



April 23, 2020

My fellow residents:

Tiny and I live in Hythe by choice. We chose Hythe because it is a community that has retained its small-town values – values like family, caring, volunteerism, happiness, honesty, respect for past, and hope for the future. It is a small town where you know most of the people you meet on the street, who greet you with smiles, waves and conversation.

In Hythe volunteerism is a tradition; the arena, the pioneer home, the fire hall, and the legion hall all built and managed in a large part by volunteers. It is still small town enough that if you forget your wallet your word is good enough for gas, groceries etc. In small town Hythe people care for each other, you see that on a daily bases and when life throws you a curve like the loss of a loved one, a house fire or a medical emergency, it is then that you realize that you truly are not in it alone. The community has your back.

I have been honoured to represent this Village as Mayor. I have taken that responsibility very seriously. When I started as Mayor, I had three main questions:

1. What is our true financial position?
2. Why is our infrastructure in an advanced state of deterioration?
3. How do we foster a caring and sustainable community?

1. What is our true financial position?

VILLAGE OF HYPHE ESTIMATED CAPITAL NEEDS - 5 YEARS	
streets (pavement) repairs	\$6,500,000
sewer system repairs	\$2,000,000
sidewalk repair/replacement	\$500,000
water systems repair	\$150,000
equipment replacement	\$155,000
facilities & recreation asset repairs	\$1,100,000
TOTAL	\$10,405,000

Summary

Current revenue from taxes and grants covers minimum operational costs with under \$250,000/year available for capital investment (based on 2020 funding). Council anticipates no increases in grant

revenue. We do, however, expect to see decreases, with a 35 percent MSI Operating decrease this year alone.

2. Why is our Infrastructure in an advanced state of deterioration?

- Forty (40) percent of our assessed tax base pays \$0 as it is exempt from paying taxes (i.e., government, churches, school), as per the Alberta Municipal Government Act. This currently equals over \$500,000 in taxes that the Village of Hythe does not collect. The provincial government originally paid these taxes; however, this then shifted to a provincial grant in lieu of paying for the taxes. This grant has continually decreased to zero over the years.
- MSI grants have shrunk over the years as well and will likely continue to decrease for the foreseeable future.
- Increasing government regulation continually adds to operational costs (i.e. new water and sewer regulations; additional police funding requirements that will increase to \$43,000 per year by 2023; emergency radio system; etc.).
- Operating costs (i.e. insurance, fuel, power, wages, parts, equipment, and services) continue to climb year-after-year, faster than revenue.

Summary

For approximately the last 30 years, the Village of Hythe has operated using the equity we had in our infrastructure systems because taxes and grant revenue were below a sustainable level.

3. How do we foster a caring and sustainable community?

- Continue with the small-town values – realize our strengths.
- Continue to improve the aesthetics of the village – think first impressions.
- Respect our past but plan for the future – historic site designation for the arena and Hythe Fiber Optics throughout the community.
- Develop sustainable recreation, art, community, and development projects (i.e. Tree Drop, Spray Park, Ag Fair, Family-oriented ball and hockey tournaments).
- Achieve sustainability.

Summary

Hythe is a beautiful place to live and we can make it even better for all to enjoy.

Hythe Council and I believe we were elected to make decisions in the best interest of the people of the Village of Hythe. Taxes would have to increase approximately 250 percent to cover the investment needed to refurbish our infrastructure. We believe this tax increase is not feasible, and that we need to find a way to stabilize taxes.

We also believe we cannot increase grants by any appreciative amount due to the uncertainty of provincial and federal grants for municipalities. Considering our only revenue sources are taxes and grants, we have to conclude that the Village has no route to self-sustainability.

Council, Staff and I have reviewed numerous possible solutions to our financial situation. These include: the Intermunicipal Collaboration Framework (ICF) process; amalgamation; creative financing; extensive grant researching; professional review of our asset values; asset condition and asset management plan; operational cost review; dissolution - cooperative; and dissolution - non cooperative.

