may issue a Ministerial Order providing directives to the village council and administration. The directives would be based on the viability team's recommendations in this Viability Plan. Alberta Municipal Affairs would monitor the completion of the directives and provide advisory assistance.

If village electors vote that Hussar should be dissolved, the Minister must recommend to the Provincial Cabinet that the Village of Hussar be dissolved and becomes part of Wheatland County. Cabinet makes the final decision. If a decision to dissolve the Village of Hussar is made, the Lieutenant Governor in Council signs a formal document (Order in Council) that legally changes that status of Hussar from village to become part of Wheatland County. Wheatland County would become responsible for governing and servicing Hussar in addition to the rural area it already serves. Residents of Hussar would become electors in Wheatland County.

COMMUNICATION WITH RESIDENTS

Hussar electors and property owners who do not receive this report by mail can request to receive future mail-outs from Municipal Affairs, including notice of a vote on dissolution (if one is called), by emailing Municipal Affairs at viabilityreview@gov.ab.ca. This report is also available on the Government of Alberta website at: www.municipalaffairs.alberta.ca/viability-reviews#hussar.

ANALYSIS OF OPERATIONS AND OPTIONS

1. SUSTAINABLE GOVERNANCE

MUNICIPAL STATUS AND HAMLETS

The Village of Hussar was incorporated as a municipality in April 1928. At that time, Hussar was part of the Improvement District No. 217. In later years, the improvement district was merged with other areas and became part of Wheatland County in January 1955. The village expanded its boundaries when land was annexed from Wheatland County in July 2008.

According to Federal Censuses, the population of Hussar was 176 in 2011 and 190 in 2016; and the population of Wheatland County was 8285 in 2011 and 8788 in 2016.

Currently, there are nine hamlets within the boundaries of Wheatland County with populations ranging from 5 to 500: Carseland, Chancellor, Cheadle, Cluny, Gleichen, Lyalta, Namaka Nightingale, and Rosebud.

Option One - Hussar remains a village and implements changes towards viability

Hussar would remain an incorporated village. The village council would continue to be responsible for governance, the provision of services to residents, and have the authority to pass bylaws and collect property taxes or other revenues to support those services.

Recommendations for Long-Term Viability

The Village of Hussar council and administration should:

1. consider the viability factors identified in the Viability Plan and all of the recommendations of the Viability Review Team, and adopt an action plan of how council intends to implement the recommendations.

Option Two - Hussar dissolves and Hussar becomes part of Wheatland County

Dissolution would un-incorporate the village and Hussar would become part of Wheatland County. In addition to the area it currently serves, Wheatland County council would be responsible for the governance of the area of Hussar including the responsibility to provide services to residents and the authority to pass bylaws and collect property taxes or other revenues to support those services

The county has indicated that following dissolution, it would designate the area of Hussar as a hamlet.

COUNCIL REPRESENTATION AND LOCAL DECISION MAKING

As the governing body of the municipality, an elected council sets the overall direction of the municipality through the creation and review of policies and programs. Hussar residents are represented by a three-member council elected by village electors and are eligible for election to the village council. The mayor is appointed by council at the annual organizational meeting. The current mayor is serving his third term on council and has been appointed mayor by council since the 2013 municipal election.

The village council is responsible for the passing of bylaws, adoption of policies, setting budgets, raising revenues through property taxes and business taxes, setting fees for services, borrowing, fines, adopting plans and bylaws for the use and development of land, and providing a variety of services required or desired by residents within the boundaries of the village.

Village councillors are appointed to 12 different boards and committees to represent the interests of Hussar residents. The work of Hussar councillors on these regional committees is a benefit for the whole region and contributes to the viability of the Village of Hussar.

The village is a member of the Alberta Urban Municipalities Association.

Municipal Elections

In 2010, there were five candidates for the three council positions. In that election, there were two new council members and one incumbent elected. In 2013, there were four candidates for the three council positions. Again, there were two new council members and one incumbent elected. In 2017, there were three nominations for the three council positions. The nominees were declared acclaimed to council and a vote was not required. There is one new councillor and two incumbents.

Since the 2010 general election, councillors have not resigned during their terms of office so the village has not held by-elections.

Regular and Special Council Meetings

As of January 2016, regular council meetings are held in the village office twice a month. Prior to that time, council meetings were held on a monthly basis.

Special council meetings are intended to address emergent matters that need to be addressed prior to the next regular council meeting. The village council repeatedly called special council meetings in order to address business not completed at the regular council meetings due to lack of time.

- In February 2016 to address the balance of its work, council decided to hold two meetings on a trial basis.
- In the three-year period from 2012 to 2014, the council held 20 special meetings in addition to its regular monthly council meetings; in 2015, the council held 11 special meetings; and in 2016 since the change to two council meetings a month, the council held 2 special council meetings.

The use of special council meetings to conduct regular business is considered a **Viability Factor**.

At the organizational council meeting in October 2017, the council determined that during the next year, regular council meetings would be held on the second and fourth Thursday of each month with the exception of July, August, and December when meetings would be held on the second Thursday of the month.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The composition of the village council and annual appointment of mayor is not expected to change if Hussar remains an incorporated village.</p> <p>Council meetings would continue to be open to the public, advertised, and held on a regular basis in the village office.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Hussar council and administration should:</p> <ol style="list-style-type: none"> 2. complete an assessment of all new legislative requirements resulting from the review of the <i>Municipal Government Act</i>, and at a minimum, implement all mandatory requirements within the given timelines; 3. develop a communications policy that identifies various means to communicate with the community including hosting annual public 	<p>Residents of the county are represented by seven councillors elected from seven electoral divisions that are based on population, the number of roads, and geographic area. The reeve is appointed annually at the organizational meeting. Council meetings are held during the day on the first and third Tuesday of the month.</p> <p>It is important that residents of a dissolved municipality are represented on the municipal council and eligible to run for council and vote.</p> <p>Hussar would be absorbed into Wheatland County Division No.7. This means that Hussar residents would be represented by the county councillor for Ward No. 7 and Hussar residents would be eligible for nomination and election to the Wheatland County council.</p> <p>The Order in Council dissolving the village could also direct the county to conduct an electoral ward boundary review for the whole municipality, to</p>

<p>engagement meetings, how council and administration will share information to residents on an ongoing basis, and further development of the village website for posting of village bylaws, council agendas and minutes, and explanation of changes in service delivery and utility rates;</p> <ol style="list-style-type: none"> 4. ensure council business can be accomplished without the need to call special meetings except for emergent issues; 5. develop a municipal election information package for prospective councillors that includes an outline of the duties and work that a village councillor is expected to perform; and 6. access resources provided by the provincial municipal associations and Municipal Affairs including CAO evaluation guidelines. 	<p>ensure an odd number of councillors (including the Reeve) and establish the new ward boundaries in a bylaw prior to the 2021 general election. The county last completed a realignment in 2001. A bylaw establishing ward boundaries must be advertised by council and would be petitionable by residents including residents of Hussar.</p>
--	---

MUNICIPAL BYLAWS AND POLICIES

The village council is responsible for the development and review of bylaws and policies that govern the Village of Hussar and is in the process of revising its approximately 150 bylaws. Village bylaws and policies are available through the village office.

The village’s enforceable bylaws legislate a number of matters including: animal control, noise control, and traffic control.

The village recently contracted bylaw officer services to enforce bylaws in the village. The bylaw officer is called in by the village CAO, when required, often in response to residents’ concerns.

Wheatland County’s bylaws and policies are posted on the county’s website and available at the county office.

The county’s bylaws legislate a number of matters including: traffic, land use, unsightly premises, animal control, and special events.

Four trained peace officer/bylaw officers are employed by the county to enforce bylaws throughout Wheatland County.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
--	--

<p>The village council will continue to be responsible for the development and review of bylaws and policies that govern the Village of Hussar.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Hussar council and administration should:</p> <ol style="list-style-type: none"> 7. complete the review of village bylaws and policies, to ensure that existing bylaws and policies are compliant with current and proposed provincial legislation and that they meet the needs of the village; 8. post bylaws and policies on the village’s website in a dedicated folder; 	<p>The county council is responsible for the development and review of bylaws and policies that govern Wheatland County.</p> <p>Existing Hussar bylaws will remain in force until Wheatland County amends, repeals, or replaces them.</p> <p>It is probable that the county will rescind and replace all Hussar bylaws with county bylaws. The majority of county bylaws apply to both rural areas and urban areas (hamlets) within the county. Urban services standards described in Wheatland County’s Design and Construction Standards Manual would apply to Hussar as an urban area (hamlet) within the county.</p>
---	--

<p>9. develop a bylaw review policy that includes timelines for a regular review cycle; and</p> <p>10. develop a records management and retention policy.</p>	
---	--

ASSISTANCE FROM MUNICIPAL AFFAIRS

In 2003, the Village of Hussar council requested that a dissolution study be undertaken for the village in response to citizen input. Issues at that time included levels of taxation and a concern over loss of services. On completion of the dissolution study in 2004, residents voted 80 per cent in opposition to dissolution.

In 2014, Ministry staff provided a Roles and Responsibilities workshop to council and administration and a new CAO visit with the former CAO.

In April 2015, the Minister decided to undertake a viability review for the village following receipt of a request from the village council.

