



**AGENDA**  
**TOWN OF DRUMHELLER**  
REGULAR MEETING

TIME & DATE: 4:30 PM – Monday June 20, 2022

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

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1. CALL TO ORDER

2. OPENING COMMENTS

Deputy Mayor - July and August 2022 – Councillor Crystal Sereda  
National Day for Remembrance for Victims of Terrorism

3. ADDITIONS TO THE AGENDA

4. ADOPTION OF AGENDA

4.1 Agenda for June 20, 2022 Regular Council Meeting

**Proposed Motion:** That Council adopt the agenda for the June 20, 2022 Regular Council meeting as presented.

5. MEETING MINUTES

5.1 Minutes for the June 13, 2022, Special Council Meeting as presented.

[Special Council Meeting – 13 June 2022 - Minutes](#)

**Proposed Motion:** Move that Council approve the minutes for the June 13, 2022, Special Council Meeting as presented.

6. DELEGATION

6.1 Drum Discovery

Participating organizations:

Community Development & Social Planning (CDSPP), Town of Drumheller

Community Futures Big Country

Drumheller & District Chamber of Commerce

MH Enterprises

Travel Drumheller

[Presentation](#)

7. ADMINISTRATION REPORTS

7.1 CHIEF ADMINISTRATIVE OFFICER

7.1.2 Request for Decision: Proposed Borrowing Bylaw for the Penitentiary Water Booster Station Upgrades

[RFD + Bylaw](#)

[Debt Limit Calculation](#)

[Debt Management Policy C-02-04](#)

**Proposed Motion:** Move that Council give first reading to Penitentiary Water Booster Station Borrowing Bylaw 08.22 as presented.

7.1.3 Request for Decision: Proposed 2022 Borrowing Bylaw for the Flood Mitigation Project

[RFD + Bylaw](#)

[Debt Limit Calculation](#)

[Debt Management Policy C-02-04](#)

[Bylaw 05.17 + Bylaw 04.18](#)

**Proposed Motion:** Move that Council give first reading to the 2022 Drumheller Flood Mitigation Borrowing Bylaw 09.22 as presented.

7.2 DIRECTOR OF CORPORATE & COMMUNITY SERVICES

7.2.1 Request for Decision: Sandstone Manor – Cancellation of the Municipal Portion of 2022 Property Taxes

[RFD](#)

**Proposed Motion:** Move that Council approve the cancellation of the 2022 Municipal Tax levied against Roll Number 04029906 (Drumheller Housing Administration) in the amount of \$11,606.78.

7.3 RESILIENCY AND FLOOD MITIGATION PROJECT MANAGER

7.3.1 Update - Berm Construction Tenders

8. CLOSED SESSION

8.1 Land Transactions – FOIP 16 – Disclosure harmful to business interests of a third party

**Proposed Motion:** Move that Council close the meeting to the public to discuss items under Section 8.1 as per FOIP 16 – Disclosure harmful to business interests of a third party.

9. ADJOURNMENT

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



**MINUTES  
TOWN OF DRUMHELLER  
SPECIAL MEETING**

TIME & DATE: 4:30 PM – Monday June 13, 2022

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

<https://www.youtube.com/watch?v=1qZiQorDtKA>

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**IN ATTENDANCE**

Mayor Heather Colberg

Councillor Patrick Kolafa

Councillor Tony Lacher

Councillor Stephanie Price

Councillor Crystal Sereda

Councillor Tom Zariski

Chief Administrative Officer (CAO): Darryl Drohomerski

Director of Emergency and Protective Services: Greg Peters

Director of Infrastructure: Dave Brett

Communications Officer: Erica Crocker

Legislative Assistant: Denise Lines

Reality Bytes IT: David Vidal

**APPROVED ABSENCE**

Councillor Lisa Hansen-Zacharuk

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1. **CALL TO ORDER**

The Mayor called the meeting to order at 4:30pm

2. **OPENING COMMENTS**

Celebration of Excellence – Congratulations to the Drumheller Chamber of Commerce, Rotary Club, Travel Drumheller for a wonderful event and congratulation to all the nominees and winners.

Drumheller Off Road Vehicle Association (DORVA) Triple Crown Series – Great event, with lots of wonderful volunteers

Greg Peters discussed the weather model for the area. There was a large cold front moving in that could bring more rain and increases the possibility of a high water event. The CAO and Director have been in contact with Provincial emergency operations centres to monitor the situation. Please monitor the Town website and the Alberta Rivers app for information. People should review their emergency preparedness plan.

3. **ADOPTION OF AGENDA**

3.1 Agenda for June 13, 2022 Special Council Meeting

**M2022.133** Moved by Councillor Zariski, Councillor Kolafa; that Council adopt the agenda for the June 13, 2022 Special Council meeting as presented.

