



AGENDA
TOWN OF DRUMHELLER
Regular Council Meeting

TIME & DATE: 4:30 PM – Monday May 2, 2022

LOCATION: Council Chambers, 224 Centre St and ZOOM Platform and Live Stream on Drumheller Valley YouTube Channel

1. CALL TO ORDER

2. OPENING REMARK

Emergency Preparedness Week – Presentation by Director of Emergency and Protective Services, Greg Peters and Communications Officer, Erica Crocker

3. ADDITIONS TO THE AGENDA

4. ADOPTION OF AGENDA

4.1 Agenda for May 2, 2022 Regular Council Meeting

Proposed Motion: That Council adopt the agenda for the May 2, 2022 Regular Council meeting as presented.

5. MEETING MINUTES

5.1 Minutes for the April 19, 2022, Regular Council Meeting as presented.

[Regular Council – April 19, 2022 - Minutes](#)

Proposed Motion: That Council approve the minutes for the April 19, 2022 Regular Council Meeting as presented.

6. DELEGATION

6.1 RSM Canada - Leon W. Pfeiffer, CPA, CA
2021 Town of Drumheller Audited Financials and Drumheller Resiliency and Flood Mitigation Audited Financials

[TOD Audited Financials](#)
[Flood Mitigation Audited Financials](#)

7. ADMINISTRATION REPORTS

7.1 DIRECTOR OF CORPORATE SERVICES

7.1.1 Request for Decision – 2021 Audited Financials – Town of Drumheller and Drumheller Resiliency and Flood Mitigation Project

RFD

2021 Service Area Variances

TOD Audited Financials

Flood Mitigation Audited Financials

Proposed Motions:

1. That Council approve the 2021 Town of Drumheller audited financial statements as presented.

2. That Council approve the 2021 Drumheller Resiliency and Flood Mitigation Program - Financial Statement as presented.

7.2 CHIEF ADMINISTRATIVE OFFICER

7.2.1 Request for Decision – 2022 Property Tax Bylaw 07.22

RFD + Bylaw 07.22

Proposed Motions:

1. That Council give first reading to 2022 Property Tax Bylaw 07.22 as presented.

2. That Council give second reading to 2022 Property Tax Bylaw 07.22 as presented.

3. That Council give unanimous consent for third reading of 2022 Property Tax Bylaw 07.22.

4. That Council give third reading to 2022 Property Tax Bylaw 07.22 as presented.

7.2.2 Request for Decision – 2022 Fees Schedule – Amendment

[RFD + Fee Schedule](#)

Proposed Motion: That Council approve the amended 2022 Fees Schedule as presented.

7.2.3 Request for Direction – Council Code of Conduct - Review

[RFD + Code of Conduct](#)

7.3 MANAGER OF ECONOMIC DEVELOPMENT

7.3.1 Request for Direction – Bylaw 01.22 Amending Bylaw 13.20 Residential Incentive Program – Follow Up Information for Multi-Unit Rental Rate

[RFD + DHA Minutes + Bylaws](#)

8. CLOSED MEETING

8.1 Land Transfer Agreements

FOIP 23 – Local public body confidences; FOIP 24 – Advice from officials

Proposed Motion: That Council close the meeting to the public to discuss the items in Section 8.1 of the May 2nd, 2022 Regular Council meeting as per FOIP 23 and 24.

9. ADJOURNMENT

9.1 **Proposed Motion:** That Council adjourn the meeting.



MINUTES
TOWN OF DRUMHELLER
Regular Council Meeting

TIME & DATE: 4:30 PM – Tuesday April 19, 2022
LOCATION: ZOOM Platform and Live Stream on Drumheller Valley
YouTube Channel

IN ATTENDANCE

Mayor Heather Colberg
Councillor Patrick Kolafa
Councillor Tony Lacher
Councillor Tom Zariski
Councillor Stephanie Price

Chief Administrative Officer (CAO): Darryl Drohomerski
Communications Office: Erica Crocker and Bret Crowle
Director of Emergency and Protective Services: Greg Peters
Flood Mitigation Project Manger: Deighen Blakely

Legislative Assistant: Denise Lines
Reality Bytes IT: David Vidal

ZOOM PLATFORM

Councillor Hansen-Zacharuk
Councillor Crystal Sereda

1. CALL TO ORDER

The Mayor called the meeting to order at 4:31pm

2. OPENING REMARK

April 28th - Day of Mourning for Persons Killed or Injured in the Workplace – Notice of Half Masting

3. ADDITIONS TO THE AGENDA

4. ADOPTION OF AGENDA

4.1 Agenda for April 19, 2022 Regular Council Meeting

M2022.93 Moved by Councillor Zariski, Councillor Price;
that Council adopt the agenda for the April 19, 2022 Regular Council meeting as
presented.

Carried unanimously

5. MEETING MINUTES

5.1 Minutes for the April 4, 2022, Regular Council Meeting as presented.

M2022.94 Moved by Councillor Lacher, Councillor Hansen-Zacharuk; that Council approve the minutes for the April 4, 2022 Regular Council Meeting as amended.

Amendment

Motion M2022.81 – That the meeting be opened to the public.

Carried unanimously

6. ADMINISTRATION REPORTS

6.1 CHIEF ADMINISTRATIVE OFFICER

Time Stamp: <https://youtu.be/cEM0jMO2imc?t=480>

6.1.1 Request for Decision – Rosedale Road Closure Land Bylaw 06.22 – First Reading

M2022.95 Moved by Councillor Kolafa, Councillor Price; that Council give first reading to the Rosedale Road Closure Land Bylaw 06.22 as presented and set a Public Hearing for May 16, 2022.

Carried unanimously

6.1 DIRECTOR OF EMERGENCY AND PROTECTIVE SERVICES

Time Stamp: <https://youtu.be/cEM0jMO2imc?t=468>

6.1.1 2022 First Quarter Report

Break Called: 4:46pm Requested by the Mayor

Return from Break: 5:25pm Called by the Mayor

7. PUBLIC HEARINGS TO COMMENCE AT 5:30 PM

7.1 Riverside Dr Road Closure Land Bylaw 05.22

The public hearing was recorded, a transcription will be submitted to Alberta Transportation.

1. Mayor Opens the Public Hearing 5:30pm
2. Mayors Introduction of Matter
3. CAO, Darryl Drohomerski explained that there will be some level of road closure due to flood mitigation work, regardless of the option chosen. According to the property lines the road right of way extends to the rivers edge. Time Stamp:
<https://youtu.be/cEM0jMO2imc?t=3920>
3. Presentation of Information – Drumheller Resiliency and Flood Mitigation Project Manager, Deighen Blakely Time Stamp: <https://youtu.be/cEM0jMO2imc?t=4166>
4. Rules of Conduct for Public Participation
All the material submitted for the Public Hearing will be included in the package being sent to Alberta Transportation.
5. Public - Registered to Present Remotely – No registration
6. Public – Pre - Registered to Present in Person – The Mayor removed the 5 minute time limit after a statement was presented by Sharon Clark.
<https://youtu.be/cEM0jMO2imc?t=5315>

To view a recording of the presenters, please click on the name.

PRE-REGISTERED TO SPEAK
Sharon Clark
Lynn Hemming
Derek Dekeyser
Darrell Berlando
REGISTERED DAY OF THE HEARING
Christopher Aiello
Ron Urch
Sonja Koustrup
Wallace Holmen
Mike Bassie
Ed Mah
QUESTION FROM THE GALLERY
Debra Jungling

Break Called: 7:38pm Requested by the Communications Officer

Return from Break: 7:43pm Called by the Mayor

7. Public - Written Submission Read Aloud – as per the verbal presentations, the time allotment limit was removed. Erica Crocker and Bret Crowle read the written submissions in their entirety. <https://youtu.be/cEM0jMO2imc?t=11781>

PAGE NUMBER	NAME
27	Annette Nielsen
28-29	Paul Ainscough
30	Noreen and John McKenzie
31-32	Melanie Adam
33-34	Mr. and Mrs. Guidolin
35	Dawn Christian
36-37	Ron Halliday
38	Robert D. Ross QC
39 - 60	Steve Huculak
61	Jim Gerlinger
62	Trevor and Debbie Catonio
63	Cathy Arndt
64	Linda Gerlinger
65	Don Gerlinger
66	Rod and Elaine Dormer / Dave and Marilyn Jorgensen
67 -70	Gordon Clozza
71-72	Betty Doyle
73-75	Sharon Oster
76-78	Residents of Maple Ridge Manor 1 / Barbara Campbell

8. Final Comments

Time Stamp: <https://youtu.be/cEM0jMO2imc?t=15300>

9. Mayor to Call for Public Hearing to Close at 8:45pm.

9. ADJOURNMENT

M2022.96 Moved by Councillor Zariski, Councillor Hansen-Zacharuk; that Council adjourn the meeting. Time: 8:45pm

Carried unanimously

MAYOR

CHIEF ADMINISTRATIVE OFFICER

REQUEST FOR DECISION

TITLE:	2021 Audited Financial Statements and 2021 DRFM Financial Report
DATE:	May 2, 2022
PRESENTED BY:	Mauricio Reyes, CPA, CMA, CAMP Director of Corporate & Community Services/CFO
ATTACHMENTS:	2021 Service Area Variances 2021 Audited Financial Statements 2021 DRFM Financial Report

SUMMARY:

This report is presented to Council as supplementary information to the 2021 Audited Financial Statements and it is intended to provide Council with a high-level summary of Town operations and financial position in 2021. Appendix 1 includes tables 1 and 2 which are intended to provide more details on the operations of the Town by service area.

TOWN OPERATIONS

Tax Supported Operations

As shown in table 1, tax-supported service areas had a deficit of \$0.94 million dollars in 2021. The deficit was mainly a combination of higher expenses and lower revenues. Expenses were higher mainly due to higher amortization than budgeted. In addition, higher policing costs contributed to higher expenses. Finally, investment and franchise fees experienced negative variances during the year. In 2021, the net transfers to tax-supported reserves were approximately \$105,000.

Utility Supported Operations

As shown in table 2, utility-supported service areas experienced positive variances. The Water Operations surplus was approximately \$579,000 vs. the budgeted deficit of nearly \$40,000, resulting in a positive variance of approximately \$618,000. The Wastewater Operations deficit was approximately \$405,000 vs. a budgeted deficit of approximately \$525,000, resulting in a positive variance of approximately \$120,000. Both variances were the result of higher revenues, lower staffing costs due to vacancies during the year, and lower costs of repairs and maintenance. In 2021, the net transfer to utility reserves was approximately \$1.6 million.

Total Revenues

In 2021, total municipal operating revenues amounted to \$21.4 million which is higher than the \$19.7 million budget. The positive variance is mainly due to higher utility fees, and higher grant funding during the year.

Total Expenses

In 2021, total expenses were \$22 million vs. \$20.2 million budgeted. The negative variance is mainly due to higher amortization costs and higher purchases of services during the year.

In 2021, Provincial mandates due to the Covid-19 pandemic continued which affected Town facilities. Consequently, revenues and expenses in the Recreation area were below normal levels. Like in other municipalities, facility closures led to cost reductions in wages and other facility costs. In addition, some community events were cancelled which led to further cost reductions.

Government Grants

In 2021, the Town received funds from other levels of government amounting to approximately \$6.3 million. Some of the significant grant contributions include:

- Municipal Sustainability Initiative \$ 2,034,042
- STIP 1,000,000
- Gas Tax Fund 934,602
- Municipal Stimulus Program 890,000
- AMWWP 650,000

In 2021, the Town recognized \$1.9 million in federal funding for the flood mitigation project.

FINANCIAL POSITION

Cash and Portfolio Investments

At the end of 2021, the Town held approximately \$45.1 million in cash and portfolio investments. This represents an increase of approximately \$4.3 million over 2020. The increase was mainly due to a reduction in cash being held.

Long Term Debt

In 2021, the Town did not take on any new debt. Principal payments amounted to approximately \$725,000 which resulted in a balance reduction from 2020.

Balance at January 1, 2021	\$7,822,678
Principal payments made in 2021	<u>(725,061)</u>
Balance at December 31, 2021	\$7,097,617

As of December 31, 2021, the Town is using approximately 22.2 percent of its total debt limit, and its capacity to borrow approximately \$25.0 million. Finally, the Town did not take any new debt in 2021.

Municipal Reserves

In 2021, the Town's reserve transfers amount to \$30.3 million which represents an increase of \$1.68 million over the 2020 balance. The following are the highlights of reserve activities:

- Transfers from operations \$3.65 million
- Transfers to operations \$0.07 million
- Transfers to capital \$1.90 million

Capital Investments

In 2021, the Town added approximately \$9.8 million in new assets and work in progress. The following are significant capital investments:

- Flood mitigation property acquisitions (net) \$0.46 million
- Flood mitigation project expenditures \$5.55 million
- Heavy equipment \$1.00 million
- Street Rehabilitation \$0.76 million

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

In February 2022, Ascend LLP presented an audited financial statement for the Drumheller Resiliency and Flood Mitigation Program (“DRFM”) for the first six months of 2021. This statement was required due to the change in project management that took place in the second half of 2021. The first audited DRFM financial statement was presented to Council in July 2021 for the period ended December 31, 2020.

The 2021 annual audited financial statement, which has been included in appendix 3 of this report, is being presented by RSM LLP on May 2, 2022. Total disbursements under the DRFM program in 2021 were slightly over \$6 million, which mostly consisted of costs related to the design of berms. In 2021, two properties were purchased which have been added to tangible capital assets in the Town’s records. Upon construction completion, some of the purchased properties could be sold back to the community and/or the buildings sold and moved to another location.

Over the lifespan of the DRFM project, costs will be funded by grant contributions from the Provincial, Federal as well as contributions from the Town of Drumheller.

RECOMMENDATION:

Administration recommends that Council approves the 2021 Audited Financial Statements, and the 2021 Drumheller Resiliency and Flood Mitigation Program – Financial Statement as presented.

FINANCIAL IMPACT:

N/A

STRATEGIC POLICY ALIGNMENT:

Fiscal responsibility and compliance with Provincial regulations.

COMMUNICATION STRATEGY:

The approval of the 2021 Audited Financial Statements will be announced to the public through a press release. Once approved, the 2021 Audited Financial Statements will be published in the Town’s website.

MOTION:
Councillor _____

That Council approve the 2021 Town of Drumheller audited financial statements as presented.

That Council approve the 2021 Drumheller Resiliency and Flood Mitigation Program - Financial Statement as presented.