In 2016, the Village of Hussar received provincial funding from the Municipal Restructuring component of the Alberta Community Partnership (ACP) grant to assess the condition of village infrastructure and develop a ten-year capital plan.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>If Hussar remains a village, it will remain eligible for provincial and federal funding for municipalities. Based on the VRT’s recommendations in this plan, the Minister may direct the village council and administration to take certain actions that are significant to the long-term viability of the village. The village council would be responsible for completion of Ministerial directives within given timelines. Ministry staff would monitor the village’s progress and provide advisory services.</p> <p>- No recommendations made for further ministry assistance at this time.</p>	<p>Following dissolution, Ministry staff are available to provide advice to Wheatland County. In the 2018/19 fiscal year, the county will be eligible to apply for provincial grants to assist with restructuring costs associated with administration, governance, and legislation and to fund capital projects in Hussar identified in the infrastructure study. It would be the responsibility of the county council to determine how to expend the grant to benefit Hussar.</p>

COUNCIL TRAINING OPPORTUNITIES AND PARTICIPATION

New legislation recognizes the importance of training for all municipal councillors in Alberta. All municipalities must offer orientation training for councillors following elections that must include:

- role of municipalities in Alberta;
- municipal organizations and functions;
- key municipal plans, policies, and projects;
- roles and responsibilities of council and councillors;
- the municipality’s code of conduct;
- roles and responsibilities of the chief administrative officer, and the staff;
- budgeting and financial administration; and
- public participation.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village will continue to be responsible for the provision of councillor orientation and training.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Hussar council and administration should:</p> <ol style="list-style-type: none"> 11. participate in orientation training following general elections and by-elections; and 12. continue to support and enable councillors to take advantage of training opportunities provided by Municipal Affairs, the provincial associations, and neighbouring municipalities. 	<p>The county is responsible for the provision of councillor orientation and training.</p>
<p><u>LONG-TERM PLANNING</u></p> <p>New legislation proclaimed in October 2017 requires all municipalities to adopt a number of long-term plans, including: multi-year operational plans and a capital plan, a Municipal Development Plan, and an Intermunicipal Development Plan in addition to an Intermunicipal Collaboration Framework that lists services provided by each municipality, shared intermunicipal services, and services provided by third parties.</p>	
Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village council will be responsible to ensure that new legislation in respect to long-term planning is followed within the given timelines.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Hussar council and administration should:</p> <ol style="list-style-type: none"> 13. follow the mandatory provincial planning legislation within the given timelines. 	<p>Hussar would be included in the county's long-term planning in the same way as the rest of the county.</p>

2. REGIONAL CO-OPERATION

<p><u>INTERMUNICIPAL SERVICE AGREEMENTS AND PLANNING</u></p>
<p>The Village of Hussar council and administration participate in two partnerships with the neighbouring municipalities.</p> <p>One partnership is between Wheatland County and the municipalities within the county's boundaries: the Town of Strathmore and the villages of Hussar, Rockyford, and Standard. Initiatives resulting from this partnership include: the regional assessment review boards, addressing of "contaminated sites," and the development of the regional water system.</p>

The other partnership is between the three villages of Hussar, Rockyford, and Standard. Representatives meet to discuss matters specific to the three villages.

In addition, the CAO's of Wheatland County, the Town of Strathmore, and the villages of Hussar, Rockyford, and Standard meet on a regular basis to discuss and share regional information including municipal budgets and capital plans to capitalize on regional efficiencies.

The Village of Hussar has committed to be a partner in the Wheatland Regional Corporation (WRC). The WRC will operate a regional water hub (system) based out of the Village of Standard. Additional information about WRC is provided in Section 6 Service Delivery, Utility Services – Water and Wastewater.

Option One - Hussar remains a village and implements changes to achieve viability

Option Two – The Village of Hussar dissolves and becomes part of Wheatland County

The village will be responsible to work with the county to adopt an intermunicipal collaboration framework and an intermunicipal development plan and will be required to maintain its responsibilities under existing regional partnership agreements.

Village participation on commissions, authorities, and in regional service agreements would transfer to Wheatland County.

Hussar would be represented by Wheatland County in its relationships with other municipalities in the region.

Recommendations for Long-Term Viability

The Village of Hussar council and administration should:

- 14. continue with the current programs and pursue other opportunities to enhance regional partnerships that would provide programs and services to Hussar residents in the most effective and efficient manner, and avoid duplication to achieve effective management of the public purse;
- 15. share long-term infrastructure plans with neighbouring municipalities, with the intent of aligning projects and reducing costs; and
- 16. celebrate and share with the community the successes of the regional partnerships.

FUNDING AGREEMENT – WHEATLAND COUNTY

In 2016, Wheatland County implemented a tax redistribution of 0.25 mill of the county's non-residential property tax to its five urban municipalities and hamlet service groups, with a minimum population of 150 that provide infrastructure related services to Wheatland County residents through the Wheatland County Regional Infrastructure Services Program (CRISP).

For the years 2016 to 2020, the Village of Hussar is eligible to receive 9.5 per cent of the total CRISP funding based on the computed county service population formula. The county may alter/terminate this funding with sixty days notice, and the village must report to the county how the monies were expended on infrastructure projects in the year the funds are provided.

In 2016, the Village of Hussar received \$71,151 and transferred the funds to a dedicated reserve for future infrastructure projects, and in 2017, the village received \$67,601. The 2nd Avenue east upgrades were funded with these funds.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>If Hussar remained a village, Wheatland County would continue to assist Hussar in moving towards viability through continued support in the form of both funding and non-monetary assistance. The village would be required to maintain its responsibilities under the CRISP funding agreement.</p> <ul style="list-style-type: none"> - No recommendations made for the long-term viability of the village. 	<p>As an urban area with a population over 150, it is anticipated that funding would continue for the community of Hussar through CRISP. The county council would determine the projects that would benefit from the funding that could go directly to the community groups similar to what is happening in existing county hamlets.</p>

3. OPERATIONAL AND ADMINISTRATIVE CAPACITY

<p style="text-align: center;"><u>ADMINISTRATION BUILDING</u></p> <p>Currently the village office is open Monday to Thursday from 8:30 am to 4:30 pm and closed 1 hour at lunch. The office is closed if administration is away for any reason.</p>	
Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>It is not anticipated the village’s office hours will change.</p> <ul style="list-style-type: none"> - No recommendations made for the long-term viability of the village. 	<p>The Wheatland County office is located 45 km (35 minutes) west of the Village of Hussar on Highway 1 and is open to the public five days a week, from 8:00 a.m. to 4:30 p.m. The county would not maintain a municipal office in Hussar. Hussar residents would access county services in the same way as other county residents in person at the county office, by phone, or online. The county would respect the terms of the current leases associated with the village office building and evaluate the county’s operational needs for the shop area.</p>
<p style="text-align: center;"><u>HUMAN RESOURCES AND CONTRACTED SERVICES</u></p> <p>Activities related to the administration of a municipality include but are not limited to: general administration, property assessment and taxation, licensing administration, municipal census-taking, budgeting and accounting, audit and legal functions, public relations, and election processes and plebiscites.</p> <p>All municipalities in Alberta must appoint a Chief Administrative Officer, (CAO).</p> <p>The village has appointed a total of four CAOs and an interim CAO in the past ten years, 2006 – 2016, and four different public works staff. For a two-month period in 2016, the CAO of the Town of Bassano acted as interim CAO for the village during a hiring process.</p>	

The CAO performs all administrative functions of the village and works on average 30 hours a week. The public works foreman carries out duties such as building and grounds maintenance, and equipment maintenance. The water and sewer systems are operated through contracted services.

Operational procedures are documented through the CAO's monthly report to council and the public works weekly log.

The inability to retain municipal staff and implement a succession plan (2006 – 2016) is considered a **Viability Factor**.

In January 2017, council updated and approved the CAO job description, and in January 2018 the foreman's job description was updated.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village council will continue to employ or contract a CAO as required by legislation, and employ staff or contract for the provision of programs and services.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Hussar council and administration should:</p> <ol style="list-style-type: none"> 17. include personal goals, objectives, and a learning plan as part of the CAO's annual performance evaluation; 18. continue to include resources for staff professional development in the annual village budget; and 19. as part of the annual budget process, review the CAO's hours of work and the hours the village office is open to the public to ensure that tasks associated with customer service and the administration of the village are completed efficiently and effectively. 	<p>The Wheatland County CAO will be responsible for the management of the county including Hussar.</p> <p>The provision of municipal services will be handled by county staff and contractors.</p> <p>Village staff employment records and liabilities associated with village employees would transfer to the county.</p>

4. FINANCIAL STABILITY

FINANCIAL POSITION

The municipal financial year is from January 1 to December 31. All municipalities in Alberta must adopt an operating and capital budget that shows the expected revenues and expenses. The revenues must be sufficient to cover the expenditures.

Following proclamation of the *Municipal Government Amendment Act* in 2017, it is mandatory for municipalities to prepare a written plan respecting its anticipated financial operations over a period of at least the next three financial years and its anticipated capital property additions over a period of at least the next five financial years.

Major revenue sources for all municipalities include municipal property taxes, grant funding, and fees for service including utility fees. The CRISP funding for infrastructure that Wheatland County provides to the village is also a significant revenue source.

In 2016, the village had total revenues of \$800,383 and total expenses of \$644,313 with a surplus of \$156,070. The surplus was transferred to capital reserves.

The financial information submitted by the Village of Hussar to Municipal Affairs in the Financial Information Returns and analyzed by the viability review team is in **Appendix B**: Financial Information 2012 – 2016: Table 1: Financial Position, Table 2: Accumulated Surplus, and Table 3: Financial Activities by Function (Revenues and Expenses).

According to the village’s financial statements in 2011 and 2012, the village did not have adequate financial assets, in “cash and temporary investments” and “other receivables” to cover the liability of “deferred revenue”.

This means that the village would have used deferred revenue (grants intended for capital projects) to subsidize the village operation in those years as shown in Table 1. The subsidization of ongoing operations with deferred revenues is considered a **Viability Factor**.

According to the village, deferred grant revenues had not been accounted for correctly, and changes made prior to the approval of the 2016 Audited Financial Statements, corrected this matter.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>All existing assets and liabilities will remain with the village.</p> <p>The village council will continue to be responsible for raising sufficient revenues to provide for its operational requirements and obligations.</p> <p>With the rising costs of providing services, village residents may face increases in taxes, user fees increases, or reduction in service delivery in order for the village to have sufficient revenue to fund the estimated expenditures.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Hussar council and administration should:</p> <ol style="list-style-type: none"> 20. based on legislative requirements resulting from the <i>Municipal Government Act</i> review, adopt a three-year operating plan and a five-year capital plan; 21. develop policy for an annual budget cycle process that includes: a service capacity review to align program and service levels, council and residents’ expectations, available resources and funding, and communication to residents about the importance of full-cost recovery in the operation of village utilities; 22. draft and approve a procurement policy; and 23. provide information to village residents and property owners through a year-end report outlining how the previous year’s revenues, including property taxes, were expended on village programs and services as part of a strategy for taxpayers to better understand how 	<p>As part of dissolution, all village assets will be transferred to Wheatland County. Assets include, but are not limited to, cash, investments, reserves, buildings, infrastructure, vehicles, machinery, and equipment.</p> <p>Wheatland County will receive the village’s rights to revenues on the date of dissolution including village property taxes and utility fees.</p> <p>The county would retain or sell assets based on the assessed condition and need of the asset within the community to serve the residents.</p> <p>All money transferred from the village to the county and all money received from the sale of village assets must be used to pay off or reduce liabilities of the former village, or for projects in Hussar.</p> <p>The county would be required to account separately for funds received from the village, including money from the sale of any assets.</p> <p>These funds could only be used:</p> <ul style="list-style-type: none"> – to reduce a liability incurred by the village; or – for projects in the former area of the village. <p>The county has a number of designated reserve accounts in place intended for specific purposes. Reserve accounts for county hamlets primarily fund utility capital projects. Funds from Hussar would be placed in a designated reserve account for Hussar.</p> <p>The costs associated with administering Hussar would be the responsibility of the county.</p>

property tax dollars are spent and the value received from them.	
--	--

MUNICIPAL BORROWING AND DEBT

Debt limits and debt service amounts are legislated in the Alberta Debt Limit Regulation. To exceed either means that a municipality is in contravention of the regulation and should not enter into further debt. The village is compliant with legislation.