Carried unanimously

4. MEETING MINUTES

4.1 Minutes for the April 11, 2022, Special Council and Committee of the Whole Meeting

**M2022.134** Moved by Councillor Sereda, Councillor Kolafa;  
that Council approve the minutes for the April 11, 2022, Special Council and  
Committee of the Whole Meetings as presented.

Carried unanimously

4.2 Minutes for the June 6, 2022, Regular Council Meeting

**M2022.135** Moved by Councillor Lacher, Councillor Price;  
that Council approve the minutes for the June 6, 2022 Regular Council Meeting as  
presented.

Carried unanimously

5. ADMINISTRATION REPORTS

5.1 CHIEF ADMINISTRATIVE OFFICER

5.1.1 Request for Decision: Drumheller Area Health Foundation Board Appointment –  
Tom Diprose

**M2022.136** Moved by Councillor Zariski, Councillor Kolafa;  
that Council appoint Tom Diprose as the Town of Drumheller member at large on  
the Drumheller Area Health Foundation board.

Carried unanimously

5.2 DIRECTOR OF INFRASTRUCTURE

5.2.1 Request for Decision – Partial Award for Street Improvement Program 2022

**M2022.137** Moved by Councillor Lacher, Councillor Price;  
that a partial award of the 2022 Street Improvement Program Request for Tender  
be awarded to Brooks Asphalt and Aggregate Ltd. for the amount of  
\$ 1, 225, 189.25 excluding GST.

Carried unanimously

6. ADJOURNMENT

**M2022.138** Moved by Councillor Price, Councillor Kolafa;  
that Council adjourn the meeting.  
Time 4:49pm

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MAYOR

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CHIEF ADMINISTRATIVE OFFICER



# History & Partnerships

Community Development & Social Planning (CDSP), Town of Drumheller

Community Futures Big Country

Drumheller & District Chamber of Commerce

MH Enterprises

Travel Drumheller

1



# Goals

Equip our local employees to help guests make the most of their time in Drumheller

Coach cross-industry staff to share a passion for the Drumheller Valley and area

Increase the confidence and sense of belonging of local citizens

Raise loyalty to local businesses & services for visitors & citizens

2



# Online Pilot June 3, 2021

Customer Service Training  
by Royal Tyrrell Museum

Community Connections Session  
by CDSP

28 participants

Feedback: "Informative, useful, valuable, high quality"

3



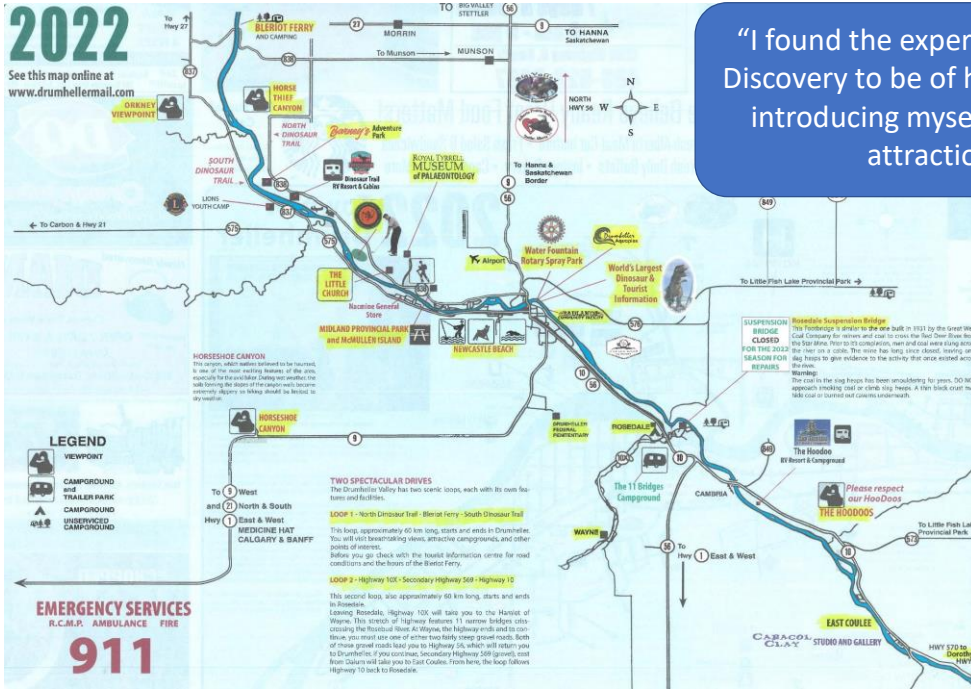
# Level 1 May 24-25, 2022

Valley Familiarization Tour  
Customer Service Training  
Community Connections & Integration Session

22 participants  
8 businesses  
\$50/participant

4





“I found the experience of Drum Discovery to be of high value in re-introducing myself to the local attractions.”

