

Council Package

April 14, 2020





**AGENDA
TOWN OF LAMONT
REGULAR MEETING OF COUNCIL
APRIL 14, 2020 – 11:00 a.m.**

ZOOM Meeting

** Called Under Authority of Section 194(3) of the Municipal Government Act and in accordance with Ministerial Order MSD: 022/20, this meeting will be held entirely via electronic means via Zoom. No physical place for a public gallery will be provided.*

1. CALL TO ORDER AND RELATED BUSINESS

1.1. CALL TO ORDER

1.2. ADOPTION OF AGENDA

1.3. DECLARATION OF PECUNIARY INTEREST

1.4. ADOPTION OF MINUTES

1.4.1. March 20, 2020 – Special Council Meeting Minutes

1.4.2. March 27, 2020- Special Council Meeting Minutes

1.4.3. April 9, 2020 – Special Council Meeting Minutes

2. DELEGATIONS

2.1. Metrix Group LLP- 2019 Audit Presentation

2.2. MOTION FOR ACCEPTANCE OF DELEGATION

3. CORRESPONDENCE

3.1. Sunshine Liquor

3.2. Minister Municipal Affairs Re: By-election

4. NEW BUSINESS

4.1. 2019 Audited Financial Statements

4.2. Property Tax Deferral Options

4.3. 2020 Proposed Tax Rates

5. REPORTS

5.1. Mayor and Council Reports

5.1.1. Mayor Skinner

5.2. CAO's Report - Coronavirus (COVID-19) Pandemic Update, Incident Command Post (ICP), and Related Matters (Verbal)

5.3. Director of Operations and Infrastructure Report

5.4. Financial Report

5.5. Fire Chief's Report

6. NOTICES OF MOTION

7. CLOSED SESSION

7.1. Personnel (*FOIP Section 17 – Disclosure Harmful to Personal Privacy*)

7.2. Advice from Officials – (*FOIP Section 24(1)(a), Advice, proposals, recommendations for or by a public body*)

8. ADJOURNMENT



5307 – 50 Avenue
Lamont, AB T0B 2R0

**Town of Lamont
March 20, 2020
Special Meeting of Council
Council Chambers**

PRESENT:

Bill Skinner		Mayor
Jody Foulds (in part)	(electronic means)	Councillor
Al Harvey		Councillor
Perry Koroluk		Councillor
David Taylor	(electronic means)	Councillor
Christine Beveridge	(electronic means)	Chief Administrative Officer
Dawn Nielsen		Deputy Chief Administrative Officer
Dreena Guptill	(electronic means)	Recording Secretary

ABSENT:

Kirk Perrin		Councillor
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**In accordance with section 199 of the MGA, some Councillors participated in the meeting via electronic means.*

CALL TO ORDER AND RELATED BUSINESS

Call to Order: Mayor Skinner: called the meeting to order at 10:04 a.m.

Adoption of Agenda

MOTION: 72/20 Councillor Koroluk: That the Council Agenda be accepted as presented.

CARRIED

Declaration of Pecuniary Interest: None.

CANCELLATION OF MARCH 24, 2020 REGULAR MEETING OF COUNCIL

MOTION: 73/20 Councillor Harvey: That Council cancel the March 24, 2020 Regular Council Meeting.

CARRIED

Councillor Foulds joined the meeting via electronic means at 10:06 a.m.

RESIGNATION OF COUNCIL MEMBER

MOTION: 74/20 Councillor Harvey: That Council receive the Chief Administrative Officer's report regarding the resignation of Doug Pewarchuk as information.

CARRIED

MOTION: 75/20 Councillor Taylor: That the Mayor execute the letter of request to the Minister of Municipal Affairs seeking a Ministerial Order to allow the Town of Lamont an exemption from conducting a by-election to fill the Council vacancy based on extenuating circumstances.

CARRIED

ADJOURNMENT: Mayor Skinner adjourned the meeting at 10:12 a.m.