According to the village’s 2016 audited financial statements:

- as of December 31, 2016, the village’s long-term debt amounted to \$52,618 with a total debt servicing of \$9,300 per annum. The original debenture for \$110,000 was taken out in 2004 to fund the lagoon upgrade project; and
- the village has the capacity to borrow up to \$719,092 for future projects.

Annual payments on debentures and other loans may be funded through utility fees or property taxes.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village will continue to be solely responsible for repayment of borrowings, with regular payments funded out of village revenues.</p> <ul style="list-style-type: none"> - No recommendations made for the long-term viability of the village. 	<p>Village liabilities will transfer to Wheatland County. If the liabilities exceeded the assets of the village, the county could impose additional taxes on properties in Hussar to pay for the excess liabilities.</p> <p>The county council would determine how existing debt and debt incurred by the county for a project in Hussar would be funded.</p> <p>The county’s current practice is to fund projects through grants, whenever possible, utility levies, or local improvement taxes.</p>

PROPERTY ASSESSMENT

Assessment is the process of assigning a dollar amount to property, in comparison to other properties in a municipality, based on the market value of the property. The property tax rate is then applied to the assessed value to determine the property taxes owing for each property within the municipality.

The Village of Hussar supported regional assessment review board training for residents.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>Property in Hussar will continue to be assessed by the Municipality’s assessor in accordance with provincial standards.</p> <ul style="list-style-type: none"> - No recommendations made for the long-term viability of the village. 	<p>Assessed values of property are not expected to change significantly as property assessment is based on the same methods and information throughout the province.</p>

MUNICIPAL TAXES

When determining if Hussar should undergo a viability review, the response Yes to the 2013 and 2014 Key Measure that Hussar had more than five per cent of current property tax unpaid was taken into consideration. More than 5 per cent in outstanding current property taxes is considered a **Viability Factor**. At the end of 2016, the village had 17.8 per cent of current property tax unpaid partly accounted for by the transfer of unpaid utility fees to property tax accounts in that year. The village will be able to recoup the arrears taxes through the tax recovery process pursuant to the *Municipal Government Act*.

Village property taxes are due by June 30 each year. The village imposes a 12 per cent penalty to any unpaid balance on July 1 and 12 per cent on total taxes owing January 1 of the following year.

A comparison of the 2017 municipal property taxes levied on a property assessed at \$100,000 in the Village of Hussar and the amount of property tax that Hussar property owners could have expected to have been levied by Wheatland County on a property assessed at \$100,000 if Hussar had been a hamlet in the county, can be found in **Appendix B: Tables 4 and 5**.

The majority of feedback received at the Public Meeting in October 2015 indicates that residents consider property taxes to be too high at that time.

Option One - Hussar remains a village and implements changes to achieve viability

Option Two – The Village of Hussar dissolves and becomes part of Wheatland County

The village council will continue to be responsible to levy property taxes based on its annual budget, and to collect outstanding tax balances.

Property taxes previously levied and owed to the village would be owed to Wheatland County, and the county would continue any tax recovery proceedings.

Recommendations for Long-Term Viability

The Village of Hussar council and administration should:

- 24. include the public in service level discussions and budget planning then communicate the rationale for changes in property taxes;
- 25. continue to follow the provincially legislated tax recovery process; and
- 26. continue with a tax installment plan.

Future county tax rate bylaws, the county's minimum property tax of \$25, and the county's tax due dates and tax penalty schedule would apply to properties in Hussar.

County property taxes are due by June 30 each year. The county imposes a 5 per cent penalty to any unpaid balance after June 30th and November 30th, and 5 per cent on total taxes owing January 1 of the following year

The county has a tax incentive payment plan whereby property owners may pay current taxes on a monthly basis and payment plans may be arranged for tax arrears.

SPECIAL TAXES, LOCAL IMPROVEMENT TAXES, AND FRANCHISE FEES

The *Municipal Government Act* authorizes municipalities to impose special taxes and local improvement taxes on property in any area of a municipality to fund a service or project that will benefit that area.

At this time, the Village of Hussar does not levy special or local improvement taxes.

Franchise fees levied on electrical utilities (Fortis) and on natural gas utilities (ATCO) are transferred to general revenues.

Option One - Hussar remains a village and implements changes to achieve viability

Option Two – The Village of Hussar dissolves and becomes part of Wheatland County

The village council could consider imposing improvement taxes on properties that benefit from

The county's hamlet policies allow the county to impose a special levy on properties in a hamlet to

certain infrastructure improvements to fund the activity.

fund annual payments on an infrastructure debenture in addition to taxes levied on all property in the county.

Recommendations for Long-Term Viability

The Village of Hussar council and administration should:

- 27. review revenue sources to ensure an appropriate balance between property taxes, special taxes, local improvement taxes, franchise fees, and user fees exists.

GRANT FUNDING

Provincial and federal grants are another source of funding for municipalities.

The Municipal Sustainability Initiative (MSI), launched in 2007, helps support local infrastructure priorities and build strong, safe, and resilient communities. There are two components to MSI funding provided by Municipal Affairs.

Municipal Sustainability Initiative (MSI) Capital

The MSI capital funding assists municipalities to meet the demands of growth, address local infrastructure needs, and enhance municipal sustainability.

The village's allocation in the period 2012 to 2017 in total was \$760,140, an average of \$108,591 annually over the same time period.

Appendix C: Table 6 provides an overview of the Village of Hussar's provincial and federal capital grant allocations in the years 2012 to 2017.

Appendix C: Table 7 provides an overview of the capital projects the Village of Hussar advised Municipal Affairs that it proposed to spend the capital grant monies on in the years 2011 to 2016.

Municipal Sustainability Initiative (MSI) Operating Funding

Municipalities are required to direct MSI operating funding towards four government-wide objectives for municipal grant funding to support four areas:

- initiatives that promote the viability and long-term sustainability of municipalities;
- the maintenance of safe, healthy, and vibrant communities;
- the development of and maintenance of core municipal infrastructure to meet existing and changing municipal needs; and
- capacity building within municipalities.

In the period 2010 to 2015 the village MSI operating funding allocations totalled \$196,022.

Appendix C: Table 8 provides an overview of the projects the village proposed to spend the MSI operating allocation on in the years 2011 to 2016. The total estimated cost of the proposed projects is \$261,401. When completed, the projects may have cost less or have been subsidized from other revenue sources.

From 2011 to 2014, the village proposed to spend \$198,998 (86 per cent) of the total proposed costs of \$231,944 on water and wastewater utility operations. This amount could have been recouped through utility rates if the village had had full-cost recovery utility rates at the time.

Deferred Grant Revenue

Unexpended grants and other funds received by the municipality are reported in the audited financial statements as deferred revenue and must be expended for the purpose they were received.

As of December 31, 2016, the village had deferred grant revenues totalling \$77,637 to fund capital projects in future years. According to the village, the majority of these funds were expended in 2017 to fund projects identified in the infrastructure study.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village will continue to be eligible to receive provincial and federal grant funding according to program stipulations. Unexpended grant funds will continue to be available for village projects.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Hussar council and administration should:</p> <p>28. establish a Reserve Fund Policy to ensure that funding is available for future initiatives and unexpected events that:</p> <ol style="list-style-type: none"> a. includes capital, operational, and any other reserves funded through a combination of property tax revenue, additional taxes, year-end surpluses, user fees, and donations; b. defines clearly for what purposes the reserves may be used; and c. provides a mechanism for council to review reserve levels on an annual basis to ensure adequate levels are maintained. 	<p>Unexpended grants previously allocated to the village will transfer to Wheatland County.</p> <p>The county will also be eligible to apply for grants to assist with the funding of projects associated with the dissolution of the village subject to the availability and conditions of the grant.</p>

5. INFRASTRUCTURE

<p><u>VILLAGE INFRASTRUCTURE</u></p> <p>Following the recent changes in provincial legislation, all municipalities in Alberta must develop 5-year capital plans that include the amount needed to acquire, construct, remove, or improve capital property; and the anticipated sources and amounts of money to pay the associated costs.</p> <p>Municipalities may fund capital projects with a number of municipal revenues sources including:</p> <ul style="list-style-type: none"> • Property taxes; • Local improvement taxes imposed on those properties that would benefit from the improvement; • Provincial grants; • Transfers from other municipalities (including the Wheatland County); • Utility rates; and • Debt with annual payments being funded through one of the other listed revenue sources. <p>The village's current practice is to fund infrastructure projects with the Municipal Sustainability Initiative (MSI) capital funding received from the Government of Alberta. The village accumulates grant funds (recorded in financial statements as deferred grant revenue) until such time that there is adequate funding for the project. The recent upgrades to the pump house were funded with accumulated MSI capital funds. The village funded the 2004 lagoon project through a debenture.</p>
--

VILLAGE OF HUSSAR INFRASTRUCTURE STUDY

In 2016, the village received a grant from the Government of Alberta to assess the overall state of its infrastructure and develop a 10-year plan to address emergent and future infrastructure needs.

The completed Village of Hussar Infrastructure Study, accepted for information by the village council in January 2018, provides information regarding the status of the infrastructure and an awareness of health and safety matters associated with the infrastructure.