5



# Customer Service Training

- Customer Care
- What is that something extra you can provide: going above & beyond
- Managing Personal Safety & Customer Conflict
- Fossil Collection Regulations

*“Gave me lots of ideas on how to improve on my job”*

*“It’s good to be able to know what to tell fossil pickers & what is okay & what is not”*

*“The session about customer service with Earle & Cam was very helpful”*

6



# Employers Testimonials

*“From the owner’s perspective, our staff came back from the Discovery Program greatly enthused about the potential for enhancing our business. Suggestions were made and implemented the same day that the program ended. It resulted in greater efficiency to improve some of our procedures.”*

Submitted by Betty Jane (BJ) Janzen owner of the Rosebud Country Inn

*“This is the second year that our staff have participated in the Drum Discovery training, and the feedback from our team was extremely positive. ....From our team’s perspective, this is a very valuable program that is a benefit to tourism in the region”*

Submitted by Shelby Sherwick, Manager of Parks & Agricultural Services  
Kneehill County

7



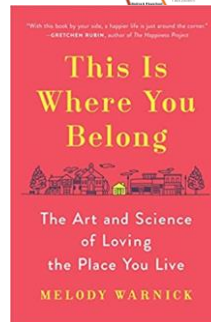
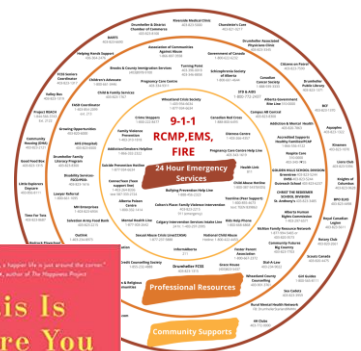
# Community Connections & Integration Session

- Community Support Services
- Drumheller Valley Fun Facts
- Love Where You Live Experiments
- Volunteering & Let’s Connect Program
- Creating the Experience

*“The ‘love where you live’ experiments were very interesting.”*

*“Knowing resources to point people towards”*

Circle of Supports  
Drumheller & Starland County



8



# Toque Celebration!

9



# Drumheller Valley Ambassadors!



10



## Evaluations

- 100% of participants say they would recommend Drum Discovery to others.
- 100% of participants reported increased confidence to offer improved service to guests & residents of the valley.
- 100% of participants say they know more about how to access the community resources they need.
- 100% of participants report being better able to serve the people in our community.

## Next Steps

- Financial sustainability
- September 2022 session
- Level II training: leadership, cultural diversity, Valley History, Customer Service Level 2

## REQUEST FOR DECISION

<b>TITLE:</b>	Bylaw 08.22 – Borrowing Bylaw Penitentiary Water Booster Upgrades
<b>DATE:</b>	June 14, 2022
<b>PRESENTED BY:</b>	Mauricio Reyes, CPA, CMA, CAMP Director of Corporate and Community Services
<b>ATTACHMENT:</b>	Appendix 1 – Bylaw 08.22 Penitentiary Water Booster Upgrades Appendix 2 – Debt Limit Calculation Appendix 3 – Debt Management Policy C-02-04

### **SUMMARY:**

Due to its age and condition, the penitentiary water booster station needs immediate upgrades. The project was approved by Council in January 2022 as part of the Town’s 2022 Capital Budget and is to be financed by issuing debentures.

The proposed bylaw provides for the option of financing the project either via debentures through the Alberta Treasury Board and Finance (formerly known as “Alberta Capital Finance Authority”) or through a bank loan.

### **RECOMMENDATION:**

That Council give first reading to Bylaw 08.22 – Penitentiary Water Booster Upgrades.

### **DISCUSSION:**

The existing Penitentiary booster station and transmission main were constructed in 1963. Due to its age and condition, the penitentiary booster station needs immediate upgrades to continue to provide reliable, continuous, and safe water supply and to support emergency fire service delivery to the Drumheller Penitentiary and the Churchill Co-op Reservoir, as well as the recreational users at the Stampede and Ag Society and DORVA.

In 2021, Administration submitted a grant application to the Alberta Municipal Water Wastewater Partnership (AMWWP), which was unsuccessful. The province has advised the town that this replacement project would not be eligible for funding from any of the infrastructure grants. Consequently, Administration included the entire cost of the project in the 2022 capital project which Council approved in January 2022 with borrowing identified as its funding source.

The proposed bylaw has been drafted in accordance with sections 251, 253, 254, and 258 of the Municipal Government Act.

### **FINANCIAL IMPACT:**

Bylaw 08.22 will authorize Administration to borrow \$1.2 million on behalf of the Town, which increase the Town’s debt level and debt servicing costs. The debt servicing costs from this borrowing will be funded through the utility-supported budget. This will reduce the debt limit to 60.7% of availability for the Town as shown on Appendix 2.