SECONDED: _____
Councillor

Mauricio Reyes

Prepared by:
Mauricio Reyes, CPA, CMA, CAMP
Director of Corporate & Community Services



Approved By:
Darryl E. Drohomerski, C.E.T.
~~Chief Administrative Officer~~

Appendix 1 - 2021 Service Area Variances

Table 1 - Variances for Tax Supported Service Areas

Service Area	Budget	Actual	Surplus (Deficit)	Explanation
General Revenues	\$ (11,975,575.00)	\$ (11,763,169.00)	\$ (212,406.00)	Deficit mainly due lower investment and franchise revenue. There was also a decrease in tax revenue due to properties became tax exempt as
Administration	\$ 1,961,615.00	\$ 1,918,005.00	\$ 43,610.00	Surplus is mainly due to MSI operating grant being higher than budgeted
Protective Services	\$ 1,804,611.00	\$ 1,998,069.00	\$ (193,458.00)	Deficit mainly due to higher policing costs and Higher amortization costs in the Fire department
Transportation Services	\$ 3,312,873.00	\$ 3,886,665.00	\$ (573,792.00)	Actual amortization higher than budgeted
Social Services	\$ 155,928.00	\$ 140,702.00	\$ 15,226.00	Surplus is mainly due higher CDSP revenue than budgeted
Planning, Development, and Economic Development Services	\$ 626,970.00	\$ 591,345.00	\$ 35,625.00	Surplus is mainly due to lower operating costs in the economic development department
Recreation and Culture Services	\$ 4,113,578.00	\$ 4,167,314.00	\$ (53,736.00)	Deficit is mainly due to higher repairs & maintenance and amortization than budgeted
Total	\$ -	\$ 938,931.00	\$ (938,931.00)	

Table 2 - Variances for Utility Supported Service Areas

Service Area	Budget	Actual	Variance	
Water	\$ 39,595.00	\$ (578,864.00)	\$ 618,459.00	Surplus was mainly due to higher revenue than budgeted. In addition, vacancies during the year led to lower wages than budgeted. Finally, purchases of supplies were lower than budgeted.
Wastewater			\$ -	Surplus was mainly due to higher revenue than budgeted. In addition, vacancies during the year led to lower wages than budgeted. Finally, purchases of supplies were lower than budgeted.
Total	\$ 39,595.00	\$ (578,864.00)	\$ 618,459.00	

TOWN OF DRUMHELLER
Consolidated Financial Statements
Year Ended December 31, 2021

Prepared by JH 4/15/22	In-Chrg Review	Manager Review RMD 4/22/22	Partner Review
EQCR Review	Other Review		

TOWN OF DRUMHELLER

Index to Consolidated Financial Statements

Year Ended December 31, 2021

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 3
CONSOLIDATED FINANCIAL STATEMENTS	
Consolidated Statement of Financial Position	4
Consolidated Statement of Operations and Accumulated Surplus	5
Consolidated Statement of Changes in Net Financial Assets	6
Consolidated Statement of Cash Flows	7
Notes to Consolidated Financial Statements	8 - 25
Consolidated Segmented Information (<i>Schedule 1</i>)	26 - 27
Consolidated Segmented Information (<i>Schedule 2</i>)	28 - 29

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The accompanying consolidated financial statements of the Town of Drumheller (the "Town") have been prepared in accordance with Canadian public sector accounting standards. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the Town of Drumheller's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Town's Council is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. Council meets periodically with management, as well as the external auditors, to discuss internal controls over the financial reporting process, auditing matters and financial reporting issues, to satisfy themselves that each party is properly discharging their responsibilities, and to review the consolidated financial statements and the independent auditors' report.

The consolidated financial statements have been audited on behalf of Council by RSM Alberta LLP, in accordance with Canadian generally accepted auditing standards.

Chief Administrative Officer

Chief Financial Officer

Drumheller, AB
May 02, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Council of Town of Drumheller

Opinion

We have audited the consolidated financial statements of Town of Drumheller (the Town), which comprise the consolidated statement of financial position as at December 31, 2021, and the consolidated statements of operations and accumulated surplus, changes in net financial assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town as at December 31, 2021, and the results of its consolidated operations, changes in net assets and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

(continues)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta

Chartered Professional Accountants

TOWN OF DRUMHELLER

Consolidated Statement of Financial Position

December 31, 2021

	2021	2020
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 3,822,934	\$ 7,050,487
Investments (Note 3)	45,075,485	40,736,326
Taxes receivable (Note 4)	839,931	1,049,042
Accounts receivable (Note 5)	6,258,193	3,785,353
Accrued interest receivable	201,250	76,959
Inventory held for resale (Note 6)	2,192,985	1,796,945
	58,390,778	54,495,112
LIABILITIES		
Accounts payable and accrued liabilities	4,468,985	2,259,307
Employee benefit obligation (Note 7)	560,701	510,540
Deferred revenue (Note 8)	23,992,382	24,315,898
Long-term debt (Note 9)	7,097,616	7,822,678
	36,119,684	34,908,423
NET FINANCIAL ASSETS	22,271,094	19,586,689
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 11)	150,973,353	146,542,862
Inventory for consumption	1,130,798	924,442
Prepaid expenses	259,370	249,084
	152,363,521	147,716,388
ACCUMULATED SURPLUS (Note 13)	\$ 174,634,615	\$ 167,303,077

CONTINGENCIES (Note 19)

COMMITMENTS (Note 20)

TOWN OF DRUMHELLER

Consolidated Statement of Operations and Accumulated Surplus
Year Ended December 31, 2021

	Budget 2021 (Note 23)	2021	2020
REVENUES			
Net municipal taxes (Note 14)	\$ 9,008,330	\$ 8,988,822	\$ 8,937,148
Sales and user fees	6,776,945	8,338,131	6,626,202
Government transfers for operating (Note 15)	787,170	1,052,235	1,943,428
Franchise and concessions	1,863,545	1,805,350	1,801,955
Investment income	415,000	332,415	586,733
Other	415,310	325,711	294,099
Rentals	268,375	340,381	273,296
Penalties and costs on taxes	165,650	174,523	137,956
	19,700,325	21,357,568	20,600,817
EXPENSES			
Legislative	353,660	329,786	267,439
Administration	1,711,785	1,915,494	1,820,755
Protective services	2,549,393	2,759,532	5,267,628
Transportation services	3,121,338	5,357,067	3,973,481
Water and wastewater	5,717,230	5,266,297	5,025,248
Waste management	374,960	390,545	394,159
Planning and development	900,633	831,337	981,842
Recreation and parks	4,931,438	4,654,437	3,635,218
Public health and welfare	587,338	531,283	553,702
	20,247,775	22,035,778	21,919,472
DEFICIT FROM OPERATIONS	(547,450)	(678,210)	(1,318,655)
CAPITAL REVENUES			
Government transfers for capital (Note 15)	3,336,500	7,929,461	9,924,858
Other capital	-	120,488	-
(Loss) gain on disposal of tangible capital assets	-	(40,201)	38,929
	3,336,500	8,009,748	9,963,787
ANNUAL SURPLUS	2,789,050	7,331,538	8,645,132
ACCUMULATED SURPLUS - BEGINNING OF YEAR	167,303,077	167,303,077	158,657,945
ACCUMULATED SURPLUS - END OF YEAR	\$ 170,092,127	\$ 174,634,615	\$ 167,303,077

TOWN OF DRUMHELLER

Consolidated Statement of Changes in Net Financial Assets

Year Ended December 31, 2021

	Budget 2021 (Note 23)	2021	2020
ANNUAL SURPLUS	\$ 2,789,050	\$ 7,331,538	\$ 8,645,132
Acquisition of tangible capital assets	(3,843,560)	(9,761,282)	(11,233,574)
Amortization of tangible capital assets	4,064,258	4,950,983	4,721,130
Gain on sale of tangible capital assets	-	40,201	(38,929)
Transfer out of construction in progress	-	249,414	422,944
Proceeds on sale of tangible capital assets	-	90,193	80,784
	220,698	(4,430,491)	(6,047,645)
Decrease (increase) in prepaid expenses	-	(10,286)	41,496
(Increase) decrease in inventory for consumption	-	(206,356)	(329,790)
	220,698	(4,647,133)	(6,335,939)
INCREASE IN NET FINANCIAL ASSETS	3,009,748	2,684,405	2,309,193
NET FINANCIAL ASSETS - BEGINNING OF YEAR	19,586,689	19,586,689	17,277,496
NET FINANCIAL ASSETS - END OF YEAR	\$ 22,596,437	\$ 22,271,094	\$ 19,586,689

TOWN OF DRUMHELLER

Consolidated Statement of Cash Flows

Year Ended December 31, 2021

	2021	2020
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Annual surplus	\$ 7,331,538	\$ 8,645,132
Items not affecting cash:		
Amortization of tangible capital assets	4,950,983	4,721,130
Loss (gain) on disposal of tangible capital assets	40,201	(38,929)
Transfer out of construction in progress	249,414	422,944
	12,572,136	13,750,277
Changes in non-cash working capital:		
Taxes receivable	209,111	70,533
Accounts receivable	(2,472,840)	387,269
Accrued interest receivable	(124,291)	17,653
Inventory held for resale	(396,040)	63,569
Accounts payable and accrued liabilities	2,209,678	(420,973)
Employee benefit obligation	50,161	25,939
Deferred revenue	(323,516)	13,007,221
Inventory for consumption	(206,356)	(329,790)
Prepaid expenses	(10,286)	41,496
	(1,064,379)	12,862,917
	11,507,757	26,613,194
CAPITAL ACTIVITIES		
Purchase of tangible capital assets	(9,761,282)	(11,233,574)
Proceeds on disposal of tangible capital assets	90,193	80,784
	(9,671,089)	(11,152,790)
INVESTING ACTIVITIES		
Purchase of investments	(47,559,359)	(17,056,268)
Proceeds on redemption of investments	43,220,200	3,882,468
	(4,339,159)	(13,173,800)
FINANCING ACTIVITIES		
Repayment of long-term debt	(725,062)	(698,934)
	(725,062)	(698,934)
(DECREASE) INCREASE IN CASH AND CASH EQUIVELANTS	(3,227,553)	1,587,670
Cash and cash equivalants - beginning of year	7,050,487	5,462,817
CASH AND CASH EQUIVELANTS - END OF YEAR	\$ 3,822,934	\$ 7,050,487

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements of the Town of Drumheller (the "Town") are the representations of management prepared in accordance with Canadian Public Sector Accounting Standards (PSAS). Significant aspects of the accounting policies adopted by the Town are as follows:

Reporting entity

The consolidated financial statements reflect the assets, liabilities, revenues and expenses, changes in net financial assets and cash flows of the reporting entity. This entity is comprised of the municipal operations plus all the organizations that are owned or controlled by the Town and therefore, are accountable to the Town Council for the administration of their financial affairs and resources. The summary of taxes levied (Note 14) also includes requisitions for education and social organizations that are not part of the municipal reporting entity.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and cash on deposit less outstanding cheques at the reporting date.

Investments

Investments are recorded at amortized cost. Investment premiums and discounts are amortized on the net present value basis over the term of the respective investments. When there has been a decline in the market value which is other than temporary in nature, the respective investments are written down to market value. During the year, there was no impairment recorded (2020 - \$nil).

Inventory held for resale

Inventory held for resale includes land and buildings. Inventory held for resale is recorded at the lower of cost or net realizable value. Cost includes costs for land acquisition and improvements required to prepare the land for servicing such as clearing, stripping and leveling charges. Related development costs incurred to provide infrastructure such as water and wastewater services, roads, sidewalks and street lighting are recorded as physical assets under their respective function. During the year, there was no impairment recorded (2020 - \$nil).

Inventory for consumption

Inventory for consumption is valued at the lower of cost or net realizable value with cost determined using the average cost method.

Contaminated sites

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability is recorded net of any expected recoveries. A liability for remediation of a contaminated site is recognized when a site is not in productive use and is management's estimate of the cost of post-remediation including operation, maintenance and monitoring.

(continues)

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Government transfers

Government transfers are the transfer of assets from senior levels of government that are not the result of an exchange transaction, are not expected to be repaid in the future, or the result of a direct financial return. Government transfers are recognized in the financial statements as revenue in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be determined.

Tangible capital assets

Tangible capital assets are recorded at cost less accumulated amortization. Cost includes all costs directly attributable to the acquisition or construction of the tangible capital asset including transportation costs, installation costs, design and engineering fees, legal fees and site preparation costs. Contributed tangible capital assets are recorded at fair value at the time of the contribution, with a corresponding amount recorded as revenue. Amortization is recorded on a straight-line basis over the estimated life of the tangible capital asset commencing once the asset is available for productive use as follows:

Land improvements	15 to 45 years
Buildings	25 to 50 years
Engineered Structures	45 to 75 years
Water system	
Wastewater system	45 to 75 years
Road system	5 to 65 years
Machinery and equipment	5 to 40 years
Motor Vehicles	10 to 40 years

One-half of the annual amortization is charged in the year of acquisition. Work in process (assets under construction) have a cost of \$10,514,412 (2020 - \$4,494,398) and are not amortized until the asset is available for productive use.

Retirement benefits and other employee benefits plans

The Town's contributions due during the period to its multi-employer defined benefit plan are expensed as incurred.

Excess collections and under-levies

Excess collections arise from the difference between the actual levy made to cover each requisition and the actual amount requisitioned. If the actual levy exceeds the requisition, the excess collection is accrued as a liability and as a reduction in property tax revenue. Requisition tax rates in the subsequent year are adjusted for any excess collections.

(continues)

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Collection of taxes on behalf of other taxation authorities

The Town collects taxation revenue on behalf of other entities. Such levies, other revenues, expenses, assets and liabilities with respect to the operations of entities are not reflected in these financial statements.

The entities the Town collects taxation revenue on behalf of are:

- Alberta School Foundation Fund
- Drumheller and District Seniors Foundation

Non-financial assets

Non-financial assets are not available to discharge existing liabilities and are held for use in the provision of services. They have useful lives extending beyond the current year and are not intended for sale in the normal course of operations. The change in non-financial assets during the year, along with excess of revenues over expenses, provides the consolidated Change in Net Financial Assets for the year. Non-financial assets include tangible capital assets, inventory for consumption, and prepaid expenses.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from these estimates.

Significant estimates include assumptions used in a number of areas including useful lives of tangible capital assets and the determination of reserves. Estimates are also used for various liabilities including accrued liabilities. Other areas that estimates are used include revenue recognized in the year, provision for tax exempt appeals, investment impairment, provisions for allowances in accounts receivable and in performing actuarial valuations of employee future benefits.

(*continues*)

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

Revenues are accounted for in the period in which the transactions or events occurred that gave rise to the revenues.

Funds received for specific purposes which are externally restricted by legislation, regulation or agreement and are not available for general municipal purposes, are accounted for as deferred revenue on the consolidated Statement of Financial Position. The revenue is recognized in the consolidated Statement of Operations in the year in which it is used for the specified purpose.

Government transfers, which include legislative grants, are recognized in the financial statements in the period in which events giving rise to the transfer occur, providing the transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amount can be made.

Property tax revenue is based on market value assessments determined in accordance with the Municipal Government Act (MGA). Tax mill rates are established annually. Taxation revenues are recorded at the time the tax billings are issued. Assessments are subject to appeal. Losses on assessment appeals are recorded as adjustments to tax revenues and receivables when a written decision is received from the authorized board.

Charges for sewer and water usage are recorded as user fees. Connection fee revenues are recognized when the connection has been established.

Conditional grant revenue is recognized to the extent the conditions imposed on it have been fulfilled. Unconditional grant revenue is recognized when monies are receivable.

Grants for the acquisition of tangible capital assets are recognized in the period in which eligible expenses are made.

Sales of service and other revenue are recognized on an accrual basis.

Revenues from the provision of goods or services are recognized in the period in which the goods are provided or the services are rendered. Rental revenues are recognized in the period to which they relate.

Investment income is reported as revenue in the period earned. When required by agreement or legislation, investment income earned on deferred revenue is added to the investment and forms part of the deferred revenue balance

(continues)

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Future accounting pronouncements

The following summarizes upcoming changes to public sector accounting standards issued by the Public Sector Accounting Standards Board. The Town will continue to assess the impact and prepare for the adoption of these standards. While the timing of standard adoption may vary, certain standards must be adopted concurrently. The requirements in Financial Statement Presentation (PS1201), Financial Instruments (PS3450), Foreign Currency Translations (PS2601) and Portfolio Investments (PS3041) must be implemented at the same time.

PS 1201 - Financial Statement Presentation: The implementation of this standard requires a new statement of re-measurement gains and losses separate from the statement of operations. This new statement will include the unrealized gains and losses arising from the re-measurement of financial instruments and items denominated in foreign currency. This standard is effective for fiscal years beginning on or after April 1, 2022.