Appendix D:

Table 9A provides an overview of the projected annual costs of the recommended projects as listed in the **Village of Hussar Infrastructure Condition Study**.

It is estimated that essential/critical projects will cost \$2,473,000 in total over the next ten years, an average of \$247,300 per year.

In 2017, the village was eligible to receive approximately \$200,000 in provincial and federal capital grant funding in addition to Wheatland County CRISP funding of approximately \$70,000.

In the five years 2011 – 2016, the village expended an average of \$264,441 on capital projects as indicated in Table 10, Capital Project Expenditures.

Based on past revenues and expenditures, future expenditures on the essential/critical infrastructure projects would be within the village's means.

It should be noted though that new projects, such as a new building for a village office and library, are not included in the 10-year plan and other revenue sources would be required to undertake those projects.

Complete details about the condition of the infrastructure in the Village of Hussar may be found in the full report, The Village of Hussar Infrastructure Study, available at the village office.

Infrastructure Study Conclusions and Recommendations

The following summary of the essential upgrades and repairs associated with village infrastructure includes the engineers' conclusions and recommendations.

Water System

1. The current water system pressure during peak hour and fire flow condition are enough according to Alberta Environment Guidelines.
2. Most of the water distribution pipe materials are asbestos concrete (AC) which has average life span of 60 years. If the age of the AC water distribution pipe is 60+ years, it is recommended to replace the water distribution pipe at the same time whenever there is road construction.
3. To enhance the performance of existing water system it is recommended to replace the existing 100 mm water pipe in Centre Street with 150 mm PVC pipe (Project 9).
4. It is recommended to close the water network loop at 2 Street E to improve circulation and remove dead ends. Completed 2017

Wastewater

1. According to the sanitary sewer pipe inspection video report, most of the pipes have signs of cracks and sags due to its age or other factors. CIMA+ noticed that a lot of groundwater intrusion has taken place in sanitary sewer system. So, based on priority (according to its severity), it is recommended to replace those pipes with new PVC pipes. Projects 1, 4, 6, 7, 9 and 14 have major issues that have two large issues associated with them:
 - a. Large volume of ground water infiltrating into the system; and
 - b. Potential for full pipe collapse leading to sewer backups.
2. The existing wastewater system has enough capacity during peak hour and wet weather flow condition (according to Alberta Environment Guidelines), though there are few pipe sections which don't meet the minimum slope requirement of current Alberta Environment Guidelines.
3. Most of the sanitary sewer pipes for wastewater collection are asbestos concrete which has average life span of 60 years. If the age of the wastewater collection pipe is 60+ years, it is recommended to replace the pipe at the same time whenever there is road construction.
4. To enhance the performance of the existing wastewater collection system it is recommended to flush the pipe sections that have sags.

5. To reduce the quantity of sewage inflow in existing sewage lagoon, the replacement of broken pipes have been recommended. Reducing the volume of inflow into the lagoon may negate or postpone the need for cleaning the lagoon.

Drainage - Stormwater

1. Four local flooding areas were predicted around the village during 100-year storm event. Partial drainage improvement work is recommended to improve the current flooding condition.
2. Two residential lots (northeast of the village) could be impacted by flooding. Drainage improvement work is recommended around those lots.

Buildings

According to visual inspection and non-destructive tests of buildings and other infrastructures, there are some recommendations (minor) to fix for the existing infrastructure. Currently the village doesn't have enough space for a small meeting for its residents that meets accessibility requirements.

The study recommends the construction of a new building which could accommodate at council chambers, reception, CAO office, and storage. The capital cost of such a building is not included in the 10-year capital plan as it is not considered essential.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The Village of Hussar Infrastructure Study includes a 10-year project plan. It will be the responsibility of the village to develop a long-term capital plan.</p> <p>Annually the village council, in its capital budget process, will determine the projects and funding sources for that year.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Hussar council and administration should:</p> <ol style="list-style-type: none"> 29. adopt a ten-year capital plan that: <ol style="list-style-type: none"> a. prioritizes the identified upgrades in the infrastructure audit in accordance with the following criteria: public health, environmental impacts, public safety, present level of service, and degree of maintenance required; and b. includes proposed revenue sources balanced between property taxes, fees for services, utility reserves, and grant funding; and 30. develop an asset management plan including policy and procedures for annual review. 	<p>If dissolution occurs, Wheatland County will receive the Hussar Infrastructure Study and associated 10-year capital project plan.</p> <p>Projects in Hussar would be included in the county's five-year capital plan for projects throughout the county.</p> <p>The county would be eligible to apply for provincial restructuring funding for projects in Hussar identified in the village's infrastructure study.</p> <p>The county's Design and Construction Standards Manual sets service levels and establishes requirements for the design and construction of municipal infrastructure in Wheatland County.</p> <p>Future Hussar infrastructure projects would comply with the county's design and construction standards, and services levels.</p>

6. SERVICE DELIVERY

UTILITY SERVICES – WATER AND WASTEWATER

Acquiring, treating, and supplying water includes: the source, treatment, transmission, and distribution of the water, along with the maintenance of facilities and water lines.

Wastewater collection, treatment, and disposal includes: sanitary sewers, storm water collection, lagoons, treatment plants and equipment, manholes, lift-stations, and the removal and treatment of sludge from lagoons and treatment plants.

The village is responsible for the operation and maintenance of the water and wastewater infrastructure, and contracts services for water testing and the operation of the water treatment plant and lift station.

The annual cost of the contracted service is approximately \$30,000 contract fees and \$20,000 for maintenance (and supplies).

The Village of Hussar has committed to be a partner in the Wheatland Regional Corporation (WRC).

The WRC will operate a regional water hub (system) based out of the Village of Standard. The system will consist of the following components:

- Raw water intake and two raw water reservoirs;
- Raw water pump station;
- Raw water pipeline;
- Water treatment plant and potable water pump station; and
- Potable water distribution pipelines (91km) throughout the county.

The development of the system is divided into three phases:

1. Development of raw water supply facilities; and construction of delivery pipeline to Gleichen;
2. Upgrades to the Standard water treatment plant; and construction of delivery pipeline to Rockyford;
3. Construction of water transmission pipelines to Hussar and Rosebud.

According to WRC's website, ultimately the WRC could provide the following operation and maintenance services:

- Water services within each municipality;
- Sanitary sewer services;
- Solid waste management;
- Emergency response services; and
- Road maintenance.

It is anticipated that the pipeline to Hussar will be constructed within the next five to ten years.

Until that time, Hussar is not required to contribute funding to WRC. However, the village will be expected to operate and maintain the current water system to provincial guidelines and standards, and may need a new well to ensure a sufficient water supply.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The responsibility for provision of water and wastewater services and related infrastructure would remain with the village council.</p> <p><u>Recommendations for Long-Term Viability</u></p>	<p>If dissolution occurs, ownership of utility facilities and responsibility for utility services would transfer to Wheatland County.</p> <p>In the hamlets and subdivisions, the county is responsible for the operation and maintenance of</p>

<p>The Village of Hussar council and administration should:</p> <ol style="list-style-type: none"> 31. consider partnerships with other municipalities and the Wheatland Regional Corporation to maintain and operate utility services; and 32. develop a long-term utility operations and maintenance plan. 	<p>the underground utilities (distribution and collection systems), and storm water systems.</p> <p>It is likely that the WRC would be contracted to manage and operate the Hussar utility systems. The WRC has trained utility operators on staff.</p>
--	---

WASTE MANAGEMENT

Waste management includes collection of garbage and other waste materials, including recycling initiatives. Costs associated with waste management include those for the operation of transfer and landfill sites and the equipment used for collection and disposal of waste.

The village and county are members of the Drumheller & District Solid Waste Management Association.

The village provides weekly door-to-door solid waste (garbage) pick-up for residential properties and a small number of commercial properties. The village transports the waste to the Hussar transfer station owned and operated by Wheatland County. The Drumheller and District Regional Landfill transports the waste to the landfill site for disposal. Wheatland County invoices the village for 20 per cent of the operational cost of the transfer station.

Since 2015, when the village initiated a monthly fee for garbage instead of funding the service through general revenues (property taxes), all costs associated with solid waste are passed on to residents in the monthly fee for solid waste on the utility bills.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village council will continue to be responsible for the provision of solid waste management. Changes in services are not anticipated at this time.</p> <ul style="list-style-type: none"> - No recommendations made for the long-term viability of the village. 	<p>Wheatland County council would be responsible for the provision of solid waste management in Hussar. County residents take their solid waste to a transfer site.</p> <p>Hussar residents would take their garbage to the Hussar transfer site and would not receive curb-side garbage pick-up.</p> <p>The utility rate for solid waste services would be based on the costs associated with the operation of the transfer site and passed on to residents in their utility bills. Residents can expect this fee for service to change.</p>

UTILITY RATES – REVENUES AND EXPENSES

The village council has reviewed and increased utility rates annually over the last three years. The village does not have a policy for full-cost recovery funding of utility services. However, as of 2015, overall the rates are at operational cost recovery levels though do not include the cost of capital expenditures (full cost recovery). The 2018 utility rates are calculated to fully fund operational costs associated with utility services and generate approximately \$30,000 for capital projects. If there is debt associated with a utility, the utility rates fund the annual debenture payments in addition to other expenses associated with the utility. A surplus balance is transferred to capital reserves at year-end.

In the period 2011 to 2015, the majority of the Municipal Sustainability Initiative Operating grant funds from the Government of Alberta was used by the village to subsidize the wages and operational costs associated with the water and wastewater utility. This amounted to \$198,998 (86 per cent) of the total \$231,944 received.

This means that if the village had chosen to use the grant to fund other operational costs, as it did in 2016 on administration services, then the users could have expected to pay higher utility costs in those years.

In years 2012 to 2014, solid waste management expenses were fully funded by property taxes (general) revenues as utility fees were not charged for this utility service, and in 2015 when fees for service were charged, a slight surplus of \$886 was generated from solid waste management fees.