**STRATEGIC POLICY ALIGNMENT:**

Good governance and fiscal sustainability.

**COMMUNICATION STRATEGY:**

As per section 606(2)(a) of the Municipal Government Act, the bylaw must be advertised for two consecutive weeks after which electors of the Town of Drumheller have 15 days to prepare and submit a valid petition calling for a vote of electors to authorize the borrowing.

**COUNCIL MOTION:**

<p><b>MOTION:</b>  <b>Councillor</b> _____</p> <p>That Council give first reading to Penitentiary Water Booster Station Borrowing Bylaw 08.22 as presented.</p> <p><b>Seconded:</b>  <b>Councillor</b> _____</p>
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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 08.22**

A BYLAW OF THE TOWN OF DRUMHELLER, IN THE PROVINCE OF ALBERTA (HEREINAFTER REFERRED TO AS "THE MUNICIPALITY"), TO INCUR INDEBTEDNESS BY THE ISSUANCE OF DEBENTURE(S) IN THE AMOUNT OF \$1,200,000 FOR THE PURPOSE OF UPGRADING THE PENITENTIARY WATER BOOSTER STATION.

**WHEREAS**, The Town of Drumheller Council has decided to issue a bylaw pursuant to Section 258 of the *Municipal Government Act* to authorize the financing and upgrading of the Penitentiary Booster Station.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$1,300,000 and the Municipality estimates the following reserve contributions will be applied to the project:

Reserves (Water)	\$100,000
Debenture(s)	\$1,200,000
Total Cost	\$1,300,000

In order to complete the project, it will be necessary for the Municipality to borrow the sum of \$1,200,000, for a period not to exceed thirty (30) years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this bylaw.

The estimated lifetime of the project financed under this bylaw is equal to or in excess of forty-five (45) years.

The principal amount of the outstanding debt of the Municipality on December 31, 2021, is \$7,097,616 and no part of the principal or interest is in arrears.

All required approvals for the project have been obtained and the project is in compliance with all *Acts* and *Regulations* of the Province of Alberta.

**NOW, THEREFORE**, the Town of Drumheller Council duly assembled, enacts as follows:

1. That for the purpose of upgrading the Penitentiary Water Booster Station. the sum of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of ONE MILLION TWO HUNDRED THOUSAND DOLLARS (\$1,200,000) is to be paid by the Municipality at large.

2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this bylaw, namely the financing and upgrading of the Penitentiary Water Booster Station.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest installments not to exceed thirty (30) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed seven percent (7%).
4. The Municipality shall levy and raise in each year municipal utility rates sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the bylaw shall be applied only to the project specified by this bylaw.

#### **CITATION**

1. This Bylaw is cited as the Penitentiary Water Booster Station Borrowing Bylaw

#### **TRANSITIONAL**

1. This Bylaw comes into force with third and final reading.

READ A FIRST TIME THIS XX DAY OF XX , 2022.

READ A SECOND TIME THIS XX DAY OF XX, 2022.

READ A THIRD AND FINAL TIME THIS XX DAY OF XX, 2022.

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MAYOR

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CHIEF ADMINISTRATIVE OFFICER



Appendix 2  
Debt Limit Calculation

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	<u>Per Legislation</u>		<u>Per Council Policy C-02-04</u>	
2021 debt limit (1)	\$ 32,036,352	100.0%	\$ 19,221,811	100.0%
2022 Debt before new loans	\$ (6,367,675)	-19.9%	\$ (6,367,675)	-33.1%
2022 unused debt capacity before new	<u>\$ 25,668,677</u>	<u>80.1%</u>	<u>\$ 12,854,136</u>	<u>66.9%</u>
<u>Maximum loans authorized in 2022 (2)</u>				
Loan - Pen Booster Upgrades	\$ (1,200,000)	-3.7%	\$ (1,200,000)	-6.2%
Loan - Flood Mitigation Project	\$ (5,000,000)	-15.6%	\$ (5,000,000)	-26.0%
2022 unused debt capacity remaining after authorizing new loans	<u>\$ 19,468,677</u>	<u>60.8%</u>	<u>\$ 6,654,136</u>	<u>34.6%</u>

Notes:

1. 2021 debt limit has been used as 2022 debt limit is calculated at the end of the year
2. Maximum loans authorized is used to calculate remaining debt capacity. Actual debt capacity will depend on actual amount of loans taken which may be less if only a portion of the loans is taken in 2022



# DRUMHELLER

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## COUNCIL POLICY

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### COUNCIL POLICY # C-02-04

#### DEBT MANAGEMENT

##### POLICY STATEMENT:

The Town of Drumheller will annually review and modify, if considered necessary, a Long-Term Capital Financing Strategy. Such a Strategy will include such things as the acquisition of debt, the orderly repayment of debt, “pay as you go” philosophy, and other alternatives for capital project funding other than debt, while achieving financial stability for the Municipality’s annual operating requirements.