PS 2601 - Foreign Currency Translation: This section establishes guidance on the recognition, measurement, presentation and disclosure of assets and liabilities denominated in foreign currencies. The Section requires monetary assets and liabilities, denominated in a foreign currency, and non-monetary items valued at fair value, denominated in a foreign currency, to be adjusted to reflect the exchange rates in effect at the financial statement date. The resulting unrealized gains and losses are to be presented in the new statement of re-measurement gains and losses. This standard is effective for fiscal years beginning on or after April 1, 2022.

PS 3041 - Portfolio Investments: This section removes the distinction between temporary and portfolio investments and provides additional guidance on recognition, measurement, presentation and disclosure of portfolio investments. Upon adoption of this section and PS 3450, PS 3040 - Portfolio Investments will no longer be applicable. This standard is effective for fiscal years beginning on or after April 1, 2022.

PS 3450 - Financial Instruments: This section establishes recognition, measurement, and disclosure requirements for derivative and non-derivative instruments. The standard requires fair value measurements of derivative instruments and equity instruments; all other financial instruments can be measured at either cost or fair value depending upon elections made by the Town. Unrealized gains and losses will be presented on the new statement of re-measurement gains and losses arising from the adoption of PS 1201. There will also be a requirement to disclose the nature and extent of risks arising from financial instruments and clarification is given for the de-recognition of financial liabilities. This standard is effective for fiscal years beginning on or after April 1, 2022.

PS 3280 - Asset Retirement Obligations: This section establishes the recognition, measurement, and disclosure requirements for asset retirement obligations. This section requires management to prepare a best estimate of the obligation when there is a legal obligation to incur retirement costs, the transaction giving rise to the liability has occurred and future costs will be incurred. The liability must be reassessed at each financial statement date. This standard is effective for fiscal years beginning on or after April 1, 2022.

PS 3400 - Revenue: This section provides guidance on how to account for and report on revenue, specifically addressing revenue arising from exchange transactions and unilateral transactions. This standard is effective for fiscal years beginning on or after April 1, 2023.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

2. CASH AND CASH EQUIVALENTS

	2021	2020
Current accounts	\$ 3,725,413	\$ 6,890,081
Investment margin accounts	97,521	160,406
	\$ 3,822,934	\$ 7,050,487

At December 31, 2021, the Town had an authorized line of credit available from its bank in the amount of \$4,000,000 bearing interest at bank prime less 0.75% per annum. At year end, no amounts were drawn against its available line of credit.

Included in cash is \$1,915,219 (2020 - \$1,624,969) which is held in trust for future capital purchases related to the flood mitigation project.

3. INVESTMENTS

	2021 Cost	2021 Market value	2020 Cost	2020 Market value
<u>Short-term</u>				
Term deposits	\$ 13,315,654	\$ 13,315,654	\$ 37,082,317	\$ 37,082,317
Fixed income notes	1,300,000	1,263,509	248,467	251,480
Principal protected notes	-	-	-	-
<u>Long-term</u>				
Fixed income notes	20,447,645	20,183,288	2,798,856	3,045,002
Principal protected notes	10,007,400	9,970,009	601,900	588,128
Other	4,786	4,786	4,786	4,786
	\$ 45,075,485	\$ 44,737,246	\$ 40,736,326	\$ 40,971,713

Short-term term deposits bear variable interest at 1.00% per annum (2020 - 0.75% to 1.80% per annum) and mature between July and August 2022 (2020 - January and December 2021). Short-term fixed income notes mature September 2022 (2020 - September and December 2021) and bear interest of 1.87% per annum (2020 - 1.90 to 3.45% per annum).

Included in investments is a restricted amount of \$20,659,612 (2020 - \$20,688,710) received from various grant programs and held exclusively for approved projects. Included in investments is an internally restricted amount of \$24,518,997 (2020 - \$20,047,616) to fund specific reserves.

Long-term fixed income notes bear interest at 1.00% to 5.600% per annum (2020 - 1.00% to 9.976% per annum) and mature June 2024 to December 2048 (2020 - December 2022 to December 2048).

Principal protected notes mature February 2027 to November 2031 (2020 - February and March 2027).

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

4. TAXES RECEIVABLE

	2021	2020
Current taxes and grants in place	\$ 422,943	\$ 600,709
Non-current taxes and grants in place	857,320	966,556
	1,280,263	1,567,265
Less: allowance for doubtful accounts	(440,332)	(518,223)
	\$ 839,931	\$ 1,049,042

5. ACCOUNTS RECEIVABLE

	2021	2020
Trade receivable	\$ 2,842,842	\$ 1,619,260
Government grants receivable	3,476,545	2,228,447
	6,319,387	3,847,707
Less: allowance for doubtful accounts	(61,194)	(62,354)
	\$ 6,258,193	\$ 3,785,353

Included in trade receivable is \$302,943 (2020 - \$222,143) of goods and service tax receivable.

6. INVENTORY HELD FOR RESALE

	2021	2020
Land held for resale	\$ 2,192,985	\$ 1,796,945

Land held ready for resale is land in a condition to be sold, marketed for sale, and reasonably anticipated to be sold within a year.

7. EMPLOYEE BENEFIT OBLIGATION

	2021	2020
Accrued vacation pay	\$ 329,296	\$ 296,653
Accrued long-term service benefits	231,405	213,887
	\$ 560,701	\$ 510,540

Accrued vacation pay is comprised of the vacation that employees are deferring to future years. Accrued long-term service benefits are calculated per policy at 2 days per year of service over 10 years at the current rate of pay. Employees have either earned the benefits (and are vested) or are entitled to these benefits within the next budgetary year.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

8. DEFERRED REVENUE

	Opening Balance	Contributions Received	Interest Earned	Revenue Recognized	Ending Balance
MSI grant	\$ 1,584,958	\$ 2,034,042	\$ 15,832	\$ (1,434,155)	\$ 2,200,677
Gas Tax fund	611,892	934,602	7,116	(260,840)	1,292,770
Policing grant	90,964	363,856	-	(363,856)	90,964
Alberta Community Resilience grant	4,442,411	-	19,003	(3,640,219)	821,195
Kneehill	675,307	-	-	(75,034)	600,273
Flood Mitigation	16,209,071	-	118,516	(459,862)	15,867,725
STIP	-	1,000,000	3,138	(42,773)	960,365
AMWWP Grant	-	650,000	2,269	-	652,269
Other	701,295	1,349,025	-	(544,176)	1,506,144
	\$ 24,315,898	\$ 6,331,525	\$ 165,874	\$ (6,820,915)	\$ 23,992,382

Under various grant agreements with the Government of Canada and the Province of Alberta, the Town is required to account for grants provided and to complete the projects or program in accordance with standards detailed in the various agreements. If these requirements are not adhered to, grants provided will become repayable to the source government. Excess funds are repayable to the source government upon final accounting. Funds are deferred until related expenses under the specific grant agreement have been incurred. The funds are included in cash and cash equivalents and investments.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

9. LONG-TERM DEBT

	2021	2020
Various Alberta Capital Finance Authority Debentures, bearing interest at 4.252% to 5.012% per annum, with blended combined semi-annual payments of \$486,926 due 2022 through 2033. Debenture debt is issued on the credit and security of the Town of Drumheller at large.	\$ 6,778,176	\$ 7,463,303
Alberta Capital Finance Authority Debenture, bearing interest at 2.765% per annum, with blended combined semi-annual payments of \$14,257 due June 15, 2035. Debenture debt is issued on the credit and security of the Town of Drumheller at large.	319,440	338,721
CMHC mortgage payable, bearing interest at 12.50% per annum, with annual blended payments of \$22,313, fully repaid during the year.	-	20,654
	\$ 7,097,616	\$ 7,822,678

Principal repayment terms are approximately:

	Principal Repayments	Interest Payments	Total
2022	\$ 729,941	\$ 294,270	\$ 1,024,211
2023	762,170	262,041	1,024,211
2024	795,839	228,372	1,024,211
2025	831,011	193,200	1,024,211
2026	867,755	156,457	1,024,212
Thereafter	3,110,900	320,251	3,431,151
	\$ 7,097,616	\$ 1,454,591	\$ 8,552,207

Interest on long-term debt amounted to \$321,603 (2020 - \$353,280)

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

10. DEBENTURE DEBT LIMITS

Section 276(2) of the Municipal Government Act requires that debt and debt limits as defined by Alberta Regulation for the Town to be disclosed as follows:

	2021	2020
Total debt limit	\$ 32,036,352	\$ 30,901,224
Total debt	(7,097,616)	(7,822,678)
	24,938,736	23,078,546
Debt servicing limit	5,339,392	5,150,204
Debt servicing	(1,051,973)	(1,057,423)
Amount of debt servicing limit unused	4,287,419	4,092,781

The debt limit is calculated at 1.5 times revenue of the Town (as defined in Alberta Regulation 255/00) and the debt service limit is calculated at 0.25 times such revenue. Incurring debt beyond these limitations requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be at financial risk if further debt is acquired. The calculation taken alone does not represent the financial stability of the municipality. Rather, the financial statements must be interpreted as a whole.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

11. TANGIBLE CAPITAL ASSETS

Cost	2020 Balance	Additions	Disposals / Transfers	2021 Balance
Land	\$ 17,354,473	\$ 1,262,005	\$ -	\$ 18,616,478
Land improvements	3,981,433	-	-	3,981,433
Buildings	42,173,029	232,671	-	42,405,700
Engineered structures	169,948,103	868,021	-	170,816,124
Equipment	9,481,174	1,040,127	(127,716)	10,393,585
Motor vehicles	4,307,217	29,030	(364,333)	3,971,914
Work in progress	4,434,398	6,329,428	(249,414)	10,514,412
	\$ 251,679,827	\$ 9,761,282	\$ (741,463)	\$ 260,699,646

Accumulated Amortization	2020 Balance	Amortization	Accumulated Amortization on Disposals	2021 Balance
Land improvements	\$ 3,324,934	\$ 105,794	\$ -	\$ 3,430,728
Buildings	12,751,589	821,546	-	13,573,135
Engineered structures	81,383,722	3,240,524	-	84,624,246
Equipment	5,274,611	492,233	(83,811)	5,683,033
Motor vehicles	2,402,109	290,886	(277,844)	2,415,151
	\$ 105,136,965	\$ 4,950,983	\$ (361,655)	\$ 109,726,293

Net book value	2021	2020
Land	\$ 18,616,478	\$ 17,354,473
Land improvements	550,705	656,499
Buildings	28,832,565	29,421,440
Engineered structures	86,191,878	88,564,381
Equipment	4,710,552	4,206,563
Motor vehicles	1,556,763	1,905,108
Work in progress	10,514,412	4,434,398
	\$ 150,973,353	\$ 146,542,862

During the year, \$249,414 (2020 - \$422,944) was transferred from work in progress to engineered structures as work was completed and the asset was made available for productive use.

Included in land is \$4,397,329 (2020 - \$3,938,929) of properties acquired for the flood mitigation project. The properties are held by a separate entity that is controlled by the Town.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

12. EQUITY IN TANGIBLE CAPITAL ASSETS

	2021	2020
Tangible capital assets (Note 11)	\$ 260,699,646	\$ 251,679,827
Accumulated amortization (Note 11)	(109,726,293)	(105,136,965)
Debenture debt (Note 10)	(7,097,616)	(7,822,678)
	\$ 143,875,737	\$ 138,720,184

13. ACCUMULATED SURPLUS

	2021	2020
Equity in tangible capital assets (Note 12)	\$ 143,875,737	\$ 138,720,184
Unrestricted (deficit) surplus	477,059	(14,280)
	144,352,796	138,705,904
Wastewater	4,753,407	4,665,847
Facilities	4,276,942	4,155,209
Equipment	4,167,191	3,857,942
Water	8,103,245	6,611,516
Contingencies	1,710,978	1,702,321
Transportation - long-term	3,741,830	3,730,686
Contingencies - long-term	2,172,126	2,023,171
Offsite levies	446,275	425,980
Storm drain	1,077,058	950,446
Utility energy savings	387,000	387,000
Sandstone	181,000	181,000
General capital	93,597	55,000
Scholarship	36,600	36,600
Management incentive fund	35,000	35,000
Municipal reserves	12,236	12,236
Land	(912,666)	(232,781)
	30,281,819	28,597,173
	\$ 174,634,615	\$ 167,303,077

The equity in tangible capital assets represents amounts already spent and invested in infrastructure. Reserve funds represent funds set aside by bylaw or council resolution for specific purposes.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

14. NET MUNICIPAL TAXES

	Budget 2021 (Note 23)	2021	2020
Real property	\$ 11,922,650	\$ 11,675,191	\$ 11,626,628
Machinery and equipment	31,250	39,576	33,144
Linear property	408,660	435,028	428,831
Special assessments and local improvement taxes	-	57,779	57,779
	12,362,560	12,207,574	12,146,382
Requisitions			
Alberta School Foundation Fund	(2,800,000)	(2,664,522)	(2,678,614)
Sunshine Senior's Lodge	(554,230)	(554,230)	(530,620)
	(3,354,230)	(3,218,752)	(3,209,234)
Net municipal taxes	\$ 9,008,330	\$ 8,988,822	\$ 8,937,148

15. GOVERNMENT TRANSFERS

	Budget 2021 (Note 23)	2021	2020
Operating			
Federal government	\$ 5,000	\$ 109,652	\$ 100,294
Provincial government	706,470	942,583	1,843,134
Operating	711,470	1,052,235	1,943,428
Capital			
Federal government	-	1,911,376	5,502,490
Provincial government	3,336,500	6,018,085	4,422,368
	3,336,500	7,929,461	9,924,858
Total government transfers	\$ 4,047,970	\$ 8,981,696	\$ 11,868,286

Capital government transfers include \$461,215 (2020 - \$3,938,329) for property acquisition related to the flood mitigation project. Budgeted amounts for the flood mitigation project were included in the 2020 budget and therefore are not represented in the 2021 budget.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

16. EXPENSES BY OBJECT

	Budget 2021 (Note 23)	2021	2020
Salaries and wages	\$ 6,992,031	\$ 6,552,550	\$ 6,603,199
Contracted and general services	4,136,200	5,723,925	5,700,274
Purchases from other governments	1,355,685	1,440,852	1,415,990
Materials, goods and utilities	2,794,111	2,453,679	2,445,006
Transfer to local agencies	461,265	442,140	534,765
Bank charges and short-term interest	28,540	17,919	16,124
Interest on long-term debt	354,430	321,603	353,280
Amortization	4,064,258	4,953,293	4,721,130
Other expenses	61,255	129,817	129,704
	\$ 20,247,775	\$ 22,035,778	\$ 21,919,472

17. LOCAL AUTHORITIES PENSION PLAN

Certain employees of the Town are eligible to be members of the Local Authorities Pension Plan ("LAPP"), a multi-employer pension plan which is covered by the Public Sector Pension Plans Act. The Plan serves about 200,000 people and over 400 employers. It is financed by employer and employee contributions and investment earnings of the LAPP fund. The plan provides defined pension benefits to employees based on their length of service and rates of pay.

The Town contributes to the Plan at a rate of 9.39% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 13.84% for the excess. Employees contribute to the Plan at a rate of 8.39% of pensionable earnings up to the Canada Pension Plan Maximum Pensionable Earnings and 12.84% for the excess.