Conclusion

After careful review and consultation with the Alberta Government and the County of Grande Prairie, Hythe Council recommends the dissolution - cooperative process. On Wednesday, April 22, 2020 Council unanimously passed a resolution to send a letter to the Minister of Municipal Affairs requesting a Viability Review for the Village of Hythe. As it can take several months for the Province to conduct a review Hythe Council felt it was important to move forward with our request at this time.

Viability Review Process

1. Council makes a formal motion to request the Minister of Municipal Affairs, the Honourable Kaycee Madu, initiate a Viability Review for the Village of Hythe.
2. Staff completes the self-assessment questionnaire.
3. Council confirms it has implemented all required mitigation tools.
4. Council confirms it believes the municipality is no longer sustainable.
5. The Minister of Municipal Affairs, the Honourable Kaycee Madu and Provincial Staff will perform a screening to ensure this is the correct process.
6. Information collection (public consultation/meetings will be part of this step).
7. Hythe Staff and Council apply to Alberta Community Partnership program for funding to complete the Viability Review portion of the dissolution process.
8. A report will be provided to Hythe Council and residents with two options:
 - a. Recommendations to the municipality to reach viability.
 - b. A description of changes and impacts to residents if the municipality was dissolved.
(The report is also sent to residents and presented at a public meeting.)
9. Residents, Hythe Council, and the County of Grande Prairie have 30 days to provide written comments, including their preferred option, to the minister.
10. If, after reviewing comments of residents and councils, the minister decides a vote will be held, it is administered by Municipal Affairs staff in accordance with the Local Authorities Election Act.
11. A public vote is held on the following two options:
 - Option 1: Implement changes to achieve viability.
 - Option 2: Dissolve the Village of Hythe and become a hamlet within the County of Grande Prairie.

12. If the majority of residents vote for:

- Option 1, the Minister may issue directives which the review municipality must comply with.
- Option 2, the Minister is required to recommend dissolution to the provincial cabinet, who will then make the final decision on dissolution.

If we vote for dissolution, no doubt things will change, change is hard, but; I believe it will make Hythe a better place to call home.

The one thing that will not and cannot change is the incredible community values and the spirit of our great community. We together make our community; and we, together will continue to enjoy all the things that make Hythe a great place to live.

Please know that as we go through this process it is business as usual for the Village. Operations, maintenance, and development will continue for the benefit of our community. For example, the long awaited and much needed Hythe Fiber Optics project is close to starting where fiber cable (infrastructure) is to be put in the ground this summer. Through a partnership, the Village will cost share the Hythe Fiber project giving all residents and businesses the option to connect to fiber optics and programming at market rates. Although the Village of Hythe will need to borrow for our portion of the project, the repayment is on a cost recovery basis and no property tax increase is required to fund this project. Another much needed project is roads; Council has approved funding to upgrade multiple streets/areas of the Village during this construction season. These activities are important to keep our community vibrant and strong.

I would like to thank the County of Grande Prairie for choosing to enter a Cooperative Dissolution Process with us.

Fellow residents, Council wants to hear from you and is available to talk with you in person (one-on-one), by telephone, email, mail, and/or through our virtual Tele-Town Hall scheduled for Tuesday, April 28, 2020 at 7:00 PM. Please contact the Village office at 780.356.3888 to register your phone number for the Tele-Town Hall or you can also register through the Village website at www.hythe.ca or the Village of Hythe Facebook page at <https://www.facebook.com/villageofhythe/>. Mayor and Council members will be available for scheduled one-on-one meetings on Wednesday, April 29th and Thursday, April 30th from 2:00 to 5:00 PM and 7:00 to 9:00 PM on each day. Please contact the Village office to schedule a meeting at 780.356.3888 or email info@hythe.ca (social distancing measures will be in place).

Respectfully, on behalf of Village of Hythe Council,



Brian Peterson
Mayor of the
GREAT Village of Hythe