##### PROCEDURE:

The Council should, as part of its annual Strategy review, establish a maximum debt and debt service limit that is lower than the debt and debt-servicing limit established under the Municipal Government Act. This lower level should evaluate the overall financial situation of the municipality and the strategic plans that are in place. Possible limits are:

- Total debt will not exceed 60% of the debt limit established in the Municipal Government Act and regulations
- Total debt service costs will not exceed 60% of the debt service limit established in the Municipal Government Act and regulations
- Debt service costs for tax-supported debt will not exceed 20% of the taxes available for municipal purposes

The Municipality will maximize the use of alternative sources of funding such as grants, donations, user fees or reserves, for capital projects to minimize the requirement for debt.

Utility operations will operate as enterprise functions (financially self-sustaining) and all debt incurred for the utility functions will be repaid from utility rates.

The repayment term of the debt should try and match the expected life of the asset acquired; however, in no case will the maximum amortization period exceed the expected life of the asset. The maximum amortization period of the debt will not exceed thirty years unless authorized by the Council. The Corporate Services Director may recommend, to the CAO, a repayment term shorter than the expected life of the asset if it is financially advantageous to the Municipality.

The Corporate Services Director will set budget guidelines for the amount of debt and debt service costs that will be allowed in each year's financial plan.

Adopted by Council

Date: April 5, 2004

\_\_\_\_\_  
Mayor of Drumheller

\_\_\_\_\_  
Chief Administrative Officer

## REQUEST FOR DECISION

<b>TITLE:</b>	Bylaw 09.22 – Borrowing Bylaw Flood Mitigation Project
<b>DATE:</b>	June 14, 2022
<b>PRESENTED BY:</b>	Mauricio Reyes, CPA, CMA, CAMP Director of Corporate and Community Services
<b>ATTACHMENT:</b>	Appendix 1 – Bylaw 09.22 Flood Mitigation Project Appendix 2 – Debt Limit Calculation Appendix 3 – Debt Management Policy C-02-04 Appendix 4 – Bylaw 05.17 Flood Mitigation in East Midland and Newcastle Appendix 5 – Bylaw 04.18 Flood Mitigation in Central Drumheller

### SUMMARY:

The Flood Mitigation Project started near the end of 2019 to design and build infrastructure to protect people and property in the Town of Drumheller. The project aims to build new berms and raise existing berms from 2020 to 2024. The \$5 million is the Town of Drumheller’s 10% contribution for the project that is funded 50% by Alberta and 40% by Canada.

The proposed bylaw provides the option of financing the project via debentures through the Alberta Treasury Board and Finance (formerly known as “Alberta Capital Finance Authority”) or through a bank loan.

### RECOMMENDATION:

That Council give first reading to Bylaw 09.22 – Flood Mitigation Project.

### DISCUSSION:

Council approved the current flood mitigation project in 2019. The project’s purpose is to build infrastructure to protect the people and property of Drumheller from loss due to flooding and changes in climate, preserve property values in the valley, and ensure risk is reduced to levels that allow financial and insurance products to remain available.

The funding breakdown for the Flood Mitigation Project is as follows:

Funding Agency	Grant Name (if applicable)	Amount
Alberta Government	Flood Relocation/Mitigation Buyouts Grant & Alberta Community Resilience Grants (ACRP)	\$ 28.0 million
Federal Government	Disaster Mitigation Adaptation Funding (DMAF)	\$ 22.0 million
Town of Drumheller	N/A	\$ 5.0 million
Total		\$ 55.0 million

The proposed bylaw has been drafted in accordance with sections 251, 253, 254, and 258 of the Municipal Government Act.

Furthermore, Administration recommends Council repeal Bylaw 05.17 and Bylaw 04.18, which were authorized to borrow for previously approved flood mitigation projects under ACRP grants approved in 2017. Borrowing for these projects did not occur as the Town, and Alberta

Government consolidated these two projects with other berm projects throughout the valley as part of the agreement with the Federal Government for the DMAF Grant and before the design and construction of the two ACRP funded projects.

In 2019, the Federal Government (DMAF) and the Provincial Government (ACRP) approved funding for multiple berm projects for the Town.

The agreement for the Flood Mitigation project with the Province and Federal governments calls for the Town to provide 10% of the financial contribution for the project, with the other two parties providing 50% and 40%, respectively.

The Town could utilize some of its reserves to fund this project and borrow less than \$5 million. However, it is good practice with municipal infrastructure to finance large projects over as much of the life of the work as possible to allow future ratepayers to help pay for the cost of the infrastructure they benefit from. In this case, the berms have a life expectancy of at least 50 years, so spreading out the payments for the maximum of 30 years allows future property owners to pay for the berms that continue to protect them in years to come.

