

**Town of Drumheller
COUNCIL MEETING
MINUTES**

April 30, 2018 at 4:30 PM
Council Chamber, Town Hall
224 Centre Street, Drumheller, AB, T0J 0Y4



PRESENT:

MAYOR:

Heather Colberg

COUNCIL:

Kristyne DeMott

Jay Garbutt

Tony Lacher

Fred Makowecki

Lisa Hansen-Zacharuk

Tom Zariski

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Darryl Drohomerski

DIRECTOR OF INFRASTRUCTURE SERVICES:

Armia Mikhaiel

DIRECTOR OF CORPORATE SERVICES:

Barb Miller

ACTING DIRECTOR OF COMMUNITY SERVICES:

Darren Goldthorpe

RECORDING SECRETARY:

Linda Handy

Absent: **DIRECTOR OF PROTECTIVE SERVICES:**

Greg Peters

1.0 CALL TO ORDER

Mayor Heather Colberg called the meeting to order at 4:30 PM.

2.0 MAYOR'S OPENING REMARK

Mayor Heather Colberg announced that Drumheller has moved to the second phase of the Most Rider Friendly Contest and she encouraged everyone to cast their vote daily in support of Drumheller.

Mayor Colberg announced the East Coulee Music Festival will be held May 4th & 5th and asked that everyone support them in their event.

Mayor Colberg thanked the Alberta Emergency Management Agency (Brian Boutin), Alberta Transportation, Acting CAO Barb Miller, Armia Mikhael, Town staff, Fire Department, RCMP, Health Services, Utility Companies, Volunteers and the community of Wayne for all the efforts put forward during the high water levels on the Rosebud and Red Deer Rivers from April 21st to April 26th.

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

MO2018.81 Zariski, Makowecki moved to adopt the agenda as presented. Carried unanimously.

5.0 MINUTES

5.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES

5.1.1 Regular Council Meeting Minutes of April 16, 2018

MO2018.82 Lacher, Garbutt moved to adopt the Regular Council Meeting Minutes of April 16, 2018 as presented. Carried unanimously.

5.2. MINUTES OF MEETING PRESENTED FOR INFORMATION

5.3. BUSINESS ARISING FROM THE MINUTES

6.0 DELEGATIONS

Leon Pfeiffer - CPA, CA of Collins Barrow attended the meeting and provided an overview of the 2017 audited Financial Statements. His overview included the following comments:

Page 2 Consolidated Statement of Financial Position – The balance sheet is divided by financial, liabilities and non financial assets (not as easily converted into cash). Financial assets (comprised of cash and cash equivalents, taxes receivable, etc.) total \$33.1M. Liabilities (comprised of deferred revenue, long term debt, etc) total \$22.5M (down \$0.5M from prior year). Net financial assets are \$10.6M which have increased \$4.3M from prior year and this indicates a very positive financial position. Non-financial assets (comprised of tangible capital assets of \$141.8M, inventory for consumption, etc) total \$142.7M similar to last year. Accumulated surplus – total of \$153.4M (an increase of \$2.5M over last year which is trending in the right direction). Auditor emphasized that the Town has a strong balance sheet with the ability to pay off current liabilities and remain with an excess.

Page 3 Consolidated Statement of Operations (profit and loss statement). Revenue received \$19.9M (increase of \$1.3M; net municipal taxes raised is \$8.5M; the next largest source of revenue is sales and user fees at \$7.4M); Expenses paid \$20.3M; Small deficit of \$325,510 and if add in capital revenues \$2.7M, the excess of revenue over expenses \$2.4M which is up \$900,000 over the prior year – leaving a strong current surplus. \$2.4M is added to the accumulated surplus at the beginning of the

year leaving a \$153.4M accumulated surplus at the end of the year.

