

Deputy Minister
18th Floor, Commerce Place
10155 - 102 Street
Edmonton, Alberta T5J 4L4
Canada
Telephone 780-427-4826
Fax 780-422-9561

March 1, 2019

AR96570

Ms. Kathy Skwarchuk
Chief Administrative Officer
Alberta Beach
Alberta Beach, AB T0E 0A0

Subject: Performance Indicators for Alberta Beach

Dear Ms. Kathy Skwarchuk:

In the 2018-2021 Municipal Affairs Business Plan, the ministry developed a new performance measure that would identify the percentage of municipalities that were deemed to be "not at risk" based on financial and governance risk indicators. This performance measure was developed in consultation with stakeholders, and will be used as a benchmark for measuring the ministry's efforts to ensure Albertans live in viable municipalities and communities with responsible, collaborative and accountable local governments.

Beginning with the 2019-2022 Municipal Affairs Business Plan, the ministry will start reporting on this measure. The data collected for this reporting will be based on the percentage of municipalities deemed "not at risk" by evaluating 13 defined financial, governance, and community indicators (attached to this email). Each indicator has a defined benchmark, and a municipality will be deemed "not at risk" as long as it does not trigger a defined number of indicators. Municipal Affairs will publish the indicators for each municipality on the ministry's website on a yearly basis.

The following indicates those measures where your municipality did not meet the "not at risk" criteria and are provided for your information.

2016

CI02-MINISTRY INTERVENTION

In the fall of 2019, Municipal Affairs will be compiling and verifying the data results of the 2018 financial year. Should your municipality trigger three or more non-critical indicators, or

RECEIVED MAR 07 2019

one critical indicator, your municipality will be provided an opportunity to submit feedback to clarify why the indicator or indicators may have been triggered.

In rare circumstances where a municipality remains on the list of municipalities deemed "at risk" for three consecutive years, the ministry will initiate a viability screening to determine whether a viability review should be initiated. The ministry has determined that the 2018 financial year will be treated as year one for the purposes of determining whether a viability review should be initiated.

If you would like to discuss the new ministry performance measure, or the future release of indicator results, please contact the Municipal Services and Legislation Division, toll-free at 310-0000, then 780-427-2225, or lgsmail@gov.ab.ca.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brad Pickering', with a long horizontal flourish extending to the right.

Brad Pickering
Deputy Minister

Attachment: Performance Indicator Report

2016 Performance Indicators - Alberta Beach

In 2017, Municipal Affairs (MA) developed a performance measure for the Business Plan and annual report. This measure provides information on the percentage of municipalities that meet the targets across 13 measures which include financial, governance, and infrastructure. A municipality's risk is assessed based on thirteen indicators independently derived from the source data supplied by the municipality. Each indicator has a defined trigger level. A municipality is deemed at risk if it triggered one critical indicator or three or more of the eleven non-critical indicators.

ID	Description	Result	Triggered
CI01	AUDIT OUTCOME: Auditor must report on exceptional circumstances. Triggered when the municipal auditor has identified a going concern risk, or denial of opinion in the municipality's audited financial statements.	N/A	No
CI02	MINISTRY INTERVENTION: The Province may need to intervene under exceptional circumstances. Triggered when Municipal Affairs has used its legislative authority to intervene in the municipality's operations, including viability reviews, inspections, etc.	Yes - 1	Yes
NC01	TAX BASE BALANCE: The percentage of the total tax revenue that is collected from residential and farmland properties. Triggered when more than 95 percent of the municipality's tax revenue comes from residential and farmland properties.	82.70%	No
NC02	TAX COLLECTION RATE: The percentage of property taxes collected. Triggered when a municipality collects less than 90 percent of the property taxes it levies in the reporting year.	96.95%	No
NC03	POPULATION CHANGE: The percentage of population change in the municipality over a ten-year period. Triggered when a municipality's population declines by 20 per cent. Improvement districts and summer villages are excluded.	-2.15%	No
NC04	CURRENT RATIO: The ratio of current assets compared to current liabilities. Triggered when the result is less than 1. A result of N/A indicates that the municipality has other long term investments which, together with current assets, more than meet its current liabilities.	3.59	No
NC05	ACCUMULATED SURPLUS/DEFICIT: The total assets minus liabilities of the municipality excluding capital assets and related debt. Triggered when a municipality is in a deficit (-) position for the reporting year. Municipalities in a deficit position are required to recover the shortfall in the following year.	\$1,220,209	No
NC06	ON-TIME FINANCIAL REPORTING: Municipalities are required to submit year-end audited financial statements and financial information returns to Municipal Affairs by May 8th of the reporting year. Triggered if the municipality filed after May 8th.	Yes	No
NC07	DEBT TO REVENUE PERCENTAGE: Total borrowings as a percentage of total revenue. Triggered when a municipality's debt is greater than 120 percent of its total revenue.	0.00%	No
NC08	DEBT SERVICE TO REVENUE PERCENTAGE: Annual principal and interest payments as a percentage of total revenue. Triggered when principal and interest payments on borrowings is greater than 20 percent of the municipality's total revenue.	0.00%	No
NC09	INVESTMENT IN INFRASTRUCTURE: The ratio of new investment in capital assets compared to the depreciation (or amortization) of existing assets over a five year period. Triggered if a municipality's capital spending is less than the depreciation of its assets, indicated by a result less than 1.	1.86	No
NC10	INFRASTRUCTURE AGE: The depreciated (amortized) value of tangible capital assets as a percentage of original cost. Triggered when the net book value of the tangible capital assets is less than 40 percent of the original cost.	56.13%	No
NC11	INTEREST IN MUNICIPAL OFFICE: Elections votes are only held if there are more candidates than positions. Triggered when no vote is held because all councillors are acclaimed. A result of N/A indicates that no election or by-election occurred within the reporting year.	N/A	No