**FINANCIAL IMPACT:**

Bylaw 09.22 will authorize Administration to borrow \$5.0 million on behalf of the Town, increasing the Town’s debt level and servicing costs. The debt servicing costs from this borrowing will be funded through the tax-supported budget and any future utility rates, if applicable. Issuance of this loan will reduce the Town’s remaining debt capacity to 34.6%, as shown in Appendix 2.

**STRATEGIC POLICY ALIGNMENT:**

Good governance and fiscal sustainability. Protection of Community.

**COMMUNICATION STRATEGY:**

As per section 606(2)(a) of the Municipal Government Act, the bylaw must be advertised for two consecutive weeks, after which electors of the Town of Drumheller have 15 days to prepare and submit a valid petition calling for a vote of electors to authorize the borrowing.

**COUNCIL MOTION:**

**MOTION:**

**Councillor** \_\_\_\_\_

That Council give first reading to the 2022 Drumheller Flood Mitigation Borrowing Bylaw 09.22 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 09.22**

*REPEALS  
BYLAW 05.17  
BYLAW 04.18*

A BYLAW OF THE TOWN OF DRUMHELLER, IN THE PROVINCE OF ALBERTA (HEREINAFTER REFERRED TO AS "THE MUNICIPALITY") TO INCUR INDEBTEDNESS BY THE ISSUANCE OF DEBENTURE(S) IN THE AMOUNT OF \$5,000,000 FOR THE PURPOSE OF FLOOD MITIGATION IN DRUMHELLER THROUGH BERM ENHANCEMENT AND CONSTRUCTION.

**WHEREAS,** The Town of Drumheller Council has decided to issue a bylaw pursuant to Section 258 of the *Municipal Government Act* to authorize financing for enhancement and construction of berms in the Town of Drumheller for flood mitigation.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$55,000,000 and the Municipality estimates the following grants and contributions will be applied to the project:

Provincial Grants	\$28,000,000
Federal Grant	\$22,000,000
Debentures (Town)	\$5,000,000
Total Cost	\$55,000,000

In order to complete the project, and in agreement with both the Federal and Provincial Governments to fund 10% of the project, it will be necessary for the Municipality to borrow the sum of \$5,000,000, for a period not to exceed thirty (30) years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this bylaw.

The estimated lifetime of the project financed under this bylaw is equal to or in excess of fifty (50) years.

The principal amount of the outstanding debt of the Municipality on December 31, 2021, is \$7,097,616 and no part of the principal or interest is in arrears.

All required approvals for the project have been obtained and the project is in compliance with all *Acts* and *Regulations* of the Province of Alberta.

**NOW, THEREFORE,** the Town of Drumheller Council duly assembled, enacts as follows:

1. That for the purpose of flood mitigation in Drumheller through berm enhancement and construction, the sum of FIVE MILLION DOLLARS (\$5,000,000) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of FIVE MILLION DOLLARS (\$5,000,000) is to be paid by the Municipality at large.

2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this bylaw, namely the enhancement and construction of the berms in Drumheller for the purpose of flood mitigation
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely equal semi-annual or annual payments of combined principal and interest installments not to exceed thirty (30) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed seven percent (7%).
4. The Municipality shall levy and raise in each year municipal taxes or utility rates sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the by-law shall be applied only to the project specified by this bylaw.

#### **CITATION**

1. This Bylaw is cited as the 2022 Drumheller Flood Mitigation Borrowing Bylaw.

#### **TRANSITIONAL**

1. Upon third reading of Bylaw 09.22, the Flood Mitigation Borrowing Bylaw 04.18 and Borrowing Bylaw 05.17 and all amendments are hereby repealed.
2. This Bylaw comes into force with third and final reading.

READ A FIRST TIME THIS XX DAY OF XX , 2022.

READ A SECOND TIME THIS XX DAY OF XX, 2022.

READ A THIRD AND FINAL READING THIS XX DAY OF XX, 2022.

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MAYOR

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CHIEF ADMINISTRATIVE OFFICER

Appendix 2  
Debt Limit Calculation

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	<u>Per Legislation</u>		<u>Per Council Policy C-02-04</u>	
2021 debt limit (1)	\$ 32,036,352	100.0%	\$ 19,221,811	100.0%
2022 Debt before new loans	\$ (6,367,675)	-19.9%	\$ (6,367,675)	-33.1%
2022 unused debt capacity before new	<u>\$ 25,668,677</u>	<u>80.1%</u>	<u>\$ 12,854,136</u>	<u>66.9%</u>
<u>Maximum loans authorized in 2022 (2)</u>				
Loan - Pen Booster Upgrades	\$ (1,200,000)	-3.7%	\$ (1,200,000)	-6.2%
Loan - Flood Mitigation Project	\$ (5,000,000)	-15.6%	\$ (5,000,000)	-26.0%
2022 unused debt capacity remaining after authorizing new loans	<u>\$ 19,468,677</u>	<u>60.8%</u>	<u>\$ 6,654,136</u>	<u>34.6%</u>

