

Town of Drumheller

SPECIAL COUNCIL MEETING

MINUTES



April 27, 2015 4:30 PM

224 Centre Street, Drumheller, Alberta

PRESENT:

MAYOR:

Terry Yemen

COUNCIL:

Jay Garbutt

Lisa Hansen Zacharuk

Patrick Kolafa

Tara McMillan

Sharel Shoff

Tom Zariski

ACTING CAO / DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

DIRECTOR OF CORPORATE SERVICES:

Barb Miller

DIRECTOR OF PROTECTIVE SERVICES:

Greg Peters

RECORDING SECRETARY:

Linda Handy

ABSENT: CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF INFRASTRUCTURE SERVICES:

Allan Kendrick

1.0 CALL TO ORDER

Mayor Terry Yemen called the meeting to order at 4:30 PM.

Councillor J. Garbutt was sworn in as Deputy Mayor for the months of May and June, 2015.

2.0 Presentation of the 2014 Audited Financial Statements

Leon Pfeiffer of Collins Barrow provided an overview of the 2014 audited Financial Statements via Skype / conference call. 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 \$19.3M – increase of \$5.1M from last year. Liabilities (comprised of deferred revenue, long term debt, etc) total \$17.4M. Net financial assets (debt) is \$1.6M compared to a shortfall of \$(1.52M) last year. Non-financial assets (comprised of tangible capital assets, inventory for consumption, etc) total \$144M same as last year. Accumulated surplus – total of \$145M increase of \$3.3M over last year. Improved position from 2013 to 2014.

Page 3 Consolidated Statement of Operations (revenues and expenses by type for the 12 months). Revenue received \$19.6 (Net municipal taxes raised is \$7.98; the next largest source of revenue is sales and user fees at \$6.97M); Expenses were \$20M; Deficiency of revenue over expenses is \$(411,823) which is a decent break-even position as the Town is not in the business of making money but of providing services. Accumulated surplus at the beginning of the year is \$142.7M plus excess of revenue over expenditures of \$2.85M (capital assets) equaling an accumulated surplus at the end of the year of \$145.6M.

Page 4 Consolidated Statement of Changes in Net Financial Assets (Debt) – Excess of revenue over expenditures of \$2.85M less acquisition of tangible capital assets of \$(3.97M) plus amortization of tangible capital assets of \$4.28M for a decrease in net debt of \$3.13M. This amount is added to the net debt balance at the beginning of the year \$(1.52M) which gives the net financial assets (debt) end year total of \$1.6M.

Page 5 – Consolidated Statement of Cash Flows – Cash and cash equivalents of \$7.23M less restricted (conditional grants) of \$(4.19M) leaving a year-end balance of \$3.04M.

Note 20 - \$19.5M 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 March 10, 2014 was prepared on a modified accrual basis. Amortization was budgeted for the water and wastewater departments. The budget for tangible capital assets outside of water and wastewater did not include amortization. Almost all expenses will be over because amortization was not budgeted for. Note 23 adjusts the budget to reflect amortization being budgeted in order to have comparable actual to budget statements. As a result, the budget figures presented in the statements of operations and change in net financial assets (debt) represent the budget adopted by Council on March 10, 2014.

L. Pfeiffer concluded his report by commending Administration on the careful management of tax dollars. He further stated that the Management Letter contains no issues and no carry forwards. He expressed appreciation to the Town staff for their assistance.

In response to a question from Council, B. Miller explained that the operating shortfall of \$(411,823) results from amortization being almost fully funded.

Councillor S. Shoff noted that the accrued vacation amount is once again climbing and staff should not be accumulating more than one year carryover in accordance with Town policy.

MOSP2015.01 Garbutt, Shoff moved to approve the 2014 financial statements as presented. Carried unanimously.

3.0 Personnel Matter – in camera MOSP2015.02 Zariski, Garbutt moved to go in camera at 5:30 PM. Carried unanimously.

MOSP2015.03 Garbutt, Hansen-Zacharuk moved to revert to regular Council meeting at 6:30 PM. Carried unanimously.

MOSP2015.04 Zariski, Shoff moved that Council approve a 3.5% wage increase to the CAO retroactive to January 1, 2015.

Vote on Motion:

6 in favour – Yemen, McMillan, Shoff, Zariski, Garbutt, Kolafa

1 opposed - Hansen-Zacharuk

Carried.

There being no further business, the Mayor declared the Special Council meeting adjourned at 6:30 PM.

Mayor

Acting Chief Administrative Officer