Page 4 Consolidated Statement of Changes in Net Financial Assets – Excess of revenue over expenditures of \$2.4M less acquisition of tangible capital assets of \$(3.2M) plus amortization of tangible capital assets of \$4.5M for an increase in net financial assets of \$3.7M. This amount is added to change in prepaid expenses and change in inventory for a total of \$4.3M which is added to the net financial assets at balance at the beginning of the year \$6.3M which gives the net financial assets end year total of \$10.6M.

Page 5 – Net inflow of cash and cash equivalents: \$7.6M is the net cash inflow from operations; \$3.2M is cash outflow and investing activities of \$3.1M and repayment of long term debt of \$862,000 for a net change in cash and cash equivalents of \$411,876. Cash and cash equivalents is comprised of \$10.5M less restricted for specific purposes of \$9.5M leaving a year-end balance of \$1.3M (unrestricted) which is up from prior year of \$412,000.

Note 3 – Allowance for doubtful accounts is set at \$458,772 which is set at the same percentage as last year (which means that there is a probability that this tax amount may not be collected)

Note 13 – Unrestricted surplus (funds to spend on anything) of \$5.7M, restricted surplus of \$15.4M, equity in tangible capital assets of \$132.2M for a total accumulated surplus of \$153.4M.

Note 20 - \$20.3M is available for future capital projects – the Town is in a strong financial position with the ability to take on more debt. Councillor J. Garbutt reminded Council / Administration that there is an approved stricter debt limit policy in place by former Councils which is 60% of the Provincial's limit.

Note 23 Budget – The reported budget information was adopted by Council on February 21, 2017 and the budget figures contained in the financial statements have been presented for information purposes and are unaudited.

L. Pfeiffer concluded his report by commending Administration on the Town's strong financial position. He further stated that once the Management Letter is signed off the audited Financial Statements will be released.

L. Pfeiffer stated the next report is a summary of how the audit went which is a required report to Council. He explained that in their professional judgement the application of materiality is a number used that would not change the position of the Town and that number is 2% of overall revenues (\$435,000). He further explained terms used in examining the Town's records such as: audit approach is a look at the internal controls and pulling of invoices to ensure that they are posted correctly; no changes to the accounting policies for the year; no concerns with non-compliance with laws and regulations; no irregularities found; related parties transactions are recorded at fair value; no significant control issues from top (Council) down (Administration); and there is good keeping of working papers.

L. Pfeiffer reiterated that the Town is well positioned for tough times. He stated that the net annual surplus is \$2.4M which has increased about \$900,000 over the prior year; the Town is in a strong financial position.

Council congratulated past Councils and Administrations, Director of Corporate Services B. Miller and her staff for their excellent work for the Town's accounts.

MO2018.83 Zariski, Hansen-Zacharuk moved to approve the 2017 financial statements as presented. Carried unanimously.

7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS

8.0 REQUEST FOR DECISION REPORTS

8.1 CAO

8.2 DIRECTOR OF INFRASTRUCTURE SERVICES

8.3 DIRECTOR OF CORPORATE SERVICES

8.4 DIRECTOR OF COMMUNITY SERVICES

8.5 DIRECTOR OF PROTECTIVE SERVICES

9.0 PRESENTATION OF QUARTERLY REPORTS BY ADMINISTRATION

10.0 PUBLIC HEARING DECISIONS

11.0 UNFINISHED BUSINESS

12.0 NOTICE OF MOTION

13.0 MAYOR AND COUNCILLORS REPORTS

14.0 CLOSED MEETING

MO2018.84 Hansen-Zacharuk, Garbutt moved that Council close the meeting to the public at 5:35 PM Agenda Item 14.1 Land Matter – Chamber of Commerce (*FOIPP Act S.17 Public Body Confidences*). Carried unanimously.

MO2018.85 Makowecki, Zariski moved that Council return to the Open Meeting at 6:48 PM. Carried unanimously.

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April 30, 2018

14.1 Land Matter

There being no further business, the Mayor declared the meeting adjourned 6:48 PM.

Chief Administrative Officer

Mayor