Notes:

1. 2021 debt limit has been used as 2022 debt limit is calculated at the end of the year
2. Maximum loans authorized is used to calculate remaining debt capacity. Actual debt capacity will depend on actual amount of loans taken which may be less if only a portion of the loans is taken in 2022





# DRUMHELLER

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## COUNCIL POLICY

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### COUNCIL POLICY # C-02-04

#### DEBT MANAGEMENT

##### POLICY STATEMENT:

The Town of Drumheller will annually review and modify, if considered necessary, a Long-Term Capital Financing Strategy. Such a Strategy will include such things as the acquisition of debt, the orderly repayment of debt, “pay as you go” philosophy, and other alternatives for capital project funding other than debt, while achieving financial stability for the Municipality’s annual operating requirements.

##### PROCEDURE:

The Council should, as part of its annual Strategy review, establish a maximum debt and debt service limit that is lower than the debt and debt-servicing limit established under the Municipal Government Act. This lower level should evaluate the overall financial situation of the municipality and the strategic plans that are in place. Possible limits are:

- Total debt will not exceed 60% of the debt limit established in the Municipal Government Act and regulations
- Total debt service costs will not exceed 60% of the debt service limit established in the Municipal Government Act and regulations
- Debt service costs for tax-supported debt will not exceed 20% of the taxes available for municipal purposes

The Municipality will maximize the use of alternative sources of funding such as grants, donations, user fees or reserves, for capital projects to minimize the requirement for debt.

Utility operations will operate as enterprise functions (financially self-sustaining) and all debt incurred for the utility functions will be repaid from utility rates.

The repayment term of the debt should try and match the expected life of the asset acquired; however, in no case will the maximum amortization period exceed the expected life of the asset. The maximum amortization period of the debt will not exceed thirty years unless authorized by the Council. The Corporate Services Director may recommend, to the CAO, a repayment term shorter than the expected life of the asset if it is financially advantageous to the Municipality.

The Corporate Services Director will set budget guidelines for the amount of debt and debt service costs that will be allowed in each year's financial plan.

Adopted by Council

Date: April 5, 2004

\_\_\_\_\_  
Mayor of Drumheller

\_\_\_\_\_  
Chief Administrative Officer

**BY-LAW NO. 04.18  
OF THE TOWN OF DRUMHELLER**

(hereinafter referred to as “the Municipality”)

**IN THE PROVINCE OF ALBERTA**

**This by-law authorizes the Council of the Municipality to incur indebtedness by the issuance of debenture(s) in the amount of \$497,400 for the purpose of Flood Mitigation in Central Drumheller through berm enhancement and construction.**

**WHEREAS:**

The Council of the Municipality has decided to issue a by-law pursuant to Section 258 of the *Municipal Government Act* to authorize the financing, undertaking and completion of the Flood Mitigation construction.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$3.7million and the Municipality estimates the following grants and contributions will be applied to the project:

Provincial Grants	\$3,202,600
Debenture(s)	\$497,400
Total Cost	\$3,700,000

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$497,400, for a period not to exceed 30 years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this by-law.

The estimated lifetime of the project financed under this by-law is equal to, or in excess of 75 years.

The principal amount of the outstanding debt of the Municipality at December 31, 2017 is \$9,605,204 and no part of the principal or interest is in arrears.

All required approvals for the project have been obtained and the project is in compliance with all *Acts* and *Regulations* of the Province of Alberta.

**NOW, THEREFORE, THE COUNCIL OF THE MUNICIPALITY DULY ASSEMBLED, ENACTS AS FOLLOWS:**

1. That for the purpose of flood mitigation in Central Drumheller through berm enhancement and construction, the sum of FOUR HUNDRED AND NINETY-SEVEN THOUSAND AND FOUR HUNDRED DOLLARS (\$497,400) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of \$497,400 is to be paid by the Municipality at large.
2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely the enhancement and construction of berms in Central Drumheller for flood mitigation.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest instalments not to exceed THIRTY (30) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed EIGHT (8) percent.
4. The Municipality shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the by-law shall be applied only to the project specified by this by-law.
7. This by-law comes into force on the date it is passed.


READ A FIRST TIME THIS 3rd DAY OF APRIL, 2018.

READ A SECOND TIME THIS 14<sup>th</sup> DAY OF MAY, 2018.

READ A THIRD TIME THIS 14<sup>th</sup> DAY OF MAY, 2018.



