

## Town of Penhold:

Small communities are challenged  
by population growth

**The Town of Penhold is a rapidly growing bedroom community just outside of Red Deer. Most of the people that live in Penhold work in the Red Deer area.**

With growth comes a demand for new services or improved services. Between 2010 and 2015, the **Town's population grew by over 40 per cent** and that influx of new residents created extra demands on all of the Town's services. Some areas required immediate attention, like making sure there was safe water and sewer services available.



**The Town of Penhold's ongoing experience provides some excellent examples of the impacts of rapid growth that a small community must contend with:**



### Water & Wastewater

Penhold took on a fifteen-year loan to build a new water reservoir for the current and new residents coming into town. It was built with some help from the provincial and federal governments.

Penhold joined a regional system that takes care of the sewer for six communities from Olds to Red Deer. The system has been carrying long-term debt from its construction and is incurring more debt to continue its operations. These costs are ultimately passed on to residents.



### Community Facilities

The community saw the construction of a recreation facility, again, taking on a twenty-year loan to build it.

Fire trucks and equipment needed to be upgraded to provide adequate services to the community. Once again, funds were taken from taxpayers and from reserves.

The fire hall was built in the 1970s as an addition to the original village administration office. It is in poor state, failing to meet today's equipment requirements, training, and safety conditions for volunteer firefighters.

The Town's Public Works building was purchased over 50 years ago when only 500 people lived in the community. With over 4,000 people now living in Penhold, more workers were needed and the Town ran out of space. Thankfully, the Government of Alberta has supported the Town's request and is helping it build a new facility that will be home to a new fire hall and shop for Public Works staff to serve the community.

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#### Seniors' Housing

Penhold is home to 3rd and 4th generation families. Unfortunately, due to a lack of seniors' housing, seniors are forced to move out of the community when it comes time to look for assisted care facilities. **So, what does that mean for the future of Penhold?**



#### Revenue & Debt Limits

Maintenance and upgrades to streets, parks, playgrounds, and path systems are required to keep up with the growth and expectations of residents. All of this requires long-term capital funding.

Like all municipal governments, the Town is restricted with how much debt they can take to pay for infrastructure. Therefore, they have to be picky about what projects will be funded with debt so that they have flexibility if there is an emergency failure that the Town can't afford without debt.



The municipal property taxes that were once able to fund major capital projects have diminished because the Town has to cover the basic day-to-day operations, leaving very little room to accommodate or plan for the larger needs. Most of the commercial businesses that serve Penhold residents are in larger centres, so the Town does not receive any taxes from those businesses. This means homeowners and renters carry more of the tax burden for the Town's services.

Unfortunately, funding from the province for capital projects has not kept up with cost increases and has actually diminished year-over-year making it extremely difficult for the Town of Penhold to plan capital projects or to fund infrastructure projects.