Contributions for the year were:

	2021	2020
Employer contributions	\$ 395,768	\$ 359,468
Employee contributions	357,130	324,295
	\$ 752,898	\$ 683,763

As this is a multi-employer pension plan, these contributions comprise the Town's pension benefit expense. No pension liability for this type of plan is included in the Town's financial statements. The most recent valuation as of December 31, 2020 indicates a surplus of \$4,961,337 (2019 - surplus of \$7,913,261) for basic pension benefits. The actuary does not attribute portions of the unfunded liability to individual employers. The 2021 amounts are not yet available.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

18. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for elected municipal officials and designated officers as required by Alberta Regulation 313/2000 is as follows:

	Salary	Benefits and Allowances	2021 Total	2020 Total
Mayor Colberg	\$ 48,147	\$ 7,515	\$ 55,662	\$ 57,452
Councillor Hansen-Zacharuk	25,522	5,440	30,962	32,153
Councillor Garbutt	22,400	4,707	27,107	33,266
Councillor Zariski	28,122	3,679	31,801	34,309
Councillor DeMott	21,100	2,980	24,080	30,913
Councillor Lacher	26,302	2,318	28,620	29,715
Councillor Makowecki	21,100	3,770	24,870	32,719
Councillor Sereda	4,773	775	5,548	-
Councillor Kolafa	5,293	804	6,097	-
Councillor Price	4,773	775	5,548	-
Chief Administrative Officer Drohomerski (CAO)	191,853	32,348	224,201	205,116

Salary includes regular base pay, bonuses, overtime, lump sum payments, gross honoraria and any other direct cash remuneration.

Benefits and allowances include employer's share of all employee benefits and contributions or payments made on behalf of employees including retirement pension, Canada Pension Plan, employment insurance, health care, extended health, vision, group life, accidental death and long and short-term disability plans.

Benefits for the CAO include the use of an automobile.

19. CONTINGENCIES

The Town, in conduct of its normal activities, can be named as a defendant in legal proceedings. The ultimate outcome of these proceedings can often not be determined until the proceedings are completed. Should any loss result from the resolution of these proceedings or if the amount of the loss can be determined, such amounts would be expensed as they become known to the Town.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

20. COMMITMENTS

The Town has entered into agreements with the Government of Canada and Government of Alberta to implement the Drumheller Flood Mitigation System. The total cost of the program is expected to be approximately \$55 million and will span over a period of approximately 5 years. Under the terms of the agreements, the Provincial government will provide fifty (50) percent of the funding, the Federal government will provide forty (40) percent of the funding, and the Municipality will provide ten (10) percent of the funding required to purchase and construct assets as part of the Drumheller Flood Mitigation System. As part of the program, the Town will be awarding contracts to several contractors over the life of the project.

The Town has a contract with the Government of Canada to provide policing services through to March 31, 2032. Under the contract the Town pays for 70% of the operating costs. The estimated annual contract costs for 2021 is \$1,441,000 (2020 - \$1,416,000)

The Town has a forward purchase agreement to obtain electricity for January 2021 - December 2023 at a fixed rate of \$44.89/MWh for contract volumes of 6,818 MWh. The Town entered into a forward purchase agreement to obtain electricity for January 2024 to December 2026 at a fixed rate of \$53.99 for contract volumes of 6,954 MWh.

The Town has an agreement to obtain physical supply for natural gas expiring September 30th, 2022 at a fixed rate of \$2.50/GJ up to a maximum of 34,603 GJs/year. The Town has a partial-hedge product in place for natural gas whereby 70% of the Town's weather-normalized historical volumes (34,603 GJs previously mentioned) were purchased at the fixed price of \$2.50/GJ. The remaining 30% of the volumes is floating on the monthly average AECO Spot price for natural gas.

21. APPROVAL OF FINANCIAL STATEMENTS

Council and Management have approved these financial statements.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

22. SEGMENTED INFORMATION

The Town is a diversified municipal government institution that provides a wide range of services to its citizens. Distinguishable functional segments have been separately disclosed in the segmented information. The nature of the segments and the activities they encompass are as follows:

Protective Services

Protective services is comprised of police, bylaw enforcement and fire protection. This service area is responsible for the overall safety of the public through various prevention and enforcement activities.

Transportation Services

Transportation services is responsible for the delivery of municipal public works services related to the planning, the development and maintenance of roadway systems, the maintenance of park and open space and street lighting.

Water and Wastewater Service

Water and wastewater provides drinking water to the Town's citizens and collects and treats wastewater. The Town processes and cleans sewage and ensures the water system meets all Provincial standards.

Waste Management Services

Waste management provides collection, disposal and recycling programs.

Planning and Development

The planning department provides a number of services including town planning and enforcement of building and construction codes and review of all property development plan through its application process.

Recreation and Parks

This service area maintains recreation infrastructure such as parks, arenas, aquatic centres and community centres as well as provides recreational programs and cultural programs at those locations.

Public Health and Welfare

This service area provides and administers community support programs.

General Government

This service area includes legislative and administrative support to all other service areas and also relates to the revenues and expenses that relate to the operations of the Town itself and cannot be directly attributed to a specific segment.

The accounting policies of the segments are the same as those described in the summary of significant accounting policies. In measuring and reporting segment revenue from transactions with other segments, inter-segment transfers have been eliminated. The revenues and expenses that are directly attributable to a particular segment are allocated to that segment. Taxation has been allocated to general government except where specific tax revenues can be directly allocated to a service area.

TOWN OF DRUMHELLER

Notes to Consolidated Financial Statements

Year Ended December 31, 2021

23. BUDGET

The reported budget information has been derived from the tax supported operating budget approved by Council on February 22, 2021, the utilities supported operating budget approved by Council on December 21, 2020, and the capital budget approved by Council on April 19, 2021. The chart below reconciles the approved budget to the budget figures reported in these financial statements.

	2021
Revenues per tax supported operating budget	\$ 14,116,895
Revenues per utilities supported operating budget	5,583,430
	19,700,325
Expenses per tax supported operating budget	(14,530,545)
Expenses per utilities supported operating budget	(5,717,230)
	(20,247,775)
Revenues per capital approved budget	3,843,560
Less transfers drawn from capital reserve	(507,060)
	3,336,500
Excess of revenues over expenses	\$ 2,789,050

24. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

TOWN OF DRUMHELLER

Consolidated Segmented Information
Year Ended December 31, 2021

(Schedule 1)

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2021
REVENUES									
Net municipal taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,988,822	\$ 8,988,822
Government transfers for operating	366,359	-	-	-	39,003	60,719	313,045	273,109	1,052,235
Government transfers for capital	6,012,811	1,684,788	12,291	-	-	219,571	-	-	7,929,461
Sales and user fees	329,499	1,768,219	5,702,225	128,367	75,309	144,219	36,615	153,678	8,338,131
Franchise and concessions	-	-	-	-	-	-	-	1,805,350	1,805,350
Investment income	-	-	-	-	-	-	-	332,415	332,415
Penalties and costs on taxes	-	-	19,926	-	-	-	-	154,597	174,523
Rentals	-	4,500	-	-	73,677	262,204	-	-	340,381
Other	961	129,540	91,126	-	127,974	19,980	42,198	34,420	446,199
Gain on disposal of tangible capital assets	4,845	(45,191)	-	-	-	-	145	-	(40,201)
	6,714,475	3,541,856	5,825,568	128,367	315,963	706,693	392,003	11,742,391	29,367,316

(continues)

TOWN OF DRUMHELLER

Consolidated Segmented Information (continued)

(Schedule 1)

Year Ended December 31, 2021

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2021
EXPENSES (BY OBJECT)									
Salaries and wages	752,771	862,761	1,391,796	20,398	239,429	1,868,081	364,810	1,052,504	6,552,550
Contracted and general services	276,504	2,220,302	678,900	370,274	195,594	1,007,203	114,495	860,653	5,723,925
Amortization	223,744	1,499,961	2,201,646	-	103,900	768,079	4,499	151,464	4,953,293
Purchases from other governments	1,440,852	-	-	-	-	-	-	-	1,440,852
Materials, goods and utilities	64,293	770,368	815,661	-	44,727	656,784	16,072	85,774	2,453,679
Transfer to local agencies	1,472	-	-	-	205,637	203,558	31,473	-	442,140
Interest and bank charges	-	5,198	676	-	87	7,608	49	4,301	17,919
Interest on long term debt	-	-	177,618	-	-	143,985	-	-	321,603
Other expenses	(105)	(1,523)	-	(127)	41,963	(860)	(115)	90,584	129,817
	2,759,531	5,357,067	5,266,297	390,545	831,337	4,654,438	531,283	2,245,280	22,035,778
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	\$ 3,954,944	\$ (1,815,211)	\$ 559,271	\$ (262,178)	\$ (515,374)	\$ (3,947,745)	\$ (139,280)	\$ 9,497,111	\$ 7,331,538

TOWN OF DRUMHELLER

Consolidated Segmented Information

(Schedule 2)

Year Ended December 31, 2020

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2020
REVENUES									
Net municipal taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,937,148	\$ 8,937,148
Government transfers for operating	1,191,525	-	-	-	248,475	29,400	398,373	75,655	1,943,428
Government transfers for capital	4,181,327	1,239,840	448,315	-	3,938,329	117,047	-	-	9,924,858
Sales and user fees	310,340	254,058	5,416,861	123,926	71,209	268,887	39,361	141,560	6,626,202
Franchise and concessions	-	-	-	-	-	-	-	1,801,955	1,801,955
Investment income	-	-	-	-	-	-	-	586,733	586,733
Penalties and costs on taxes	-	-	18,936	-	-	-	-	119,020	137,956
Rentals	-	4,250	-	-	48,076	220,970	-	-	273,296
Other	13,078	5,821	95,724	62	101,431	17,036	21,571	39,376	294,099
Gains (losses) on disposal of assets	11,500	8,789	-	-	-	18,640	-	-	38,929
	5,707,770	1,512,758	5,979,836	123,988	4,407,520	671,980	459,305	11,701,447	30,564,604

(continues)

TOWN OF DRUMHELLER

Consolidated Segmented Information (continued)

(Schedule 2)

Year Ended December 31, 2020

	Protective Services	Transportation Services	Water and Wastewater	Waste Management	Planning and Development	Recreation and Parks	Public Health and Welfare	General Government	Total 2020
EXPENSES (BY OBJECT)									
Salaries and wages	1,618,575	869,262	1,334,950	24,409	134,071	1,406,028	295,250	920,654	6,603,199
Contracted and general services	1,622,262	1,113,184	577,622	369,624	357,097	684,605	164,864	811,016	5,700,274
Amortization	155,205	1,404,390	2,172,122	-	103,899	746,350	3,299	135,865	4,721,130
Purchases from other governments	1,415,990	-	-	-	-	-	-	-	1,415,990
Materials, goods and utilities	454,651	583,521	744,350	-	88,904	419,843	65,205	88,532	2,445,006
Transfer to local agencies	839	-	-	-	296,118	213,808	24,000	-	534,765
Interest and bank charges	-	1,600	1,110	-	94	8,057	46	5,217	16,124
Interest on long term debt	-	-	195,094	-	1,659	156,527	-	-	353,280
Other expenses	105	1,523	-	127	-	-	1,038	126,911	129,704
	5,267,627	3,973,480	5,025,248	394,160	981,842	3,635,218	553,702	2,088,195	21,919,472
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 440,143	\$(2,460,722)	\$ 954,588	\$(270,172)	\$ 3,425,678	\$(2,963,238)	\$(94,397)	\$ 9,613,252	\$ 8,645,132

**DRUMHELLER RESILIENCY AND FLOOD
MITIGATION PROGRAM**

Schedule of Disbursements

Twelve Months Ended December 31, 2021

DRAFT

INDEPENDENT AUDITOR'S REPORT

To the Council of Town of Drumheller

Opinion

We have audited the schedule of disbursements of the Drumheller Resiliency and Flood Mitigation Program (the Program), under the terms and conditions of the Disaster Mitigation and Adaptation Fund, Alberta Community Resilience Program and Alberta Environment Agreement for Flood Relocation between the Town of Drumheller and the Minister of Infrastructure and Communities, Government of Alberta and Minister of Environment and Parks for the period January 1, 2021 to December 31, 2021 and the related notes (together the "financial information").

In our opinion, the accompanying financial information presents fairly, in all material respects, the disbursements of the Program for the period ended December 31, 2021 in accordance with the basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Program in accordance with ethical requirements that are relevant to our audit of the financial information in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter - Basis of Accounting and Restriction of Distribution and Use

Without modifying our opinion we draw our attention to Note 2, which describes the basis of accounting. The financial information is prepared to assist the Town to comply with the financial reporting provisions of grant funding related to the Drumheller Resiliency and Flood Mitigation Program. As a result, the financial information may not be suitable for another purpose. Our report is intended solely for the Town and funders and should not be distributed or used by parties other than the Town and funders of the Program.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial information in accordance with the basis of accounting described in Note 2 relevant to preparing such financial information, and for such internal control as management determines is necessary to enable the preparation of financial information that are free from material misstatement, whether due to fraud or error.

In preparing the financial information, management is responsible for assessing the Program's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Program or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Program's financial reporting process.

(continues)

THE POWER OF BEING UNDERSTOOD
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Auditor's Responsibilities for the Audit of the Financial Information

Our objectives are to obtain reasonable assurance about whether the financial information as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial information.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Program's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Program's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Program to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial information, including the disclosures, and whether the financial information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Edmonton, Alberta

Chartered Professional Accountants

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

Schedule of Disbursements
Under the Agreements with the Town of Drumheller
Twelve Months Ended December 31, 2021

DISBURSEMENTS

Services	
Communication and engagement services	\$ 418,688
Professional fees	133,961
Advertising	14,994
Office and administration	1,368
Equipment rental	658
Travel and accommodation	458
Total expenditures for services	570,127
Goods and Supplies	
Equipment	42,869
	42,869
Project Expenses	
Engineering	3,656,029
Project management	546,059
Geotechnical	88,467
Mapping and geomatics	68,123
Other project costs	57,268
Legal fees	51,439
Total expenditures for project expenses	4,467,385
Capital	
Properties acquired	617,717
Land agent services	316,771
Engineering structures	6,638
	941,126
Total Disbursements	\$ 6,021,507

DRUMHELLER RESILIENCY AND FLOOD MITIGATION PROGRAM

Notes to Financial Information

Year Ended December 31, 2021

1. NATURE OF OPERATIONS

The Program is a sub-unit of the Town of Drumheller, which is engaged in the management of flood mitigation activities, including the acquisition of at-risk properties, construction of flood mitigation infrastructure, and updating flood emergency plans.

The Town has entered into agreements with the Government of Canada and Government of Alberta to implement the Drumheller Flood Mitigation System. The total cost of the program is expected to be approximately \$55 million and will span over a period of approximately 5 years. Under the terms of the agreements, the Provincial government will provide fifty (50) percent of the funding, the Federal government will provide forty (40) percent of the funding, and the municipality will provide ten (10) percent of the funding required to purchase and construct assets as part of the Drumheller Flood Mitigation System.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The schedule of disbursements has been prepared in accordance with funder agreements for the Project.

Basis of accounting

The schedule of disbursements has been prepared on an accrual accounting basis for the twelve months from January 1, 2021 to December 31, 2021.

Flood Mitigation disbursements claimed by the Program in the statement of disbursements have been limited to the amounts invoiced to the Provincial and Federal governments under the funding agreements and those covered by the Town of Drumheller during the twelve months from January 1, 2021 to December 31, 2021.

Disbursements are recognized on the date services are performed or goods are received. Work-in-progress disbursements are recognized immediately and disbursements related to the purchase or construction of land, structures and other tangible capital assets are recognized as period costs in the period the disbursement occurred.