Utility users are billed on a monthly basis. The village imposes a penalty of 3 per cent each month on outstanding balances. Penalties are not imposed on annual accounts. As properties in Hussar are not metered the village imposes flat utility rates. The rates as of January 2018 are as follows:

Water

Monthly water service rate: \$50
 Annual water service rate: \$600
 Per gallon for bulk water: \$0.05

Wastewater

Monthly sewer (wastewater) rate: \$40
 Annual sewer rate: \$480

Solid Waste Collection and Disposal Services

Monthly fee: \$25.00
 Annual fee: \$300.00

Appendix E: Table 11 Village of Hussar Utility Services provides a detailed analysis of the individual water, wastewater and waste management utility revenues and expenses and Table 12 provides a summary of all village utilities.

Table 11 indicates:

The revenues from the water utility in years 2012, 2014, 2015, and 2016 did not fully fund the expenses and that water operations were subsidized by property taxes or revenues from the wastewater utility by an average of \$15,900 in each of the four years. In 2013, the utility generated a surplus of \$44,582; the revenues from the wastewater operations on average generated a surplus of \$172,625 in years 2012 to 2016; and since 2014, the solid waste utility has generated a surplus.

The summary in Table 12 indicates that the combined operating revenues for the three utility services fund the combined operating expenses.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village council would continue to be responsible for the setting and levying of utility fees to fund both operational and capital costs associated with the utility services.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Hussar council and administration should:</p> <p>33. review utility rates annually and adjust to ensure that revenues from each utility service cover the expenses associated with the service;</p> <p>34. develop a utility rate policy that outlines the components of utility rates including operational and administrative costs, debenture</p>	<p>The county council would be responsible for the setting and levying of utility fees to fund both operational and capital costs associated with the utility services in Hussar.</p> <p>Water meters, funded through a flat-rate utility levy, would be installed on properties in Hussar.</p> <p>County utility rates are based on full-cost recovery of operating costs and consumption in addition to a flat rate utility Capital Levy for future capital projects. Hussar residents could expect their utility rates to change.</p> <p><u>For comparison purposes only:</u> Wheatland County 2018 monthly utility rates for Carseland, Gleichen, Speargrass, and Rosebud are as follows:</p>

<p>payments, and contributions to reserves for future projects; and</p> <p>35. transfer surplus utility revenues to dedicated reserves for future utility infrastructure projects in accordance with a reserve policy.</p>	<p>Water Flat Rate: \$18.61</p> <p>Water Consumption Rate: \$1.68/m³</p> <p>Wastewater Flat Rate: \$12.40</p> <p>Wastewater Usage Rate: \$1.18/m³</p> <p>Capital Levy: \$13.31</p> <p>The capital levy is transferred to reserves for future infrastructure projects within the hamlet.</p> <p>In addition, residents could be levied a water or wastewater debenture levy based on a borrowing associated with a capital project in their hamlet.</p>
--	--

ROADS, SIDEWALKS, PROPERTY MAINTENANCE

The maintenance of roads includes sidewalks, medians, boulevards, street lighting, street signs, traffic signals, railway crossings, and public parking facilities.

Public works clears snow using village equipment. In 2015, the village purchased a new front mounted snow blade for the village truck.

The village has a snow removal policy that includes guidelines for priorities for snow plowing, sanding of roads, and clearance of snow from sidewalks. The village practice has been to assist senior residents with snow clearing from sidewalks and driveways upon request at no cost. According to the policy, this service has the lowest priority.

<p>Option One - Hussar remains a village and implements changes to achieve viability</p>	<p>Option Two – The Village of Hussar dissolves and becomes part of Wheatland County</p>
<p>The village council would continue to be responsible to determine provision of services of service levels.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Hussar council and administration should:</p> <p>36. develop a long-term operations and maintenance plan for village infrastructure, including roads and buildings, and ensure it is followed through policy.</p>	<p>In the hamlets and subdivisions, Wheatland County operates and maintains roads and storm water systems. Street cleaning in the spring and snow removal in the winter is provided on main hamlet roads.</p> <p>Crews of county employees maintain county owned public property within the hamlets. The crews’ duties include: patching holes, grading and gravelling alleys, plowing snow, mowing grass, and street cleaning. Hussar would be included in the “crew-rotation”.</p> <p>The order of snow ploughing roads is based upon priority routes including emergency services and bus routes.</p> <p>The levels of service provided in Hussar would be in accordance with county policy and practices and will likely change from those currently provided by the village.</p> <p>The county Public Works Policies address duties of the hamlet crews, road construction and maintenance, and snow plowing. The policies are available at the county office and can be found on the county website.</p>

LAND USE PLANNING AND DEVELOPMENT

Land use planning and development includes services provided by municipal planning offices, development officers, subdivision and development appeal boards, as well as research or studies involving planning and zoning for the municipality, and economic development projects funded wholly or partly by the municipality.

The *Municipal Government Act (MGA)* requires all municipalities to establish a development authority to exercise powers and duties on behalf of the municipality. The development authority is responsible for receiving, processing, and deciding on development permit applications. A development authority may include one or more of: a designated officer, a municipal planning commission, or any other person or organization. Most municipalities assign decision-making and administrative responsibilities to staff.

Planning services are provided in the village through the village’s membership in the Palliser Regional Municipal Services partnership.

It is mandatory that Alberta municipalities adopt a land use bylaw and it is recommended that the bylaw be reviewed at least every ten years. A land use bylaw defines the land use districts, the land uses within each district, and the development standards. It provides the details to evaluate applications for development of subdivision. The village’s Land Use Bylaw was revised in 2015.

In the years 2011 to 2016 the village issued 20 development permits for a variety of projects.

Following recent changes to the MGA, all municipalities in Alberta are mandated to pass a municipal development plan (MDP) bylaw and by April 1, 2020, to pass an Intermunicipal Development Plan (IDP) and an Intermunicipal Collaboration Framework (ICF) with neighbouring municipalities. The village does not have an MDP, IDP, or ICF.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>No changes are anticipated in the village’s planning and development processes.</p> <p><u>Recommendations for Long-Term Sustainability</u></p> <p>The Village of Hussar council and administration should:</p> <p>37. follow the new municipal planning legislation requirements for the adoption of MDP, IDP, and ICF bylaws within the given timelines.</p>	<p>Wheatland County has MDP and IDP bylaws that would be revised to include Hussar. An ICF between the village and county would not be required as the county would be providing services in Hussar.</p> <p>The village land use bylaw would remain in force until the Wheatland County amends, repeals or replaces it.</p> <p>Wheatland County’s Land Use Bylaw, revised in 2017, includes land use districts for urban areas (hamlets) including; residential general, mixed-use (retail/commercial space combined with residential), manufactured home, commercial, and industrial. The bylaw is published on the county’s website and available at the county office.</p> <p>It is likely that the county’s Land Use Bylaw will apply to property in Hussar replacing the Hussar Land Use Bylaw. Property owners would not be required to make changes in order to conform to the bylaw; however, future development would need to conform to the county bylaw.</p> <p>Property in Hussar would be defined as legal non-conforming if it did not meet the standards and specifications set out in the county bylaw.</p>

7. Community Well-being

ECONOMIC VITALITY

Over the past 20 years, Hussar's population has increased by 27 per cent from 150 to 190. The village website lists approximately 20 businesses operating in the Hussar area that provide employment in the community. It is the responsibility of the businesses to contact the village and request to be on the website.

Option One - Hussar remains a village and implements changes to achieve viability

The village council would continue to determine how economic initiatives are undertaken for the village.

Recommendations for Long-Term Viability

The Village of Hussar council and administration should:

38. consider establishment of an economic development committee with a clear mandate that allows for participation from residents, local businesses, and regional organizations.

Option Two – The Village of Hussar dissolves and becomes part of Wheatland County

In the years 2016 to 2019, Wheatland County developed an Economic Development Strategy in consultation with the community, and in alignment with existing Wheatland County planning documents including the Municipal Development Plan (2013-18), and the Regional Growth Management Strategy (2011).

County economic initiatives are for the county as a whole, and would include Hussar.

COMMUNITY GROUPS, VOLUNTEERISM, AND VILLAGE SUPPORT

According to the village council, there is a strong sense of community pride in the village. The village and community groups organize a number of annual events including the annual celebration, Hussar Summer Daze, annual clean-up day for the village and cemetery, and community dances. The village has created a committee to provide community events through the village. Proposed activities include helping with the Light Up the Night Christmas event, and a Canada 150 celebration in 2017. Currently the County provides funding to the Community Enhancement Regional Board. Hussar community groups are eligible to apply to the board for funding.

Option One - Hussar remains a village and implements changes to achieve viability

The village council would continue to determine how community groups and activities are supported with village resources.

Recommendations for Long-Term Viability

The Village of Hussar council and administration should:

39. continue to support and participate in community events.

Option Two – The Village of Hussar dissolves and becomes part of Wheatland County

Wheatland County support to the Hussar community groups is not likely to change; however, based on the county's budget the support of all groups within the county could change.

Community groups could see a change in that direct funding may be provided by the county.

PARKS AND RECREATION

Municipalities provide recreation facilities, programs, and activities based on local priorities that often involve partnerships with local volunteer organizations and community groups.

In August 2017, the village transferred ownership of the Hussar Community Hall to the community groups that operate the hall and funded the hall renovations.

Lease agreements are in place with community organizations for the maintenance and operation of the Senior’s Drop-In and the Hussar Arena and Curling Rink. The village council may review and amend the agreements to comply with new village policies. The facilities are funded in entirety by the managing organizations. The village has no formal obligations for the operation or maintenance of the facilities; however, it provides support (financial or non-financial) from time to time.

Option One - Hussar remains a village and implements changes to achieve viability

Option Two – The Village of Hussar dissolves and becomes part of Wheatland County

The village council will continue to determine how recreation services and facilities are resourced.

- No recommendations made for the long-term viability of the village.

If dissolution occurs, ownership of village facilities would transfer to Wheatland County and agreements between the village and community organizations for operation of the facilities would become agreements with the county.

The county would retain ownership and assist the community groups to maintain the facilities.

The county does not anticipate closing or selling any facilities at this time.

LIBRARY SERVICES

The Village of Hussar and Wheatland County are members of the Marigold Regional Library System that provides library services to its member libraries.

Pursuant to the *Alberta Libraries Act*, the Village of Hussar Municipal Library Board is established by bylaw of the village council, has full management and control of the library, and is required annually to prepare a budget to operate and manage the library.

Since the closure of the school in Hussar in June 2016, the Village of Hussar Municipal Library does not have a physical location. The library board has purchased smart lockers to provide services to its members.

