

Town of Drumheller

SPECIAL COUNCIL MEETING

MINUTES



April 24, 2017 4:30 PM
224 Centre Street, Drumheller, Alberta

PRESENT:

MAYOR:

Terry Yemen

COUNCIL:

Lisa Hansen Zacharuk

Patrick Kolafa

Tara McMillan

Sharel Shoff

Tom Zariski

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF INFRASTRUCTURE SERVICES:

Darryl Drohomerski

DIRECTOR OF CORPORATE SERVICES:

Barb Miller

DIRECTOR OF PROTECTIVE SERVICES:

Greg Peters

RECORDING SECRETARY:

Linda Handy

ABSENT: Councillor Jay Garbutt

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

1.0 CALL TO ORDER

Mayor Terry Yemen called the meeting to order at 4:40 PM.

Mayor Yemen declared the week of April 23 – 29, 2017 as Volunteer Week.

Mayor Yemen requested Administration to research the logistic of using only biodegradable plastic (bags and bottles) in the Town of Drumheller.

2.0 Presentation of the 2016 Audited Financial Statements

Leon Pfeiffer - CPA, CA of Collins Barrow attended the meeting and provided an overview of the 2016 audited Financial Statements. His overview included the following comments:

Page 2 Consolidated Statement of Financial Position – The balance

sheet is divided by financial and non financial assets (not as easily converted into cash). Financial assets (comprised of cash and cash equivalents, taxes receivable, etc.) total \$29.3M – increase of \$8.6M from last year. Liabilities (comprised of deferred revenue, long term debt, etc) total \$23M. Net financial assets is \$6.3M which is a positive position. Non-financial assets (comprised of tangible capital assets, inventory for consumption, etc) total \$144M similar to last year. Accumulated surplus – total of \$150.9M increase of \$1.5M over last year. 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 (revenues and expenses by type for the 12 months). Revenue received \$18.6 (Net municipal taxes raised is \$8.5M; the next largest source of revenue is sales and user fees at \$6.5M); Expenses were \$19.5M; Deficiency of revenue over expenses is \$(923,050) and if added in \$4.6M amortization costs, this would put the municipality in a positive position. Accumulated surplus at the beginning of the year is \$149.4M plus excess of revenue over expenditures of \$1.57M (capital assets) equaling an accumulated surplus at the end of the year of \$150.9M.

Page 4 Consolidated Statement of Changes in Net Financial Assets – Excess of revenue over expenditures of \$1.57M less acquisition of tangible capital assets of \$(3.34M) plus amortization of tangible capital assets of \$4.62M for an increase in net financial assets of \$2.3M. This amount is added to the balance at the beginning of the year \$4M which gives the net financial assets end year total of \$6.2M.

Page 5 – Consolidated Statement of Cash Flows – Cash and cash equivalents of \$13.9M less restricted (conditional grants) of \$(9.4M) leaving a year-end balance of \$4.54M.

Note 13 – Unrestricted surplus (funds to spend on anything) of \$3.8M, restricted surplus of \$14.5M, equity in tangible capital assets of \$132.6M for a total accumulated surplus of \$150.9M.

Note 20 - \$17.4M is available for future capital projects – the Town is in a strong financial position with the ability to take on more debt.

Note 23 Budget – The budget adopted by Council on February 22, 2016 was prepared on a basis that incorporates the use of surpluses accumulated in previous years to fund current year operations and capital activities.

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.

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MOSP2017.01 Hansen-Zacharuk, Shoff moved to approve the 2016 financial statements as presented. Carried unanimously.

There being no further business, the Mayor declared the Special Council meeting adjourned at 5:04 PM.

Mayor

Chief Administrative Officer