REQUEST FOR DECISION

TITLE:	2022 Property Taxation –Bylaw 07.22 – 2022 Tax Bylaw
DATE:	May 2, 2022
PRESENTED BY:	Mauricio Reyes, CPA, CMA, CAMP Director of Corporate and Community Services
ATTACHMENTS:	07.22 – 2022 Tax Bylaw Assessment Tables Net Municipal Taxes – 2017 to 2022 Tax Comparatives for Select Properties

SUMMARY:

Council is in a position now to consider setting the 2022 Property Tax rates. Bylaw 07.22 – 2022 Tax Bylaw is presented for Council’s adoption.

BACKGROUND:

In accordance with section 353 of the Municipal Government Act, RSA 2000, c M-26, the Town must adopt, on an annual basis, a property tax rate bylaw for levying property taxes within the Town of Drumheller. Bylaw 07.22 has been prepared to meet the requirements of the Municipal Government Act and adheres to Council’s direction to hold the municipal tax requirements at near 2021 levels.

Subject to approval of this Bylaw, tax notices will be mailed in late May with the deadline to pay without penalty being August 31, 2022. In addition to levying municipal property taxes, Bylaw 07.22 also establishes levies on behalf of the Drumheller and District Seniors Foundation, the Alberta School Foundation Fund, and the Christ The Redeemer Catholic School Division. In total Bylaw 07.22 will levy approximately \$12.16 million in property taxes to meet the revenue requirements in 2022.

RECOMMENDATION:

Administration recommends that Council give all three readings to 2022 Property Tax Bylaw 07.22 as presented.

DISCUSSION:

Assessment

The property assessment values included in the Bylaw are based on the completed 2021 assessment roll. The 2021 assessment roll is based on market values established on July 1, 2021, and the physical condition of the property as of December 31, 2021.

Overall, the assessment values used to levy the 2022 property taxes remained flat as seen in Table 1 of appendix 2. Closer examination reveals that while residential and machinery and equipment assessments increased by \$1.6 million and \$0.54 million respectively, the non-residential class decreased by \$2.1 million. Several properties under the non-residential class are assessed using the income approach. Consequently, certain properties such as hotels

Request for Decision

Page 2

which business was negatively impacted by Covid-19 pandemic have lower assessment values in 2022.

As shown in table 2 of appendix 2, in 2022 there was a total reduction of taxable properties. This was partially due to four Town property purchases including two under the Flood Mitigation Program. The remainder related mainly to property consolidations. The total reduction in taxable properties was 15.

Some assessment values may change as a result of the Assessment review process.

Municipal Taxes

The 2022 Operating Budget adopted by Council proposed a municipal tax increase of 2.1% for a municipal requisition of \$9,147,735.

Appendix 3 illustrates how tax revenue has been changing in the last 5 years and what the expected municipal tax revenue is in 2022. As in the graph, since 2017, municipal property taxes have increased by approximately \$638,600 representing an increase of 7.5 percent over a 5-year period, which equates to an annualized increase of less than 1.5 percent.

Requisitions

The requisition from the Government of Alberta for the:

- Alberta School Foundation is \$2,323,114 for 2022, an increase of \$35,001 from 2021
- Christ the Redeemer Catholic Schools is \$385,492, an increase of \$10,701 from 2021
- Designated Industrial Properties is \$2,698, an increase of \$43 from 2021

The requisition from the Drumheller and District Seniors Foundation is \$552,979, a decrease of \$1,251 from 2021.

As in prior years, the Provincial Government assessed designated industrial properties. Ministerial Order No. MAG:010/21 established the rates to chargeback the assessment cost relating to these properties to each of the owners. The total requisition for 2022 is \$2,698.

Mill Rates

The combined residential mill rate for 2022 is 12.10984 (2021 – 11.85663). The 2.1 percent increase in mill rate is due to increased requisitions.

The combined non-residential mill rate for 2022 is 19.15279 (2021 – 18.73769). The 2.2 percent increase in mill rate is due to a combination of a decrease in assessment values and increased requisitions.

Tax Comparatives on Selected Properties

A group of selected properties is presented to Council every year to illustrate the impact of the annual tax rate. Assessment values for properties in Drumheller change from year-to-year depending on market conditions and whether there have been improvements to a particular property. The selected group includes five residential properties and five non-residential properties. The data presented include both amounts and percentage changes for each property.

STRATEGIC POLICY ALIGNMENT:

The proposed bylaw is in accordance with strong fiscal responsibility and transparency.

COMMUNICATION STRATEGY:

Communication of the adopted tax rates will include a media release, social media posts, and updated tax information on the Town website.

MOTION:

Councillor _____

Moves that Council give first reading to 2022 Property Tax Bylaw 07.22 as presented.

Moves that Council give second reading to 2022 Property Tax Bylaw 07.22 as presented.

Moves that Council give unanimous consent for third reading of 2022 Property Tax Bylaw 07.22.

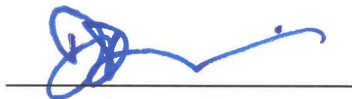
Moves that Council give third reading to 2022 Property Tax Bylaw 07.22 as presented.

Seconded:

Councillor _____

Mauricio Reyes

Prepared by:
Mauricio Reyes, CPA, CMA, CAMP
Director of Corporate & Community Services



Approved By:
Darryl E. Drohomerski, C.E.T.
Chief Administrative Officer

TOWN OF DRUMHELLER

BYLAW NUMBER 07.22

A BYLAW OF THE TOWN OF DRUMHELLER, IN THE PROVINCE OF ALBERTA (HEREINAFTER REFERRED TO AS "THE MUNICIPALITY"), TO SET A RATE FOR THE LEVY ON ASSESSED VALUE OF PROPERTY SUBJECT TO TAXATION FOR THE 2022 FINANCIAL YEAR.

WHEREAS the Council of the Town of Drumheller (Council) shall, by Bylaw, authorize the levying of taxes at such uniform rates on the dollar as the Council deems sufficient to produce the amount of revenue required. Section 353 of the *Municipal Government Act* R.S.A. 2000 c. M-26, (*Act*) as amended requires Council to annually pass a property tax bylaw;

AND WHEREAS a property tax bylaw authorizes Council to impose a tax in respect of property to raise revenue to be used towards the payment of requisitions and expenditures and transfers set out in the Town's budget;

AND WHEREAS Section 382 of the *Act* authorizes Council to impose a special tax to raise sufficient revenue to pay for a specific service or purpose;

AND WHEREAS Section 369 of the *Act* authorizes Council to impose a supplementary tax against properties listed on the supplementary tax roll and that the supplementary tax rates be the same as imposed in this bylaw;

AND WHEREAS Section 364 of the *Act* authorizes Council to exempt certain properties from taxation;

AND WHEREAS the assessed value of all property in the Town as shown on the 2022 assessment roll (2021 market values) is:

Total Assessment	\$1,083,606,570
	Taxable Assessment
Municipal	\$891,572,280
Education (Combined)	\$884,525,180
Drumheller & District Seniors Foundation	\$887,182,740
Designated Industrial Properties	\$35,212,090

AND WHEREAS the total requirement of the Town of Drumheller to be raised by Property Taxes as shown in the annual estimates and subsequent budget amendments are as follows:

Purpose	Required Amount
Municipal	\$9,147,735
Alberta School Foundation Fund	\$2,323,114
Christ The Redeemer School Division	\$385,492
Drumheller & District Seniors Foundation	\$552,979
Designated Industrial	\$2,698
Total	\$12,412,018

NOW THEREFORE, pursuant to Sections 353, 382 and 369 of the *Municipal Government Act*, the Council of the Town of Drumheller in the Province of Alberta, duly assembled, enacts as follows:

1. BYLAW TITLE

1.1 This Bylaw may be referred to as the "2022 Property Tax Bylaw."

2. DEFINITIONS

2.1 In this Bylaw:

- a) "Act" means the Municipal Government Act R.S.A. 2000 c. M-26 and regulations made thereunder;
- b) "ASFF" means the Alberta School Foundation Fund established under the School Act RSA 2000 c. S-3.
- c) "Chief Administrative Officer" means that person appointed by Council to position of Chief Administrative Officer pursuant to the Act.
- d) "Designated Industrial Property" means designated industrial property as set out in Section 284 of the MGA
- e) "Farmland" means land used for farming operations as defined in the regulations;
- f) "Non-residential" in respect of property, means linear property, components of manufacturing or processing facilities that are used for the cogeneration of power or other property on which industry, commerce or another use takes place or is permitted to take place under a land use bylaw passed by a council, but does not include farmland or land that is used or intended to be used for permanent living accommodation;
- g) "Residential" in respect of property, means property that is not classed by the assessor as farmland, machinery and equipment or non-residential.
- h) "Christ The Redeemer Schools" means the Christ The Redeemer School Division.

- i) All other words used in this Bylaw that are defined in the Act shall have the meanings given to those words in the Act except where specifically defined otherwise in this Bylaw or required by the context in which the words are used in this Bylaw.

3. LEVY OF PROPERTY TAX

- 3.1 The Chief Administrative Officer is authorized and directed to impose and collect a property tax for the year 2022 at the rates set out in [Schedule "A"](#) to this Bylaw.
- 3.2 The Chief Administrative Officer is authorized to undertake a supplementary assessment and levy supplementary property taxes at the rates set out in [Schedule "A"](#) to this Bylaw.

4. INTERPRETATION

- 4.1 Should any provision of this Bylaw be declared invalid for any reason by a Court of competent jurisdiction, all other provisions of this Bylaw shall remain valid and enforceable.
- 4.2 There shall be entered upon the Tax Roll of the said Town of Drumheller, in a column provided for that purpose, the amount for which the property is charged for all of the sums ordered to be levied for each of the aforementioned classifications, and it shall not be necessary to state the particular sums for each of the various classifications.

5. TRANSITIONAL

- 5.1 This Bylaw comes into effect with third and final reading.

GIVEN FIRST READING THIS ____ DAY OF _____, 2022.

GIVEN SECOND READING THIS ____ DAY OF _____, 2022.

GIVEN THIRD AND FINAL READING THIS ____ DAY OF _____, 2022.

MAYOR

CHIEF ADMINISTRATIVE OFFICER

Town of Drumheller Bylaw 07.22
SCHEDULE "A"

	Tax Levy*	Taxable Assessment	Tax Rate in Mills
General Municipal			
Residential	\$5,771,978	\$658,177,810	8.76963
Non-Residential/M&E	3,375,757	233,394,470	14.46374
Total General Municipal	\$9,147,735	\$891,572,280	
Alberta School Foundation			
Residential	\$1,788,222	\$658,177,810	2.71693
Non-Residential/M&E	920,384	226,347,370	4.06625
Total Alberta School Foundation Fund	\$2,708,606	\$884,525,180	
Drumheller & District Seniors Foundation			
Residential	\$410,241	\$658,177,810	0.62330
Non-Residential/M&E	142,738	229,004,930	0.62330
Total Drumheller & District Seniors Foundation	\$552,979	\$887,182,740	
Designated Industrial Properties			
Designated Industrial Properties	\$2,698	\$35,212,090	0.07662
Total Designated Industrial	\$2,698	\$35,212,090	

Appendix 2

Table 1 – Taxable Assessment Values – 2022 vs. 2021

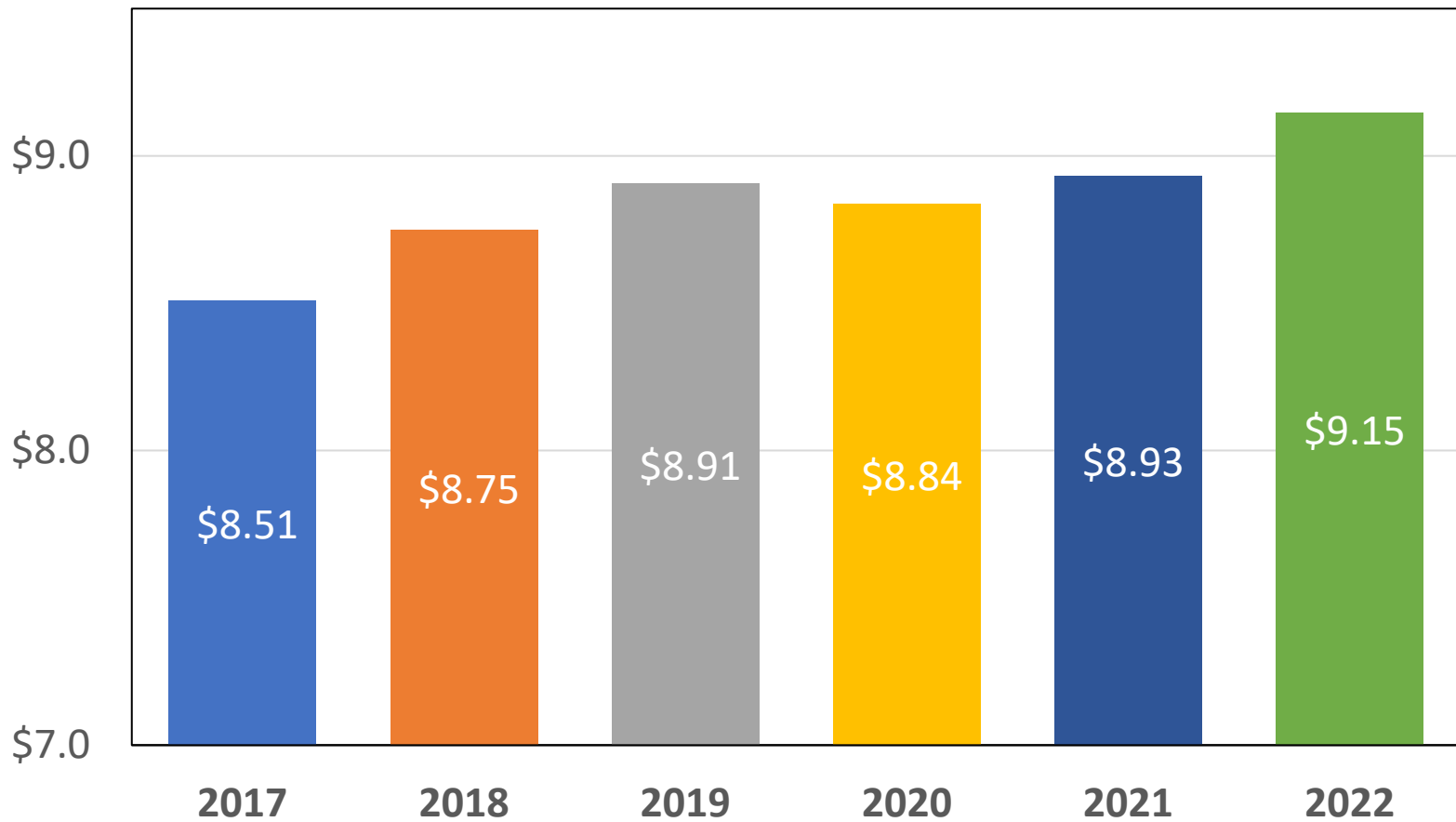
	2022	2021	Change \$	Change %
Residential	\$658,177,810	\$656,526,010	\$1,651,800	0.3%
Non-residential	\$198,197,700	\$200,314,650	(\$2,116,950)	-1.1%
Machinery & Equipment	<u>\$35,196,770</u>	<u>\$34,654,780</u>	<u>\$541,990</u>	1.6%
Total	\$891,572,280	\$891,495,440	\$76,840	0%

Table 2 – Assessment Rolls – 2021 vs. 2021

	2022	2021	Change
Total residential rolls - taxable	3703	3712	-9
Total non-residential rolls	<u>474</u>	<u>480</u>	<u>-6</u>
Total Taxable Properties	4,177	4192	-15
Total Exempt Properties	607	602	+5
Total Rolls	4,784	4794	-10

Millions

Appendix 3 - Net Municipal Taxes



Appendix 4
2022 Property Tax Levy
Comparative Yearly Taxes on Selected Properties