Wheatland County provides funding to the Marigold Regional Library System and directly to the Village of Hussar Library Board for the operation of the library board.

Option One - Hussar remains a village and implements changes to achieve viability

Option Two – The Village of Hussar dissolves and becomes part of Wheatland County

The Village of Hussar Library Board will continue to determine how library services are provided.

- No recommendations made for the long-term viability of the village.

In accordance with the *Alberta Libraries Act*, the Hussar Municipal Library Board would dissolve and assets would become the property of the county.

The Hussar library would be operated as a library outlet by the Marigold Regional Library System.

It is likely the Hussar library would continue to provide library services as it does now through the smart lockers.

HOUSING FOUNDATION – SENIOR HOUSING

The Village of Hussar and Wheatland County are members of the Wheatland Housing Management Body that manages the Wheatland Lodge and six self-contained apartment buildings within the county.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>No change in service is anticipated.</p> <p>The foundation would continue to requisition the village for funding and the requisition would continue to be funded through property taxes.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Hussar council and administration should:</p> <p>40. continue participation in the Wheatland Housing Management Body.</p>	<p>No change in service is anticipated.</p> <p>The foundation would requisition Wheatland County for properties in Hussar in addition to those in the rest of the county and the requisition would be funded through property taxes.</p>

FAMILY AND COMMUNITY SUPPORT SERVICES (FCSS)

Hussar participates in the Government of Alberta's (GOA) Family and Community Support Services (FCSS) program as a partner in the Wheatland Family and Community Support Services. FCSS programs are funded through an 80/20 funding partnership between the GOA and participating municipalities.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village council will continue to determine how FCSS services are provided in the village.</p> <p><u>Recommendations for Long-Term Viability</u></p> <p>The Village of Hussar council and administration should:</p> <p>41. continue participation in the regional FCSS program.</p>	<p>No change in FCSS services or programs in Hussar are anticipated.</p>

8. RISK MANAGEMENT

RISK

According to the village's responses in the Municipal Sustainability Strategy questionnaire, the village has not conducted a Corporate Risk Assessment and has not developed a Corporate Risk Mitigation Plan to address both asset and strategic risks. A risk assessment and mitigation plan could identify the possible undesirable events, occurrences, or conditions that may hinder the ability of the village to achieve its strategic objectives, assess the risks, and contain a plan to address the possible risks.

Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village council will continue to be responsible for evaluating and managing its risks.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Hussar council and administration should:</p> <p>42. continually review Occupational Health and Safety requirements to ensure that the village is compliant with current requirements; and</p> <p>43. develop a work alone policy.</p>	<p>Wheatland County conducted a risk assessment in 2015. Insurance risk review surveys are completed approximately every five years and actions taken where required to minimize or eliminate risk.</p> <p>A risk analysis of Hussar and its facilities would be undertaken within the first year of operation by the county.</p>
<p><u>EMERGENCY SERVICES, FIRE PREVENTION, AND SUPPRESSION</u></p> <p>The Hussar Rural Fire Association provides services to the Village of Hussar and to Wheatland County. As part of the service agreement with the association, the village provides 0.5 tax mill rate plus \$1,000 in funding (approximately \$9,000 in total) for services in addition to the funding provided by the county. The village has a mutual aid agreement with Wheatland County and the other villages within the county.</p>	
Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>No changes in services or agreements are anticipated.</p> <p>- No recommendations made for the long-term viability of the village.</p>	<p>No changes in services or agreements are anticipated.</p> <p>The agreement Wheatland County has with the Hussar Rural Fire Association would be amended to include the area of Hussar.</p>
<p><u>POLICING AND BYLAW ENFORCEMENT</u></p> <p>In accordance with the village’s Bylaw Enforcement Officer Bylaw, the CAO of Hussar is the designated bylaw officer for the village. As of February 2016, the village contracts bylaw enforcement services through a shared community peace officer agreement with the County of Newell. The county peace officers enforce municipal bylaws and provincial statutes within the village. The closest RCMP detachment to the village is located in the Town of Bassano.</p>	
Option One - Hussar remains a village and implements changes to achieve viability	Option Two – The Village of Hussar dissolves and becomes part of Wheatland County
<p>The village would continue to be responsible for bylaw enforcement services in the village.</p> <p><u>Recommendations for Long-Term Viability</u> The Village of Hussar council and administration should:</p> <p>44. review the contract for bylaw services to ensure the services meet the needs of the village.</p>	<p>Bylaw enforcement would be based upon Wheatland County bylaws and enforced by the county’s four bylaw and peace officers.</p>

APPENDICES

APPENDIX A: KEY MEASURES OF MUNICIPAL VIABILITY

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

When assessed against the key measures for years 2013, 2014, and 2015 the Village of Hussar triggered **Yes** to key measures 6 and 7 as outlined below:

CHART 1: VILLAGE OF HUSSAR KEY MEASURES OF MUNICIPAL VIABILITY 2013 - 2016

KM	Key Measures of Municipal Viability	Results
1.	Has your municipality reported an accumulated deficit, net of equity in tangible capital assets, for the past three fiscal years? No	2016 - \$359,443 2015 - \$256,016 2014 - \$192,693 2013 - \$125,799
2.	Does your municipality have less than a 1:1 ratio of current assets to current liabilities? No	2016 – 2.59:1 2015 – 1.70:1 2014 – 1.49:1 2013 – 1.35:1
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? The auditors found the annual consolidated financial statements to present fairly in their opinion in 2013, 2014, 2015, and 2106. No	
4.	Has your municipality reached 80 per cent of its debt or debt service limit? No Debt Service Limit was 9% in 2013 – 2015 and 7.2% in 2016	2016 – 6.8% 2015 – 9% 2014 – 11% 2013 – 12%
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	2016 – 50.85% 2015 – 26.08% 2014 – 19.05% 2013 – 28.03%
6.	Has your municipality's non-residential assessment base declined over the past 10 years? No in 2016, 2015 and 2014; Yes in 2013	2016 - \$2,673,316 2015 - \$3,122,212 2005 - \$2,151,540
7.	Does your municipality have more than five per cent of current property tax unpaid for the most recent completed fiscal year? Yes in 2016, 2014 and 2013	2016 – 17.8% Unpaid 2015 – 2.6 % Unpaid 2014 – 6.4 % Unpaid 2013 – 7.0 % Unpaid
8.	Has your municipality experienced a decline in population of the municipality over the last 20 years? No	2016 – 176 2015 - 176 1995 - 150
9.	Is the remaining value of the tangible capital assets (TCAs) less than 30 per cent of the original cost? No	55.5 % 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? In the years 2014, 2015, and 2016, the village's audited financial statements were submitted to Municipal Affairs on time. No, in 2013, 2014, 2015, and 2016 the village's audited financial statements were submitted to Municipal Affairs by May 1.	

APPENDIX B: FINANCIAL INFORMATION 2012 – 2016

TABLE 1: FINANCIAL POSITION

	2012	2013	2014	2015	2016	5-Year Change
Financial Assets						
Cash and Temporary Investments	\$203,141	\$389,463	\$490,466	\$526,421	\$386,869	\$183,728
Taxes and Grants in Place of Taxes Receivables	\$210,146	\$33,057	\$20,337	\$8,953	\$40,085	(\$170,061)
Other Receivables	\$5,381	\$7,810	\$25,142	\$45,405	\$147,087	\$141,706
Inventories Held for Resale	\$10,033	\$10,033	\$11,542	\$11,542	\$0	(\$10,033)
Long Term Investments	\$0	\$0	\$0	\$0	\$0	\$0
Other Current Assets	\$0	\$0	\$0	\$0	\$0	\$0
Other Long Term Assets	\$0	\$0	\$0	\$0	\$0	\$0
Total Financial Assets	\$428,701	\$440,363	\$547,487	\$592,321	\$574,041	\$145,340
Liabilities						
Accounts Payable and Accrued Liabilities	\$76,702	\$36,410	\$24,097	\$39,439	\$58,079	(\$18,623)
Deferred Revenue	\$305,962	\$278,154	\$330,699	\$296,868	\$156,836	(\$149,126)
Long Term Debt	\$74,779	\$69,685	\$64,304	\$58,621	\$52,618	(\$22,161)
Other Liabilities	\$0	\$0	\$0	\$0	\$0	\$0
Total Liabilities	\$457,443	\$384,249	\$419,100	\$394,928	\$267,533	(\$189,910)
Net Financial Assets	-\$28,742	\$56,114	\$128,387	\$197,393	\$306,508	\$335,250
Non-financial Assets						
Tangible Capital Assets	\$2,600,149	\$3,187,789	\$3,299,060	\$3,239,791	\$3,443,977	\$843,828
Prepaid Expenses	\$1,344	\$0	\$0	\$0	\$317	(\$1,027)
Other	\$0	\$0	\$0	\$0	\$0	\$0
Total Non-financial Assets	\$2,601,493	\$3,187,789	\$3,299,060	\$3,239,791	\$3,444,294	\$842,801
Accumulated Surplus	\$2,572,751	\$3,243,903	\$3,427,447	\$3,437,184	\$3,750,802	\$1,178,051

TABLE 2: ACCUMULATED SURPLUS

Accumulated Surplus	2012	2013	2014	2015	2016	5-Year Change
Unrestricted Surplus	\$47,381	\$113,895	\$180,789	\$244,112	\$197,268	\$149,887
Restricted Surplus	\$0	\$11,904	\$11,904	\$11,904	\$162,175	\$162,175
Equity in Tangible Capital Assets (non-cash)	\$2,525,370	\$3,118,104	\$3,234,754	\$3,181,168	\$3,391,359	\$865,989
Total Accumulated Surplus	\$2,572,751	\$3,243,903	\$3,427,447	\$3,437,184	\$3,750,802	\$1,178,051

TABLE 3: FINANCIAL ACTIVITIES BY FUNCTION (REVENUES AND EXPENSES)