(CHIEF ELECTED OFFICIAL)



(CHIEF ADMINISTRATIVE OFFICER)

SEAL

**BY-LAW NO. 05.17  
OF THE TOWN OF DRUMHELLER**

(hereinafter referred to as “the Municipality”)

**IN THE PROVINCE OF ALBERTA**

**This by-law authorizes the Council of the Municipality to incur indebtedness by the issuance of debenture(s) in the amount of \$516,000 for the purpose of Flood Mitigation in East Midland and Newcastle, through berm enhancement and construction.**

**WHEREAS:**

The Council of the Municipality has decided to issue a by-law pursuant to Section 258 of the *Municipal Government Act* to authorize the financing, undertaking and completion of the flood mitigation construction.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$3.73million and the Municipality estimates the following grants and contributions will be applied to the project:

Provincial Grants	\$3,211,000
Debenture(s)	<u>\$516,000</u>
Total Cost	\$3,727,000

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$516,000, for a period not to exceed 30 years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this by-law.

The estimated lifetime of the project financed under this by-law is equal to, or in excess of 75 years.

The principal amount of the outstanding debt of the Municipality at December 31, 2016 is \$10,467,205 and no part of the principal or interest is in arrears.

All required approvals for the project have been obtained and the project is in compliance with all *Acts* and *Regulations* of the Province of Alberta.


**NOW, THEREFORE, THE COUNCIL OF THE MUNICIPALITY DULY ASSEMBLED, ENACTS AS FOLLOWS:**

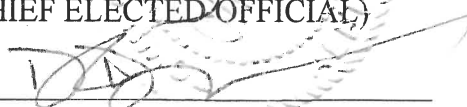
1. That for the purpose of flood mitigation in East Midland and Newcastle through berm enhancement and construction, the sum of FIVE HUNDRED AND SIXTEEN THOUSAND DOLLARS (\$516,000) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of \$ 516,000 is to be paid by the Municipality at large.
2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely the enhancement and construction of berms in East Midland and Newcastle for flood mitigation.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest instalments not to exceed THIRTY (30) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed EIGHT (8) percent.
4. The Municipality shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the by-law shall be applied only to the project specified by this by-law.
7. This by-law comes into force on the date it is passed.

READ A FIRST TIME THIS 26<sup>TH</sup> DAY OF JUNE, 2017.

READ A SECOND TIME THIS 3<sup>RD</sup> DAY OF APRIL, 2018.

READ A THIRD TIME THIS 3<sup>RD</sup> DAY OF APRIL, 2018.

  
\_\_\_\_\_  
(CHIEF ELECTED OFFICIAL)

  
\_\_\_\_\_  
(CHIEF ADMINISTRATIVE OFFICER)

SEAL

## REQUEST FOR DECISION

<b>TITLE:</b>	2022 Municipal Taxes – Sandstone Manor Roll# 000 04029906
<b>DATE:</b>	June 20, 2022
<b>PRESENTED BY:</b>	Mauricio Reyes – Director of Corporate Services
<b>Sponsored By:</b>	Councillor Crystal Sereda

**SUMMARY:**

The Drumheller Housing Administration has requested that the municipal portion of the 2022 property taxes be cancelled for the property occupied by Sandstone Manor.

The contract between the Town and the Housing Authority, signed May 19, 2009, determined that the property would be exempt from municipal taxation. Since the Town is mandated to remit the requisitioned amounts for Alberta School Foundation Fund and the District Seniors Foundation, the exemption request is limited to the municipal levy only.

Current legislation does not permit the Town to make this property exempt from taxation however, the Municipal Government Act 347(1) (b) provides that Council may cancel or refund part of a tax. The decision for the cancellation must be made annually.

Cancellation of the municipal tax levy provides financial relief for the Housing Administration in order to keep rental rates charged at Sandstone Manor at an affordable level as mandated by the Province and Municipality.

**RECOMMENDATION:**

Administration recommends that Council proceeds with cancellation of the 2022 Municipal Tax levied against Roll No. 000 04029906 as per the terms of the agreement.

**FINANCIAL IMPACT:**

The loss of revenue impacts the Towns annual operating budget/results; however, the adopted tax-supported operating budget recognizes the commitment embedded in the 2009 agreement and includes a budget line item that reflects the annual expense that results from the waiver of the municipal taxes. The municipal tax levy for 2022 amounts to \$11,606.78.

**STRATEGIC POLICY ALIGNMENT:**

Poverty reduction Provincial Housing Strategy/Community Housing.

**COMMUNICATION STRATEGY:**

Drumheller Housing Administration will be notified in writing of Council's decision

**MOTION:**

**Councillor** \_\_\_\_\_

THAT Council approve the cancellation of the 2022 Municipal Tax levied against Roll No. 04029906 (Drumheller Housing Administration) in the amount of \$11,606.78

**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