2022 Tax Rate / \$ 1,000

Residential	8.76963	2.71693	0.62328	12.10984
% Change	2.18%	2.54%	-0.24%	2.14%

Non-residential	14.46374	4.06577	0.62328	19.15279
% Change	2.89%	0.26%	-0.24%	2.22%

2021 Tax Rate / \$1,000

Residential	8.58219	2.64968	0.62476	11.85663
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Non-residential	14.05767	4.05526	0.62476	18.73769
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Assessment	Municipal Tax	School Tax	Seniors Foundation	Total Tax Bill	Difference from Previous Year					
					Total Tax Bill		Municipal Taxes		School Tax	Seniors Foundation
					Amount	% Change	Amount	% Change		

#1 - 04024501

2022	\$188,650	\$1,654	\$513	\$118	\$2,285	\$45	2.01%	\$33	2.05%	\$12	\$0
2021	\$188,890	\$1,621	\$500	\$118	\$2,240	-\$125	-5.28%	-\$80	-4.71%	-\$43	-\$2
2020	\$194,480	\$1,617	\$520	\$113	\$2,250	-\$86	-3.68%	-\$52	-3.10%	-\$27	-\$8

#2 - 07057102

2022	\$180,650	\$1,584	\$491	\$113	\$2,188	\$23	1.06%	\$17	1.11%	\$7	-\$1
2021	\$182,570	\$1,567	\$484	\$114	\$2,165	-\$44	-1.99%	-\$10	-0.66%	-\$33	\$0
2020	\$184,460	\$1,533	\$493	\$107	\$2,134	\$12	0.56%	\$18	1.16%	-\$4	-\$2

#3 - 03002706

2022	\$212,770	\$1,866	\$578	\$133	\$2,577	\$68	2.71%	\$50	2.76%	\$17	\$0
2021	\$211,580	\$1,816	\$561	\$132	\$2,509	\$190	8.20%	\$160	9.66%	\$18	\$12
2020	\$211,420	\$1,757	\$566	\$123	\$2,446	\$209	9.35%	\$160	10.00%	\$41	\$8

#4 - 01020205

2022	\$160,830	\$1,410	\$437	\$100	\$1,948	\$13	0.65%	\$10	0.69%	\$5	-\$2
2021	\$163,210	\$1,401	\$432	\$102	\$1,935	-\$80	-3.97%	-\$39	-2.68%	-\$39	-\$2
2020	\$170,190	\$1,415	\$455	\$99	\$1,969	-\$46	-2.30%	-\$25	-1.71%	-\$16	-\$5

#5 - 03006608

2022	\$137,440	\$1,205	\$373	\$86	\$1,664	\$64	4.00%	\$47	4.05%	\$16	\$1
2021	\$134,980	\$1,158	\$358	\$84	\$1,600	\$50	3.25%	\$51	4.64%	-\$5	\$4
2020	\$135,410	\$1,126	\$362	\$79	\$1,567	\$96	6.51%	\$75	7.15%	\$17	\$3

Appendix 4
2022 Property Tax Levy
Comparative Yearly Taxes on Selected Properties

2022 Tax Rate / \$ 1,000

Residential	8.76963	2.71693	0.62328	12.10984
% Change	2.18%	2.54%	-0.24%	2.14%

Non-residential	14.46374	4.06577	0.62328	19.15279
% Change	2.89%	0.26%	-0.24%	2.22%

2021 Tax Rate / \$1,000

Residential	8.58219	2.64968	0.62476	11.85663
-------------	---------	---------	---------	----------

Non-residential	14.05767	4.05526	0.62476	18.73769
-----------------	----------	---------	---------	----------

Assessment	Municipal Tax	School Tax	Seniors Foundation	Total Tax Bill	Difference from Previous Year					
					Total Tax Bill		Municipal Taxes		School Tax	Seniors Foundation
					Amount	% Change	Amount	% Change		

COMMERCIAL

C1 - 04028603

2022	\$2,210,260	\$31,969	\$8,986	\$1,378	\$42,333	-\$4,283	-9.19%	-\$3,004	-8.59%	-\$1,102	-\$177
2021	\$2,487,800	\$34,973	\$10,089	\$1,554	\$46,616	-\$495	-1.05%	-\$104	-0.30%	-\$379	-\$12
2020	\$3,190,900	\$43,146	\$11,836	\$1,858	\$56,839	\$9,856	20.98%	\$8,488	24.49%	\$1,054	\$314

C2 - 02011500

2022	\$115,180	\$1,666	\$468	\$72	\$2,206	\$48	2.22%	\$47	2.89%	\$1	\$0
2021	\$115,180	\$1,619	\$467	\$72	\$2,158	\$80	3.87%	\$72	4.66%	\$5	\$3
2020	\$117,020	\$1,582	\$434	\$68	\$2,084	\$46	2.27%	\$79	5.24%	-\$34	\$1

C3 - 05001805

2022	\$467,070	\$6,756	\$1,899	\$291	\$8,946	\$979	12.29%	\$779	13.03%	\$175	\$25
2021	\$425,180	\$5,977	\$1,724	\$266	\$7,967	-\$209	-2.55%	-\$110	-1.81%	-\$92	-\$6
2020	\$446,600	\$6,039	\$1,657	\$260	\$7,955	-\$23	-0.29%	\$153	2.60%	-\$174	-\$2

C4 - 06011704

2022	\$1,273,640	\$18,422	\$5,178	\$794	\$24,394	\$1,686	7.43%	\$1,386	8.13%	\$264	\$37
2021	\$1,211,860	\$17,036	\$4,914	\$757	\$22,707	\$4,809	26.87%	\$3,709	27.83%	\$938	\$162
2020	\$1,155,790	\$15,628	\$4,287	\$673	\$20,588	\$2,773	15.56%	\$2,487	18.92%	\$199	\$87

C5 - 04021200

2022	\$762,460	\$11,028	\$3,100	\$475	\$14,603	-\$1,006	-6.44%	-\$683	-5.83%	-\$278	-\$45
2021	\$833,040	\$11,711	\$3,378	\$520	\$15,609	-\$895	-5.42%	-\$578	-4.70%	-\$289	-\$28
2020	\$942,020	\$12,738	\$3,494	\$548	\$16,780	\$136	0.82%	\$460	3.75%	-\$325	\$1

TOWN OF DRUMHELLER

BYLAW NUMBER 07.22

A BYLAW OF THE TOWN OF DRUMHELLER, IN THE PROVINCE OF ALBERTA (HEREINAFTER REFERRED TO AS "THE MUNICIPALITY"), TO SET A RATE FOR THE LEVY ON ASSESSED VALUE OF PROPERTY SUBJECT TO TAXATION FOR THE 2022 FINANCIAL YEAR.

WHEREAS the Council of the Town of Drumheller (Council) shall, by Bylaw, authorize the levying of taxes at such uniform rates on the dollar as the Council deems sufficient to produce the amount of revenue required. Section 353 of the *Municipal Government Act* R.S.A. 2000 c. M-26, (*Act*) as amended requires Council to annually pass a property tax bylaw;

AND WHEREAS a property tax bylaw authorizes Council to impose a tax in respect of property to raise revenue to be used towards the payment of requisitions and expenditures and transfers set out in the Town's budget;

AND WHEREAS Section 382 of the *Act* authorizes Council to impose a special tax to raise sufficient revenue to pay for a specific service or purpose;

AND WHEREAS Section 369 of the *Act* authorizes Council to impose a supplementary tax against properties listed on the supplementary tax roll and that the supplementary tax rates be the same as imposed in this bylaw;

AND WHEREAS Section 364 of the *Act* authorizes Council to exempt certain properties from taxation;

AND WHEREAS the assessed value of all property in the Town as shown on the 2022 assessment roll (2021 market values) is:

Total Assessment	\$1,083,606,570
	Taxable Assessment
Municipal	\$891,572,280
Education (Combined)	\$884,525,180
Drumheller & District Seniors Foundation	\$887,182,740
Designated Industrial Properties	\$35,212,090

AND WHEREAS the total requirement of the Town of Drumheller to be raised by Property Taxes as shown in the annual estimates and subsequent budget amendments are as follows:

Purpose	Required Amount
Municipal	\$9,147,735
Alberta School Foundation Fund	\$2,323,114
Christ The Redeemer School Division	\$385,492
Drumheller & District Seniors Foundation	\$552,979
Designated Industrial	\$2,698
Total	\$12,412,018

NOW THEREFORE, pursuant to Sections 353, 382 and 369 of the *Municipal Government Act*, the Council of the Town of Drumheller in the Province of Alberta, duly assembled, enacts as follows:

1. BYLAW TITLE

1.1 This Bylaw may be referred to as the "2022 Property Tax Bylaw."

2. DEFINITIONS

2.1 In this Bylaw:

- a) "Act" means the Municipal Government Act R.S.A. 2000 c. M-26 and regulations made thereunder;
- b) "ASFF" means the Alberta School Foundation Fund established under the School Act RSA 2000 c. S-3.
- c) "Chief Administrative Officer" means that person appointed by Council to position of Chief Administrative Officer pursuant to the Act.
- d) "Designated Industrial Property" means designated industrial property as set out in Section 284 of the MGA
- e) "Farmland" means land used for farming operations as defined in the regulations;
- f) "Non-residential" in respect of property, means linear property, components of manufacturing or processing facilities that are used for the cogeneration of power or other property on which industry, commerce or another use takes place or is permitted to take place under a land use bylaw passed by a council, but does not include farmland or land that is used or intended to be used for permanent living accommodation;
- g) "Residential" in respect of property, means property that is not classed by the assessor as farmland, machinery and equipment or non-residential.
- h) "Christ The Redeemer Schools" means the Christ The Redeemer School Division.

- i) All other words used in this Bylaw that are defined in the Act shall have the meanings given to those words in the Act except where specifically defined otherwise in this Bylaw or required by the context in which the words are used in this Bylaw.

3. LEVY OF PROPERTY TAX

- 3.1 The Chief Administrative Officer is authorized and directed to impose and collect a property tax for the year 2022 at the rates set out in [Schedule "A"](#) to this Bylaw.
- 3.2 The Chief Administrative Officer is authorized to undertake a supplementary assessment and levy supplementary property taxes at the rates set out in [Schedule "A"](#) to this Bylaw.

4. INTERPRETATION

- 4.1 Should any provision of this Bylaw be declared invalid for any reason by a Court of competent jurisdiction, all other provisions of this Bylaw shall remain valid and enforceable.
- 4.2 There shall be entered upon the Tax Roll of the said Town of Drumheller, in a column provided for that purpose, the amount for which the property is charged for all of the sums ordered to be levied for each of the aforementioned classifications, and it shall not be necessary to state the particular sums for each of the various classifications.

5. TRANSITIONAL

- 5.1 This Bylaw comes into effect with third and final reading.

GIVEN FIRST READING THIS ____ DAY OF _____, 2022.

GIVEN SECOND READING THIS ____ DAY OF _____, 2022.

GIVEN THIRD AND FINAL READING THIS ____ DAY OF _____, 2022.

MAYOR

CHIEF ADMINISTRATIVE OFFICER

Town of Drumheller Bylaw 07.22
SCHEDULE "A"

	Tax Levy*	Taxable Assessment	Tax Rate in Mills
General Municipal			
Residential	\$5,771,978	\$658,177,810	8.76963
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Residential	\$410,241	\$658,177,810	0.62330
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Total Drumheller & District Seniors Foundation	\$552,979	\$887,182,740	
Designated Industrial Properties			
Designated Industrial Properties	\$2,698	\$35,212,090	0.07662
Total Designated Industrial	\$2,698	\$35,212,090	

REQUEST FOR DECISION

TITLE:	2022 Fees and Schedules – Correction and Addition
DATE:	April 28, 2022
PRESENTED BY:	Darryl Drohomerski, CAO
ATTACHMENT:	2022 Fee and Schedules – Pages 2 & 5

SUMMARY:

The Town of Drumheller is a member of the Central Alberta Regional Assessment Review Boards (CARARB). This organization assists municipalities in the process of hearing appeals and complaints.

In accordance with the Municipal Government Act, every municipality can set fees for applications received for CARARB. The fees are listed in the Fees and Schedules document which is updated annually and made available online.

The LARB complaint fee is stated in the Municipal Government Act under Matters Relating to Assessment Complaints Regulation, 2018, Part 1, Section 3(1) b, Schedule 2 as being UP to \$50.00. The complaint fee for the Local Assessment Review Board was changed to \$200 in error; we are making the correction with this request.

When the fee is corrected we will also add that the Town is a member of the [Central Alberta Regional Assessment Board](#) and the [Palliser Intermunicipal Subdivision and Development Appeal Board](#).

RECOMMENDATION:

Administration recommends that Council approve the amended 2022 Fees and Schedule.

DISCUSSION:

The issue was brought to our attention, and we wanted to make the change as soon as possible.

Adding that we are members of the Regional Assessment Board, and the Palliser ISDAB is to inform the community about these organizations.

FINANCIAL IMPACT: N/A

WORKFORCE AND RESOURCES IMPACT: N/A

STRATEGIC POLICY ALIGNMENT:

This request for decision is clarify and correct information that pertains to the community.

COMMUNICATION STRATEGY:

The updated document will be posted on the website.

PROPOSED MOTION:

Councillor:

That Council approve the amended version of the 2022 Fees and Schedule document as presented.

Seconded:



Prepared by:
Denise Lines
Senior Administrative Assistant



Approved by:
Darryl Dronomerski
Chief Administrative Officer

ADMINISTRATION

Account Management

Payment Transfers \$ 25.00
(credit balance transfer from utilities to taxes, taxes to utilities)

Balance Transfers (utilities to tax roll) \$ 50.00
(balance transfer from utilities to tax roll)

Assessment Appeal

Local Assessment Review Board \$50.00 ~~\$200.00~~
(LARB - residential)

Member of the Central Alberta Regional Assessment Review Board

Commercial Assessment Review Board \$ 650.00
(CARB - multi residential and commercial)

Assessment Information Request by Third Party

Information regarding legal description, latest
assessment and historical assessments \$ 36.75

Fax

Per transmission (local or long distance) \$ 5.50

FOIP Requests

Freedom of Information and Protection of Privacy Regulation, AR200/95
Per request submission \$ 25.00

Additional costs may be determined after review of request.

NSF Charges \$ 35.00

Photocopying

Black and white per page \$ 0.30

Colour per page \$ 1.00

Copies of Information other than Photocopies

Reprint fee for invoice, account history or receipt \$ 25.75

Per tax certificate \$ 38.75

DEVELOPMENT PERMITS

Photocopying

Base maps (black and white - 8 1/2 x 11)	\$ 11.50
Land Use Bylaw (colour)	\$ 14.75
Municipal Development Plan (colour)	\$ 16.75

Development Permits

Range in Construction Value	Fees
Under \$ 10,000	\$ 67.00
\$ 10,001 - \$ 50,000	\$ 87.50
\$ 50,001 - \$ 100,000	\$ 118.50
\$ 100,001 - \$ 150,000	\$ 180.25
\$ 150,001 - \$ 200,000	\$ 273.00
\$ 200,001 and over	\$ 334.75

Development Appeal Fee \$ 257.50

Member of the Palliser Intermunicipal Subdivision and Development Appeal Board

Compliance Certificates

Residential (each)	\$ 87.50
Non-Residential (each)	\$ 154.50

Encroachment Agreement

Includes title search and registration \$ 309.00

File Review

Application Rate	\$ 27.30
30-day response: Application Rate plus \$ 9.25 per ¼ hr	\$ 9.50
7-day rush response: Application Rate plus \$ 13.85 per ¼ hr	\$ 14.50

REQUEST FOR DIRECTION

TITLE:	Review of Council Code of Conduct Bylaw 08.18
DATE:	April 28, 2022
PRESENTED BY:	Darryl Drohomerski, C.E.T., CAO
ATTACHMENT:	Council Code of Conduct Bylaw 08.18

SUMMARY:

Pursuant to section 146.1(1) of the Municipal Government Act, Council must establish, by bylaw, a code of conduct governing the conduct of Councillors. The Bylaw 08.18 establishes that Council must review the Bylaw at the beginning of each term. Administration is providing the Bylaw for Council to review prior to bringing it forward for adoption, which is expected in June 2022.