Revenues	2012	2013	2014	2015	2016
General	\$161,858	\$182,792	\$216,900	\$176,613	\$205,525
General Government	\$24,594	\$18,708	\$26,048	\$27,926	\$29,708
Protective Services	\$1,550	\$633	\$480	\$532	\$986
Transportation	\$0	\$202,748	\$18,561	\$54,900	\$1,579
Environmental Use and Protection	\$412,408	\$190,696	\$207,053	\$217,954	\$545,010
Public Health and Welfare	\$3,005	\$18,305	\$157,735	\$22,705	\$3,005
Planning and Development	\$0	\$125	\$375	\$50	\$12,200
Recreation and Culture	\$8,024	\$501,791	\$4,115	\$5,590	\$2,370
Other Utilities	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
Total Revenue	\$611,439	\$1,115,798	\$631,267	\$506,270	\$800,383
Expenses	2012	2013	2014	2015	2016
General Government	\$121,998	\$128,772	\$133,601	\$135,685	\$172,685
Protective Services	\$22,031	\$23,523	\$21,255	\$21,516	\$50,650
Transportation	\$75,774	\$109,472	\$101,232	\$154,433	\$213,687
Environmental Use and Protection	\$179,151	\$151,209	\$154,105	\$147,140	\$157,963
Public Health and Welfare	\$6,946	\$8,338	\$4,979	\$2,612	\$4,289
Planning and Development	\$1,580	\$1,591	\$1,759	\$1,818	\$11,851
Recreation and Culture	\$19,463	\$21,741	\$30,797	\$33,329	\$33,188
Other Utilities	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$426,943	\$444,646	\$447,728	\$496,533	\$644,313
Net Revenue/Expenses	\$184,496	\$671,152	\$183,539	\$9,737	\$156,070

PROPERTY TAXES

A primary source of revenue for municipalities, property taxes are used to finance local programs and services such as road construction and maintenance, parks and leisure facilities, and fire protection.

A decrease in property tax revenue means that Wheatland County may not be able to provide the services and service levels currently provided by the Village of Hussar without additional funding sources.

Property taxes may not be the only financial cost that would change. Utility rates could change, and additional fees may be considered for services that Wheatland County does not provide in hamlets. These factors would have an effect on the cost of living in the village.

Table 4 shows the Village of Hussar's 2017 property tax rates and the amount of property tax that property owners paid to the village on a property assessed at \$100,000; and

Table 5 shows Wheatland County's 2017 tax rates and the amount of property tax that Hussar property owners could have expected to be levied by the Wheatland County on a property assessed at \$100,000 if Hussar had been a hamlet in the county in 2017.

TABLE 4: 2017 VILLAGE OF HUSSAR MUNICIPAL PROPERTY TAX

Village of Hussar	Residential	Non-residential
2017 Municipal Property Tax Rate	10.78921	11.38789
Alberta School Foundation Fund	2.49757	3.61885
Wheatland Housing Management Body	0.06319	0.06319
Total	13.34997	15.06993
Assessed Property Value	\$100,000	\$100,000
2017 Total Property Tax	\$1,335	\$1,507

No Minimum Tax

TABLE 5: 2017 WHEATLAND COUNTY PROPERTY TAX

Wheatland County	Residential	Non-residential
2017 Municipal Property Tax Rate	3.7950	8.4100
Alberta School Foundation Fund	2.4685	3.8694
Wheatland Housing Management Body	0.0651	0.0651
Drumheller & District Solid Waste Management	0.0769	0.0769
Total	6.4055	12.4214
Assessed Value	\$100,000	\$100,000
2017 Total Property Tax	\$641	\$1,242

The county imposes a minimum tax of \$25

APPENDIX C: GRANT ALLOCATIONS AND PROPOSED PROJECTS

TABLE 6: GRANT ALLOCATIONS FOR CAPITAL PROJECTS

Grant Program	2012	2013	2014	2015	2016	2017	Total	Average
MSI Capital	\$128,575	\$126,893	\$131,278	\$115,967	\$128,959	\$128,468	\$760,140	\$108,591
*Alberta Transportation	\$14,233	\$13,866	\$13,866	\$13,866	\$13,866	\$13,866	\$83,563	\$11,938
Federal Gas Tax Fund	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	**\$50,000	\$300,000	\$42,857
Total	\$192,808	\$190,759	\$195,144	\$179,833	\$192,825	\$192,334	\$1,143,703	\$163,386

Federal and provincial grant allocations as listed on the Municipal Affairs website ** estimated

*2009 to 2010 – the Street Improvement Program; and *2011 to 2014 – the Basic Municipal Transportation Grant.

TABLE 7: GRANT REVENUE FOR MSI – CAPITAL ALLOCATIONS AND PROPOSED PROJECTS

Year	Allocation	Proposed Project	Estimated Project Expenditures
2016	\$128,959	Rehabilitate Gravel Roads	\$22,000
2015	\$115,967	Purchase of Snow Blade	\$10,200
		Rehabilitate Main Street including pathways	\$270,520
2014	\$131,278	No Projects Proposed	
2013	\$126,893	No Projects Proposed	
2012	\$128,575	Purchase a lawn mower, water tank, and trailer	\$9,600
		Upgrade water distribution system, replacement of waterlines and fire hydrants	\$418,500
2011	\$128,373	Construct a wastewater lift station	\$285,841
Total	\$888,513	Total Proposed Expenditures 2011 - 2016	\$1,016,661

When the project expenditure is more than the grant allocation, the project is funded with additional revenue sources.

TABLE 8: GRANT REVENUE FOR MSI – OPERATING ALLOCATIONS AND PROPOSED PROJECTS

Year	Allocation	Proposed Project	Estimated Project Expenditures
2016	\$29,457	General Administration	\$29,457
2015	\$26,124	General Administration	\$4,000
		Libraries	\$1,504
		Municipal Buildings and Facilities	\$2,000
		Parks, Sport, and Recreation	\$5,800
		Planning and Development	\$320
		Public Security and Safety	\$12,500
2014	\$23,277	General Administration	\$6,091
		Wastewater	\$2,150
		Water	\$15,200
2013	\$50,148	Wastewater	\$20,200
		Water	\$29,948
2012	\$46,884	Staff Development	\$731
		Wastewater	\$36,500
		Water	\$60,000
2011	\$49,589	Contract water and wastewater services from Wheatland County	\$35,000
		Total Proposed Expenditures 2011 - 2016	\$261,401

In the period 2011 to 2014, the Village of Hussar proposed expenditures of \$198,998 (86%) on water and wastewater.

APPENDIX D: INFRASTRUCTURE 10-YEAR CAPITAL PLAN

The following table provides an overview of the projected annual costs of the recommended projects as listed in the **Village of Hussar Infrastructure Condition Study**.

TABLE 9A: VILLAGE OF HUSSAR 10-YEAR CAPITAL PLAN

Priority Horizon (Years)	Water System	Waste water	Roads and Sidewalks	Drainage	Municipal Buildings	Total
0-3	\$278,000	\$276,000	\$496,000	\$0	\$0	\$1,050,000
4-10	\$348,000	\$491,000	\$584,000	\$0	\$0	\$1,423,000
Essential/Critical Total	\$626,000	\$767,000	\$1,080,000	\$0	\$0	\$2,473,000
Non- Critical	\$881,000	\$791,000	\$1,973,000	\$0	\$351,000	\$3,996,000
Total	\$1,507,000	\$1,558,000	\$3,053,000	\$0	\$351,000	\$6,469,000

TABLE 9B: CAPITAL PLAN FOR ESSENTIAL/CRITICAL INFRASTRUCTURE PROJECTS

Infrastructure	2018	2019	2020	2021	2022	Sub-total
Water System	\$11,350	\$131,500	\$135,150	\$0	\$8,388	\$286,388
Wastewater	\$11,245	\$135,640	\$129,115	\$0	\$8,205	\$284,205
Roads and Sidewalks	\$20,250	\$271,108	\$204,642	\$0	\$15,124	\$511,14
Drainage	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Buildings	\$0	\$0	\$0	\$0	\$0	\$0
Total	\$42,845	\$538,248	\$468,907	\$0	\$31,717	\$1,080,717

Infrastructure	2023	2024	2025	2026	2026	Total
Water System	\$140,912	\$56,072	\$0	\$5,825	\$136,803	\$626,000
Wastewater	\$138,145	\$54,460	\$0	\$6,055	\$284,135	\$767,000
Roads and Sidewalks	\$204,018	\$151,196	\$0	\$8,727	\$204,935	\$1,080,000
Drainage	\$0	\$0	\$0	\$0	\$0	\$0
Municipal Buildings	\$0	\$0	\$	\$	\$	\$
Total	\$483,075	\$261,728	\$0	\$20,607	\$625,873	\$2,473,000

Note: Estimated costs are inclusive of engineering fees and contingency allowances.

TABLE 10: CAPITAL PROJECT EXPENDITURES – PURCHASE OF TANGIBLE CAPITAL ASSETS

In a municipality's audited financial statements, the amount expended on the purchase of tangible capital assets (TCAs) equates to the amount the municipality expended on capital projects in that year.

	2011	2012	2013	2014	2015	2016	Total	Average
TCA Purchases	\$117,360	\$290,129	\$711,752	\$117,360	\$62,632*	\$287,418	\$1,586,651	\$264,441

*Restated in 2016 statements

APPENDIX E: UTILITY REVENUES AND EXPENSES

TABLE 11: UTILITY OPERATIONS BALANCES

Municipal Utility	2012	2013	2014	2015	2016
Water Utility					
Water - Operating Revenues	\$100,261	\$129,343	\$55,336	\$62,826	\$58,566
Water - Operating Expenses	\$115,192	\$84,761	\$83,581	\$76,490	\$65,372
Water - Total	(\$14,931)	\$44,582	(\$28,245)	(\$13,664)	(\$6,806)
Water - Operations Subsidy (from Property Taxes)	\$14,931	\$0	\$28,245	\$13,664	\$6,806
Water - Operations Subsidy as Mill Rate	1.24	0.00	2.12	1.05	0.41
Water - Operations Subsidy as Percentage of Property Tax Revenues	10.28%	0.00%	15.27%	9.89%	4.24%
Water - Operations Subsidy as Percentage of Total Revenues	2.44%	0.00%	4.47%	2.70%	0.85%
Wastewater (Sewer) Utility					
Wastewater - Operating Revenues	\$312,147	\$61,353	\$151,717	\$127,395	\$455,921
Wastewater - Operating Expenses	\$44,952	\$44,191	\$49,673	\$43,803	\$62,790
Wastewater - Total	\$267,195	\$17,162	\$102,044	\$83,592	\$393,131
Wastewater - Operations Subsidy (from Property Taxes)	\$0	\$0	\$0	\$0	\$0
Wastewater - Operations Subsidy as Mill Rate	0.00	0.00	0.00	0.00	0.00
Wastewater - Operations Subsidy as Percentage of Property Tax Revenues	0.00%	0.00%	0.00%	0.00%	0.00%
Wastewater - Operations Subsidy as Percentage of Total Revenues	0.00%	0.00%	0.00%	0.00%	0.00%

Solid Waste (Garbage) Utility					
Waste Management - Operating Revenues	\$0	\$0	\$27,733	\$30,523	\$30,523
Waste Management - Operating Expenses	\$22,257	\$20,851	\$26,847	\$29,801	\$10,794
Solid Waste - Total	(\$22,257)	(\$20,851)	\$886	\$722	\$19,729
Waste Management - Operations Subsidy (from Property Taxes)	\$22,257	\$20,851	\$0	\$0	(\$19,007)
Waste Management - Operations Subsidy as Mill Rate	1.73	1.56	0.00	0.00	(1.58)
Waste Management - Operations Subsidy as Percentage of Property Tax Revenues	13.78%	11.28%	0.00%	0.00%	(13.08%)
Waste Management - Operations Subsidy as Percentage of Total Revenues	1.99%	3.30%	0.00%	0.00%	(3.11%)

TABLE 12: SUMMARY OF ALL UTILITY OPERATIONS

Water, Wastewater, and Solid Waste Combined	2012	2013	2014	2015	2016
All utilities - Operating Revenues	\$412,408	\$190,696	\$207,053	\$217,954	\$545,010
All utilities - Operating Expenses	\$179,151	\$151,209	\$154,105	\$147,140	\$157,963
All Utilities - Total	\$233,257	\$39,487	\$52,948	\$70,814	\$387,047
All utilities - Operations Subsidy (from Property Taxes)	\$0	\$0	\$0	\$0	\$0
All utilities - Operations Subsidy as Mill Rate	0.00	0.00	0.00	0.00	0.00
All utilities - Operations Subsidy as Percentage of Property Tax Revenues	0.00%	0.00%	0.00%	0.00%	0.00%
All utilities - Operations Subsidy as Percentage of Total Revenues	0.00%	0.00%	0.00%	0.00%	0.00%

APPENDIX F: WHAT THE VRT HEARD IN SEPTEMBER 2015

1. What is important to you about Hussar being a village?
 - Self governance
 - Personal and direct connection to council and administration
 - Community identity and involvement
 - Services for residents
2. What do you think the top priorities for the Village of Hussar should be?
 - Residential, business and industrial, development, and economic growth)
 - Infrastructure maintenance and improvement
 - Financial viability
 - Provision of provincial funding
 - Affordable property taxes
 - Beautification and maintenance of sidewalks/streets
 - Development of campground
 - Support for seniors
 - Better animal control
 - Tourism
3. Are the property taxes and utility rates in the Village of Hussar affordable for the current service levels?
 - Most respondents said that property taxes are too high (23 respondents)
 - Concern over seniors being able to pay taxes
 - Some residents commented that the taxes are too high for the level of services provided
 - A few residents said that tax rates are reasonable or are low (4 respondents)
 - Several individuals commented that utility rates are too high, and a select few noted that utility rates are reasonable
4. What other viability issues should the Hussar Viability Review Team be reviewing?
 - Relationship with the county
 - Whether property taxes will be higher or lower if Hussar becomes part of Wheatland County
 - Pros and cons of being a village vs. a hamlet including: service levels and response times
 - Infrastructure
 - Water resources and pricing
 - Annexation - future growth/expansion and marketing the lake
 - Hussar owned property such as the community hall, Sundowners Senior Centre and arena/curling club - ownership, financing, maintenance, etc.
 - Cemetery and campground maintenance
5. Do you consider Hussar to be sustainable as a village over the long-term?
 - Yes (14 respondents)
Note: Some of these respondents said Hussar could be sustainable but only if the village makes some significant changes for example if there is residential/business/industrial growth, provincial grant funding, tax increases, and/or infrastructure maintenance.
 - No (12) respondents)
 - Uncertain (3)

APPENDIX G: RECOMMENDATIONS FOR LONG-TERM VIABILITY

The Village of Hussar Council and Administration should:

SUSTAINABLE GOVERNANCE

1. consider the viability factors identified in the Viability Plan and all of the recommendations of the Viability Review Team, and adopt a written plan of how council intends to implement the recommendations;
2. complete an assessment of all new legislative requirements resulting from the review of the *Municipal Government Act*, and at a minimum, implement all mandatory requirements within the given timelines;
3. develop a communications policy that identifies various means to communicate with the community including hosting annual public engagement meetings, how council and administration will share information to residents on an ongoing basis, and further development of the village website for posting of village bylaws, council agendas and minutes, and explanation of changes in service delivery and utility rates;
4. ensure council business can be accomplished without the need to call special meetings except for emergent issues;
5. develop a municipal election information package for prospective councillors that includes an outline of the duties and work that a village councillor is expected to perform;
6. access resources provided by the provincial municipal associations and Municipal Affairs including CAO evaluation guidelines;
7. complete the review of village bylaws and policies, to ensure that existing bylaws and policies are compliant with current and proposed provincial legislation and that they meet the needs of the village;
8. post bylaws and policies on the village's website in a dedicated folder;
9. develop a bylaw review policy that includes timelines for a regular review cycle;
10. develop a records management and retention policy;
11. participate in orientation training following general elections and bi-elections;
12. continue to support and enable councillors to take advantage of training opportunities provided by Municipal Affairs, the provincial associations, and neighbouring municipalities; and
13. follow the mandatory provincial planning legislation within the given timelines.

REGIONAL COOPERATION

14. continue with the current programs and pursue other opportunities to enhance regional partnerships that would provide programs and services to Hussar residents in the most effective and efficient manner, and avoid duplication to achieve effective management of the public purse;
15. share long-term infrastructure plans with neighbouring municipalities, with the intent of aligning projects and reducing costs; and
16. celebrate and share with the community the successes of the regional partnerships.

OPERATIONAL AND ADMINISTRATIVE CAPACITY

17. include personal goals, objectives, and a learning plan as part of the CAO's annual performance evaluation;

18. continue to include resources for staff professional development in the annual village budget; and
19. as part of the annual budget process, review the CAO's hours of work and the hours the village office is open to the public to ensure that tasks associated with customer service and those associated with the administration of the village are completed efficiently and effectively.

FINANCIAL STABILITY

20. based on legislative requirements resulting from the *Municipal Government Act* review, adopt a three-year operating plan and a five-year capital;
21. develop policy for an annual budget cycle process that includes: a service capacity review to align program and service levels, council and residents' expectations, available resources and funding, and communication to the residents the importance of full-cost recovery in the operation of village utilities;
22. draft and approve a procurement policy;
23. provide information to village residents and property owners through a year-end report outlining how the previous year's revenues, including property taxes, were expended on village programs and services as part of a strategy for taxpayers to better understand how property tax dollars are spent and the value received from them;
24. include the public in service level discussions and budget planning then communicate the rationale for changes in property taxes;
25. continue to follow the provincially legislated tax recovery process;
26. continue with a tax installment plan;
27. review revenue sources to ensure an appropriate balance between property taxes, special taxes, local improvement taxes, franchise fees, and user fees exists;
28. establish a Reserve Fund Policy to ensure that funding is available for future initiatives and unexpected events that:
 - d. includes capital, operational, and any other reserves funded through a combination of property tax revenue, additional taxes, year-end surpluses, user fees, and donations;
 - e. defines clearly for what purposes the reserves may be used; and
 - f. provides a mechanism for council to review reserve levels on an annual basis to ensure adequate levels are maintained.

INFRASTRUCTURE

29. adopt a ten-year capital plan that:
 - c. prioritizes the identified projects in the infrastructure audit in accordance with the following criteria: public health, environmental impacts, public safety, present level of service, and degree of maintenance required; and
 - d. includes proposed revenue sources balanced between property taxes, fees for services, utility reserves, and grant funding; and
30. develop an asset management plan including policy and procedures for annual review.

SERVICE DELIVERY

31. consider partnerships with other municipalities and the Wheatland Regional Corporation to maintain and operate utility services;

32. develop a long-term utility operations and maintenance plan;
33. review utility rates annually and adjust to ensure that revenues from each utility service cover the expenses associated with the service;
34. develop a utility rate policy that outlines the components of utility rates including operational and administrative costs, debenture payments, and contributions to reserves for future projects;
35. transfer surplus utility revenues to dedicated reserves for future utility infrastructure projects in accordance with a reserve policy;
36. develop a long-term operations and maintenance plan for village infrastructure, including roads and buildings, and ensure it is followed through policy; and
37. follow the new municipal planning legislation requirements for the adoption of Municipal Development Plan, Intermunicipal Development Plan, and an Intermunicipal Collaboration Framework bylaws within the given timelines.

COMMUNITY WELL-BEING

38. consider establishment of an economic development committee with a clear mandate that allows for participation from residents, local businesses, and regional organizations;
39. continue to support and participate in community events;
40. continue participation in the Wheatland Housing Management Body; and
41. continue participation in the regional FCSS program.

RISK MANAGEMENT

42. continually review Occupational Health and Safety requirements to ensure that the village is compliant with current requirements;
43. develop a work alone policy; and
44. review the contract for bylaw services to ensure the services meet the needs of the village.

NOTES

NEXT STEPS IN THE VILLAGE OF HUSSAR VIABILITY REVIEW

PRESENTATION OF THE VILLAGE OF HUSSAR VIABILITY PLAN

Alberta Municipal Affairs will present the Viability Plan at a public meeting:

Date: June 19, 2018

Time: 7:00 p.m.

Location: Hussar Community Hall

The meeting will provide participants with an opportunity to:

- gain information about the Village of Hussar Viability Plan;
- provide feedback to the Minister regarding the viability options for Hussar; and
- learn the final steps in the viability review.

ADDITIONAL INFORMATION

For further information about the viability review, please contact:

Linda Reynolds
Municipal Sustainability Advisor
Alberta Municipal Affairs

Email: viabilityreview@gov.ab.ca

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