RECOMMENDATION:

Council reviews Bylaw 08.18 to ensure it meets the needs of its members as well as the members of the community and is in alignment with any changes in the MGA.

DISCUSSION:

Council last reviewed and adopted the Bylaw in July 2018. As indicated in the Bylaw, the document shall be reviewed at least at the beginning of each term, or whenever changes to the MGA or other relevant legislation warrants a review.

FINANCIAL IMPACT:

n/a

STRATEGIC POLICY ALIGNMENT:

Reviewing Bylaws is considered good governance for the organization.

COMMUNICATION STRATEGY:

The Bylaw, once adopted, will be posted on Drumheller.ca and provided to Councillors for their use.

MOTION:

n/a

SECONDED:



Prepared By:
Darryl Drohomerski
Chief Administrative Officer



Approved By:
Darryl Drohomerski
Chief Administrative Officer

TOWN OF DRUMHELLER

BYLAW NO. 08.18

A BYLAW TO ESTABLISH A CODE OF CONDUCT FOR MEMBERS OF COUNCIL

WHEREAS, pursuant to section 146.1(1) of the *Municipal Government Act*, a council must, by bylaw, establish a code of conduct governing the conduct of councillors;

AND WHEREAS, pursuant to section 146.1(3) of the *Municipal Government Act*, a council may, by bylaw, establish a code of conduct governing the conduct of members of council committees and other bodies established by the council who are not councillors;

AND WHEREAS, pursuant to section 153 of the *Municipal Government Act*, councillors have a duty to adhere to the code of conduct established by the council;

AND WHEREAS the public is entitled to expect the highest standards of conduct from the members that it elects to council for the Town of Drumheller;

AND WHEREAS the establishment of a code of conduct for members of council is consistent with the principles of transparent and accountable government;

AND WHEREAS a code of conduct ensures that members of council share a common understanding of acceptable conduct extending beyond the legislative provisions governing the conduct of councillors;

NOW THEREFORE the Council of the Town of Drumheller, in the Province of Alberta, duly assembled, enacts as follows:

1. Short Title

1.1. This Bylaw may be referred to as the "Council Code of Conduct Bylaw".

2. Definitions

2.1. In this Bylaw, words have the meanings set out in the Act, except that:

- (a) "Act" means the *Municipal Government Act*, R.S.A. 2000, c. M-26, and associated regulations, as amended;
- (b) "Administration" means the administrative and operational arm of the Municipality, comprised of the various departments and business units and including all employees who operate under the leadership and supervision of the CAO;
- (c) "CAO" means the Chief Administrative Officer of the Municipality, or their

delegate;

- (d) "FOIP" means the Freedom of Information and Protection of Privacy Act, R.S.A. 2000, c. F-25, any associated regulations, and any amendments or successor legislation;
- (e) "Investigator" means Council or the individual or body established by Council to investigate and report on complaints;
- (f) "Member" means a member of Council and includes a councillor or the Mayor and includes members of council committees or other bodies established by Council who are not councillors or the Mayor;
- (g) "Municipality" means the municipal corporation of the Town of Drumheller.

3. Purpose and Application

- 3.1. The purpose of this Bylaw is to establish standards for the ethical conduct of Members relating to their roles and obligations as representatives of the Municipality and a procedure for the investigation and enforcement of those standards.

4. Representing the Municipality

4.1. Members shall:

- (a) act honestly and, in good faith, serve the welfare and interests of the Municipality as a whole;
- (b) perform their functions and duties in a conscientious and diligent manner with integrity, accountability and transparency;
- (c) conduct themselves in a professional manner with dignity and make every effort to participate diligently in the meetings of Council, committees of Council and other bodies to which they are appointed by Council; and

- (d) arrange their private affairs and conduct themselves in a manner that promotes public confidence and will bear close public scrutiny.

5. Communicating on Behalf of the Municipality

- 5.1. A Member must not claim to speak on behalf of Council unless authorized to do so.
- 5.2. Unless Council directs otherwise, the Mayor is Council's official spokesperson and in the absence of the Mayor it is the Deputy Mayor. All inquiries from the media regarding the official Council position on an issue shall be referred to Council's official spokesperson.
- 5.3. A Member who is authorized to act as Council's official spokesperson must ensure that their comments accurately reflect the official position and will of Council as a whole, even if the Member personally disagrees with Council's position.
- 5.4. No Member shall make a statement when they know that statement is false.
- 5.5. No Member shall make a statement with the intent to mislead Council or members of the public.

6. Respecting the Decision-Making Process

- 6.1. Decision making authority lies with Council, and not with any individual Member. Council may only act by bylaw or resolution passed at a Council meeting held in public at which there is a quorum present. No Member shall, unless authorized by Council, attempt to bind the Municipality or give direction to employees in Administration, agents, contractors, consultants or other service providers or prospective vendors to the Municipality.
- 6.2. Members shall conduct and convey Council business and all their duties in an open and transparent manner other than for those matters which by law are authorized to be dealt with in a confidential manner in an in-camera session, and in so doing, allow the public to view the process and rationale which was used to reach decisions and the reasons for taking certain actions.
- 6.3. Members shall accurately communicate the decisions of Council, even if they disagree with Council's decision, such that respect for the decision-making processes of Council is fostered.

7. Adherence to Policies, Procedures and Bylaws

- 7.1. Members shall uphold the law established by the Parliament of Canada and the Legislature of Alberta and the bylaws, policies and procedures adopted by Council.
- 7.2. Members shall respect the Municipality as an institution, its bylaws, policies and procedures and shall encourage public respect for the Municipality, its bylaws, policies and procedures.

- 7.3. A Member must not encourage disobedience of any bylaw, policy or procedure of the Municipality in responding to a member of the public, as this undermines public confidence in the Municipality and in the rule of law.

8. Respectful Interactions with Council Members, Staff, the Public and Others

- 8.1. Members shall act in a manner that demonstrates fairness, respect for individual differences and opinions, and an intention to work together for the common good and in furtherance of the public interest.
- 8.2. Members shall treat one another, employees of the Municipality and members of the public with courtesy, dignity and respect and without abuse, bullying or intimidation.
- 8.3. No Member shall use indecent, abusive, or insulting words or expressions toward another Member, any employee of the Municipality or any member of the public.
- 8.4. No Member shall speak in a manner that is discriminatory to any individual based on the person's race, religious beliefs, colour, gender, physical disability, mental disability, age, ancestry, place of origin, marital status, source of income, family status or sexual orientation.
- 8.5. Members shall respect the fact that employees in Administration work for the Municipality as a corporate body and are charged with making recommendations that reflect their professional expertise and a corporate perspective and that employees are required to do so without undue influence from any Member or group of Members.
- 8.6. Members must not:
 - (a) involve themselves in matters of Administration, which fall within the jurisdiction of the "CAO";
 - (b) use, or attempt to use, their authority or influence for the purpose of intimidating, threatening, coercing, commanding or influencing any employee of the Municipality with the intent of interfering in the employee's duties; or
 - (c) maliciously or falsely injure the professional or ethical reputation, or the prospects or practice of employees of the Municipality.

9. Confidential Information

- 9.1. Members must keep in confidence matters discussed in private at a Council or Council committee meeting until the matter is discussed at a meeting held in public.

9.2. In the course of their duties, Members may also become privy to confidential information received outside of an “in-camera” meeting. Members must not:

- (a) disclose or release by any means to any member of the public, including the media, any confidential information acquired by virtue of their office, unless the disclosure is required by law or authorized by Council to do so;
- (b) access or attempt to gain access to confidential information in the custody or control of the Municipality unless it is necessary for the performance of the Member’s duties and is not otherwise prohibited by Council, and only then if the information is acquired through appropriate channels in accordance with applicable Council bylaws and policies;
- (c) use confidential information for personal benefit or for the benefit of any other individual or organization.

9.3. Confidential information includes information in the possession of, or received in confidence by, the Municipality that the Municipality is prohibited from disclosing pursuant to legislation, court order or by contract, or is required to refuse to disclose under FOIP or any other legislation, or any other information that pertains to the business of the Municipality, and is generally considered to be of a confidential nature, including but not limited to information concerning:

- (a) the security of the property of the Municipality;
- (b) a proposed or pending acquisition or disposition of land or other property;
- (c) a tender that has or will be issued but has not been awarded;
- (d) contract negotiations;
- (e) employment and labour relations;
- (f) draft documents and legal instruments, including reports, policies, bylaws and resolutions, that have not been the subject matter of deliberation in a meeting open to the public;
- (g) law enforcement matters;
- (h) litigation or potential litigation, including matters before administrative tribunals; and
- (i) advice that is subject to solicitor-client privilege.

10. Conflicts of Interest

- 10.1. Members have a statutory duty to comply with the pecuniary interest provisions set out in Part 5, Division 6 of the Act and a corresponding duty to vote unless required or permitted to abstain under the Act or another enactment.
- 10.2. Members are to be free from undue influence and not act or appear to act in order to gain financial or other benefits for themselves, family, friends or associates, business or otherwise.
- 10.3. Members shall approach decision-making with an open mind that is capable of persuasion.
- 10.4. It is the individual responsibility of each Member to seek independent legal advice, at the Member's sole expense, with respect to any situation that may result in a pecuniary or other conflict of interest.

11. Improper Use of Influence

- 11.1. No Member shall use the influence of the Member's office for any purpose other than for the exercise of the Member's official duties.
- 11.2. No Member shall act as a paid agent to advocate on behalf of any individual, organization or corporate entity before Council or a committee of Council or any other body established by Council.
- 11.3. Members shall not contact or otherwise attempt to influence members of any adjudicative body regarding any matter before it relating to the Municipality.
- 11.4. Members shall refrain from using their positions to obtain employment with the Municipality for themselves, family members or close associates. Members are ineligible to apply or be considered for any position with the Municipality while they hold their elected position and for 90 days after leaving office.

12. Use of Municipal Assets and Services

- 12.1. Members shall use municipal property, equipment, services, supplies and staff resources only for the performance of their duties as a Member, subject to the following limited exceptions:
 - (a) municipal property, equipment, service, supplies and staff resources that are available to the general public may be used by a Member for personal use upon the same terms and conditions as members of the general public, including booking and payment of any applicable fees or charges;
 - (b) electronic communication devices, including but not limited to desktop computers, laptops, tablets and smartphones, which are supplied by the

Municipality to a Member, may be used by the Member for personal use, provided that the use is not for personal gain, offensive or inappropriate.

13. Orientation and Other Training Attendance

- 13.1. Every Member must attend the orientation training offered by the Municipality within 90 days after the Member takes the oath of office. Attendance at additional training sessions throughout the Council term is discretionary.

Remuneration and Expenses

- 14.1. Members are stewards of public resources and shall avoid waste, abuse and extravagance in the use of public resources.
- 14.2. Members shall be transparent and accountable with respect to all expenditures and strictly comply with all municipal bylaws, policies and procedures regarding claims for remuneration and expenses.

Gifts and Hospitality

- 15.1. Members shall not accept gifts, hospitality or other benefits that would, to a reasonable member of the public, appear to be in gratitude for influence, to induce influence, or otherwise to go beyond the necessary and appropriate public functions involved.
- 15.2. Members may accept hospitality, gifts or benefits that normally accompany the responsibilities of office and are received as an incident of protocol or social obligation, provided that the value of the hospitality, gift or benefit does not exceed one hundred dollars (\$100). Hospitality, gifts or benefits received that exceeds \$100.00, must be reported to Council by way of quarterly report.
- 15.3. Gifts received by a Member on behalf of the Municipality as a matter of official protocol which have significance or historical value for the Municipality shall be left with the Municipality when the Member ceases to hold office.

Election Campaigns

- 16.1. No Member shall use any facilities, equipment, supplies, services, municipal logo or other resources of the Municipality for any election campaign or campaign-related activity.

Informal Complaint Process

- 16.2. Any person who has identified or witnessed conduct by a Member that the person reasonably believes, in good faith, is in contravention of this Bylaw may address the prohibited conduct by:
- (a) advising the Member that the conduct violates this Bylaw and encouraging the Member to stop,
 - (b) requesting the Mayor to assist in informal discussion of the alleged complaint with the Member in an attempt to resolve the issue. In the event that the Mayor is the subject of, or is implicated in a complaint, the person may request the assistance of the Deputy Mayor.
- 16.3. Individuals are encouraged to pursue this informal complaint procedure as the first means of remedying conduct that they believe violates this Bylaw. However, an individual is not required to complete this informal complaint procedure prior to pursuing the formal complaint procedure outlined below.

17. Formal Complaint Process

- 17.1. Any person who has identified or witnessed conduct by a Member that the person reasonably believes, in good faith, is in contravention of this Bylaw may file a formal complaint in accordance with the following procedure:
- (a) All complaints shall be made in writing and shall be dated and signed by an identifiable individual;
 - (b) All complaints shall be addressed to the Investigator;
 - (c) The complaint must set out reasonable and probable grounds for the allegation that the Member has contravened this Bylaw, including a detailed description of the facts, as they are known, giving rise to the allegation;
 - (d) If the facts, as reported, include the name of one or more Members who are alleged to be responsible for the breach of this Bylaw, the Member or Members concerned shall receive a copy of the complaint submitted to the Investigator;
 - (e) Upon receipt of a complaint under this Bylaw, the Investigator shall review the complaint and decide whether to proceed to investigate the complaint or not. If the Investigator is of the opinion that a complaint is frivolous or vexatious or is not made in good faith, or that there are no grounds or insufficient grounds for conducting an investigation, the Investigator may choose not to investigate or, if already commenced, may terminate any investigation, or may dispose of the complaint in a summary manner. In that event, the complainant and Council, if Council is not the Investigator, shall be notified of the Investigator's decision;

- (f) If the Investigator decides to investigate the complaint, the Investigator shall take such steps as it may consider appropriate, which may include seeking legal advice. All proceedings of the Investigator regarding the investigation shall be confidential;
- (g) If the Investigator is not Council, the Investigator shall, upon conclusion of the investigation, provide the Council and the Member who is the subject of the complaint, the results of the Investigator's investigation;
- (h) A Member who is the subject of an investigation shall be afforded procedural fairness, including an opportunity to respond to the allegations before Council deliberates and makes any decision or any sanction is imposed;
- (i) A Member who is the subject of an investigation is entitled to be represented by legal counsel, at the Member's sole expense.

18. Compliance and Enforcement

- 18.1. Members shall uphold the letter and the spirit and intent of this Bylaw.
- 18.2. Members are expected to co-operate in every way possible in securing compliance with the application and enforcement of this Bylaw.
- 18.3. No Member shall:
 - (a) undertake any act of reprisal or threaten reprisal against a complainant or any other person for providing relevant information to Council or to any other person;
 - (b) obstruct Council, or any other person, in carrying out the objectives or requirements of this Bylaw.
- 18.4. Sanctions that may be imposed on a Member, by Council, upon a finding that the Member has breached this Bylaw may include:
 - (a) a letter of reprimand addressed to the Member;
 - (b) requesting the Member to issue a letter of apology;
 - (c) publication of a letter of reprimand or request for apology and the Member's response;
 - (d) suspension or removal of the appointment of a Member as the chief elected official under section 150(2) of the Act;
 - (e) suspension or removal of the appointment of a Member as the deputy chief elected official or acting chief elected official under section 152 of the Act;
 - (f) suspension or removal of the chief elected official's presiding duties under section 154 of the Act;
 - (g) suspension or removal from some or all Council committees and bodies to which council has the right to appoint members;

- (h) reduction or suspension of remuneration as defined in section 275.1 of the Act corresponding to a reduction in duties, excluding allowances for attendance at council meetings;
- (i) any other sanction Council deems reasonable and appropriate in the circumstances provided that the sanction does not prevent a Member from fulfilling the legislated duties of a councillor and the sanction is not contrary to the Act.

19. Review


19.1. This Bylaw shall be brought forward for review at the beginning of each term of Council, when relevant legislation is amended, and at any other time that Council considers appropriate to ensure that it remains current and continues to accurately reflect the standards of ethical conduct expected of Members.

READ a First time this 25th day of June, 2018.

READ a Second time this 9th day of July, 2018.

READ a Third time this 9th day of July, 2018.

SIGNED AND PASSED this 9th day of July, 2018.


MAYOR


CHIEF ADMINISTRATIVE
OFFICER

REQUEST FOR DIRECTION

DATE:	May 2, 2022
TITLE:	Bylaw 13.20 Residential Incentive Program Follow Up Multi-Unit Rental Rate.
DEPARTMENT:	Economic Development
PRESENTED BY:	Reg Johnston
ATTACHMENT:	Drumheller Housing Administration March 22, 2022 Minutes

INTRODUCTION / PURPOSE / PRIORITY

On February 22, 2022 Council was presented with Bylaw 01.22 Amend Residential Incentive Bylaw 13.20. Council requests that R. Johnston bring the policy back to the April Committee of the Whole for more discussion.

BACKGROUND / PROBLEM

Additional information requested by Council:

- *Feedback from local developers about raising the maximum rental limit in Schedule B for multi-unit housing from \$850 per month.*

KEY POINTS / STATUS

Feedback from Drumheller Housing Administration (DHA):

DHA's current market rent evaluations range from \$700 for a 1 Bedroom to \$1,000 per month for a 4 Bedroom.

It was noted that with a rental vacancy rate below 1% and rising construction costs, these values are expected to increase.

It was suggested that once the twenty to thirty percent construction costs catch up to this market, an increase to \$900 to \$1,000 per month would be comparable to July 2020 value of \$850.

CPI Adjustment:

The current bylaw has a Canada Consumer Price Index (CPI) on the \$850. The CPI site note that, "In February, shelter costs rose 6.6% year over year, the fastest pace since August 1983."¹

With the 5.7% annual CPI increase, the maximum rent would now be \$900 per month.

IMPLICATIONS / CONSEQUENCES

The incentive aligns with the economic development strategic priority to create a housing strategy. One of the outcomes of the strategy will be to trigger housing development in the valley.

¹ <https://www150.statcan.gc.ca/n1/daily-quotidien/220316/dq220316a-eng.htm?indid=3665-1&indgeo=0>

FINANCIAL

Awarding the incentive will decrease tax revenue for the Town of Drumheller, but it provides an opportunity to engage a developer in much needed residential development in the Valley. In the long term, it can positively impact tax revenue and quality of life.

COMMUNICATIONS

A Communication Brief is complete and budget is assigned to promote the incentive program on the Town's website and within its social media programs.



DRUMHELLER HOUSING ADMINISTRATION - DRU

March 22, 2022 - 12:00pm Virtual Meeting Via Zoom

BOARD MEETING

AGENDA

CALL TO ORDER

APPROVAL OF MINUTES – January 11, 2022

OLD BUSINESS

- Amount of carryover construction money held by the Town is \$0.
- 102 Sandstone Colton's Place
- Bad Debt Write Off

MANAGEMENT REPORT

- Sandstone Manor Insured by The Town of Drumheller for \$4,196.402.00
- HMB Recruitment Guidelines
- Housing Needs Assessment Engagement Session
- Patrice Wolf approved by Town Council to Join DHA Board March 7,2022
- Do we resume in person lunch meetings starting in July?

MAINTENANCE REPORT

- Sandstone Manor Mailboxes moved into the building
- Hunts & Sandstone Annual Inspections Completed
- Greentree Annual Inspections to be Completed today
- #9 Hunts Furnace Replacement - Hems Mechanical \$4672.50

FINANCIAL REPORTS

- Monthly Expenditure Lists
- DHA Financials
- Sandstone Financials
- Sandstone Reconciliation
- \$180,841 in Sandstone reserve with the Town of Drumheller

IN CAMERA

- #18 Hunts
- #28 Hunts
- # 307 Sandstone
- 2021 Audit

2022 Meeting Dates (quarterly): July 19, September 20, December 20

2022 Current Vacancy – March

Greentree – 0 (4 Bedroom - 4 Total)

3(3 Bedroom - 22 Total) *3 Undergoing repairs and maintenance

Hunts – 1 (2 Bedroom - 18 Total) *1 undergoing maintenance

0 (1 Bedroom - 6 Total)

Sandstone – 1 (1 Bedroom - 6 Total) *1 Undergoing repairs and maintenance

1 (2 Bedroom - 14 Total) *1 Undergoing repairs and maintenance

Rental Assistance Benefit Availability - 2

Waiting Lists:

- 1 bedroom: 4
- 2 bedroom: 1
- 3 bedroom: 0
- 4 bedroom: 0
- Sandstone: 2

Market Rent for

- Apartment 1 Bedroom - \$700 + Power (Our Sandstone rent \$590 – incl. gas, water, cable – Feb '15)
- Apartment 2 Bedroom - \$800 + Power (Our Sandstone rent \$665 – incl. gas, water, cable – Feb. '15)
- DHA: 1 Bedroom Townhouse - \$750+Utilities (ours – rent incl. gas,water)
- DHA: 2 Bedroom Townhouse - \$800+ Utilities (ours – rent incl. gas, water)
- DHA: 3 Bedroom Townhouse - \$825 + Utilities (ours – rent incl. gas, water)
- DHA: 4 Bedroom Townhouse - \$1000 + Utilities (ours – rent incl. gas, water)

**TOWN OF DRUMHELLER
BYLAW 01.22**

**BEING A BYLAW FOR THE PURPOSE OF AMENDING BYLAW 13.20 IMPLEMENTING
RESIDENTIAL DEVELOPMENT INCENTIVE PROGRAMS FOR THE TOWN OF
DRUMHELLER IN THE PROVINCE OF ALBERTA.**

WHEREAS, pursuant to the provision of *Section 191 of the Municipal Government Act, RSA 2000, Chapter M-26*, Council has the power to pass a bylaw, amend or repeal a bylaw;

AND WHEREAS, the Town of Drumheller Council deems it desirable to amend Bylaw 13.20;

NOW THEREFORE, the Town of Drumheller, in the Province of Alberta, hereby enacts as follows:

1. SHORT NAME

1.1 This Bylaw will be known as Residential Development Incentive Amending Bylaw **01.22**.

2. ADDITIONS

2.1 Purpose clause:

WHEREAS pursuant to the provision of *Section 347 (1) of the Municipal Government Act, RSA 2000, Chapter M-26*, Council may by bylaw cancel, reduce, refund or defer taxes it is considered equitable to do so, or phase-in increases or decreases from the preparation of a new assessment;

3. CHANGES / DELETIONS

3.1 The word "Policy" will be substituted with "Program".

3.2 Remove 4. The Bylaw and corresponding residential tax abatement policies may be amended from time to time

3.3 Schedule "A", General Program, Section 2.1. The listing sale price of \$250,000 will be changed to \$350,000.

3.4 **Schedule "B", General Program, Section 2.1.3. Units must be rented for no more than \$XXX, indexed to the Canada Consumer Price Index, excluding utilities, for the duration of the incentive period.**

3.5 Schedule "B", General Program, Section 2.1.5. The Land Use Designations will be changed to reflect Land Use Bylaw 16.20 as follows:
Downtown District (DTD), Neighbourhood District (ND) and Neighbourhood Centre District (NCD).

4. TRANSITIONAL

4.1 Bylaw 01.22 comes into full force after third reading.

READ A FIRST TIME THIS 22nd DAY OF FEBRUARY, 2022

READ A SECOND TIME THIS 22nd DAY OF FEBRUARY, 2022

READ A THIRD TIME AND PASSED THIS __ DAY OF __, 2022

MAYOR

CHIEF ADMINISTRATIVE OFFICER

TOWN OF DRUMHELLER

BYLAW NUMBER 13.20

BEING A BYLAW FOR THE PURPOSE OF IMPLEMENTING RESIDENTIAL DEVELOPMENT INCENTIVE PROGRAMS FOR THE TOWN OF DRUMHELLER IN THE PROVINCE OF ALBERTA.

WHEREAS pursuant to the provision of *Section 347 (1) of the Municipal Government Act, RSA 2000, Chapter M-26* and amendments thereto, the Council of the Town of Drumheller deems it expedient to provide for a Bylaw for the purposes of implementing "Residential Development Incentive Programs".

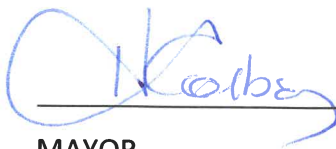
NOW THEREFORE, be it resolved that the Council of the Town of Drumheller, in the Province of Alberta, duly enacts as follows:

1. This Bylaw may be referred to as the "Residential Development Incentive Programs" Bylaw;
2. Minimum qualifying criteria and property tax abatements are outlined per policies attached hereto and outlined in Schedules A & B;
3. The tax abatements apply to the municipal portion of property taxes only;
4. The Bylaw and corresponding residential tax abatement policies may be amended from time to time by resolution of Town Council;
5. The Bylaw and corresponding schedules will be reviewed by Town Council at the beginning of each Council term; and
6. This Bylaw will come into full force and effect on the date of final passing thereof.

READ A FIRST TIME THIS 6th DAY OF JULY, 2020

READ A SECOND TIME THIS 6th DAY OF JULY, 2020

READ A THIRD TIME AND PASSED THIS 20th DAY OF JULY, 2020



MAYOR



CHIEF ADMINISTRATIVE OFFICER

SCHEDULE "A"

RESIDENTIAL DEVELOPERS HOUSING INCENTIVE POLICY

1.0 PURPOSE:

To establish an incentive policy for the development of residential lots and create a positive environment for residential construction.

2.0 GENERAL POLICY:

- 2.1 For the purposes of this Schedule, the term "eligible dwelling" is defined as any **new** development of single family detached residences, attached or unattached townhouses, or row houses with a listing sale price between \$180,000 to \$250,000 dollars;
- 2.2 The developer must sign an Incentive Agreement with the Town;
- 2.3 Developers building eligible dwelling(s) on Town property will be required to place a 20% deposit in accordance with the Land Purchase Agreement. The developer will not be required to pay the balance until the property has been sold or when the incentive period ends, which ever occurs first;
- 2.4 The Incentive shall be granted at the beginning of the tax year following completion of construction. Completion of construction will be recognized by an "Occupancy Permit" from the Town's inspection agency:
 - i. First Year – 100% Property Tax Abatement
 - ii. Second Year – 50% Property Tax Abatement
 - iii. Third Year – 25% Property Tax Abatement
 - iv. Fourth Year – 0% Property Tax Abatement
- 2.5 This policy is established under the authority of *Section 347 (1) of the Municipal Government Act of Alberta* and applies to municipal tax and land rebates as a result of **new** developments;
- 2.6 The Incentive applies to the municipal portion of taxes only. Special levies, improvement levies, Drumheller and District Senior Foundation Requisition and school taxes are not exempt;
- 2.7 Developments must comply with the Land Use Bylaw, imposed design guidelines, laws of the Province of Alberta and Canada;

- 2.8 Expansions or renovations to existing buildings or structures do not qualify for this Incentive;
- 2.9 If a developer sells a dwelling approved under this policy, the balance of the Incentive is automatically transferred to the new registered owner provided that:
 - 2.9.1 The new registered owner is not a business;
 - 2.9.2 The dwelling is not used as an income property.
- 2.10 All servicing costs will be the responsibility of the developer;
- 2.11 The Developer must have a Town of Drumheller Business License;

3.0 PROCESS:

- 3.1 Developers must submit a development proposal and incentive request to the Town of Drumheller prior to the start of construction;
- 3.2 The development proposal shall include details on the type of dwelling(s) being built, an estimated time of construction and an approximate time that the new dwelling(s) will be available on the market.

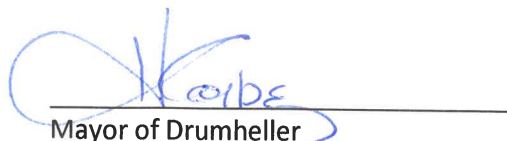
4.0 RESPONSIBILITIES:

- 4.1 If a unique incentive request is submitted to the Town of Drumheller, and with the approval of Town Council, the above criteria may be waived or modified to recognize the uniqueness of a request;
- 4.2 Review and recommendations of changes to this policy shall be the sole responsibility of Town Council upon recommendation of the Town's Chief Administrative Officer; and
- 4.3 The Town of Drumheller, through Town Council, may, at their sole discretion, refuse, limit, or cancel, any Incentive granted under this Schedule, should the developer fail to meet the requirements of the Residential Developers Housing Incentive Policy during the term of the Incentive.

Date: July 22/2020



Chief Administrative Officer



Mayor of Drumheller

SCHEDULE “B”

MULTI-UNIT RESIDENTIAL RENTAL INCENTIVE POLICY

1.0 PURPOSE:

To establish an incentive policy for the development of affordable multi-unit residential rental dwellings and create a positive environment for residential construction.

2.0 GENERAL POLICY:

2.1 For the purposes of this schedule, the term, “eligible building” is defined as any multi-unit residential building that meets the following requirements:

- 2.1.1 Minimum of four (4) units and a maximum of sixteen units;
- 2.1.2 Minimum of \$400,000 construction value;
- 2.1.3 Units must be rented for no more than \$850.00 per month, indexed to the Canada Consumer Price Index, excluding utilities, for the duration of the incentive period;
- 2.1.4 All individual units in the building must contain a balcony or access to a shared green space; and
- 2.1.5 Located within the R-3 (Residential), R-4 (Residential), D-T (Downtown Transitional) and C-B (Central Commercial) zoning districts.

2.2 Developers applying for the Multi-Unit Residential Rental Incentive must enter into an Incentive Agreement with the Town of Drumheller under the following terms:

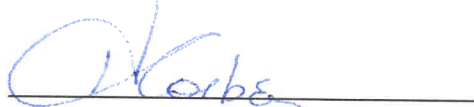
- 2.2.1 The units within the property shall remain solely as rentable dwelling units for a period of no less than ten (10) years and the Developer shall not convert the units to condominiums or otherwise sell the units during this time;
- 2.2.2 The Incentive Agreement shall be registered as a “miscellaneous interest” on title of the property to prevent the conversion to condominiums or sale of units; and
- 2.2.3 The “miscellaneous interest” will be removed upon request of the registered owner after the ten (10) year Incentive Agreement has expired.

- 4.2 Review and recommendations of changes to this policy shall be the sole responsibility of Town Council upon recommendation of the Town's Chief Administrative Officer; and
- 4.3 The Town of Drumheller, through Town Council, may, at their sole discretion, refuse, limit, or cancel, any Incentive granted under this Schedule, should the developer fail to meet the requirements of the Multi-Unit Residential Rental Incentive Policy during the term of the Incentive.

Date: July 22/2020



Chief Administrative Officer



Mayor of Drumheller