Mayor

Chief Administrative Officer



**Town of Lamont
March 27, 2020
Special Meeting of Council**

- PRESENT:**
- | | | |
|---------------------|--------------------|------------------------------|
| Bill Skinner | (electronic means) | Mayor |
| Jody Foulds | (electronic means) | Councillor |
| Kirk Perrin | (electronic means) | Councillor |
| Perry Koroluk | (electronic means) | Councillor |
| David Taylor | (electronic means) | Councillor |
| Christine Beveridge | (electronic means) | Chief Administrative Officer |
| Dreena Guptill | (electronic means) | Recording Secretary |
- ABSENT:**
- | | | |
|-----------|--|------------|
| Al Harvey | | Councillor |
|-----------|--|------------|

**In accordance with section 199 of the MGA, this meeting will include Councillors attending the meeting via electronic means.*

CALL TO ORDER AND RELATED BUSINESS

Call to Order: Mayor Skinner: called the meeting to order at 10:35 a.m.

Adoption of Agenda

That item 2.4. Property Tax, be moved to follow closed session.

MOTION: 76/20 Councillor Perrin: That the Council Agenda be accepted as amended.

CARRIED

CORONAVIRUS (COVID-19) PANDEMIC UPDATE AND RELATED MATTERS (VERBAL)

Christine Beveridge, CAO: Verbal update from the Chief Administrative Officer regarding COVID-19 and the impact on the municipality.

MOTION: 77/20 Councillor Foulds: That Council accept the Chief Administrative Officer's verbal update as information.

CARRIED

UTILITY BILLING

MOTION: 78/20 Councillor Taylor: That Council direct Administration to waive any and all penalties and fees associated with the late payment of Town water, sewer, and waste collection utility bills for customers who request a deferral of their utility bill payment, for 90 days, ending on June 30, 2020 or such other date as subsequently amended.

CARRIED

REFUND PROCEDURES

MOTION: 79/20 Councillor Perrin: That Council grant to Administration the authority and discretion, despite any enacted Policy, Procedure, or budget, to refund any deposits or payments made or waive or defer payments scheduled to be made in relation to Town bookings or agreements as a result of the COVID-19 pandemic, and that the CAO shall be permitted to state the term of any waiver, deferral or refund.

CARRIED

CLOSED SESSION

CAO Update, FOIP Section 24(1)(a), Advice from Officials (Advice, proposals, recommendations for or by a public body).

MOTION: 80/20 Councillor Taylor: That Council convene in closed session pursuant to Section 197(2) of the Municipal Government Act to meet in private to discuss matters protected from disclosure by Section 24(1)(a) of the Freedom of Information and Protection of Privacy act at 10:55 a.m.

CARRIED

MOTION: 81/20 Councillor Foulds: That Council revert to regular session.

CARRIED

Mayor Skinner brought the meeting back to regular session at 11:26 a.m.

MOTIONS ARISING FROM CLOSED SESSION

MOTION: 82/20 Councillor Foulds: That all Town of Lamont municipal playground structures be closed effective March 27, 2020 until further notice.

CARRIED

PROPERTY TAX

Christine Beveridge, CAO (verbal): Administration is working to find the right solution regarding property taxes. Once complete, a report will be brought forward to Council with options for consideration.

MOTION 83/20: Councillor Perrin: That the CAO report on Property Tax be received as information.

CARRIED

ADJOURNMENT: Mayor Skinner adjourned the meeting at 11:34 a.m.

Mayor

Chief Administrative Officer



5307 – 50 Avenue
Lamont, AB T0B 2R0

**Town of Lamont
April 9, 2020
Special Meeting of Council**

Held by ZOOM Meetings

PRESENT:	Bill Skinner	(electronic means)	Mayor
	Jody Foulds	(electronic means)	Councillor
	Kirk Perrin	(electronic means)	Councillor
	Perry Koroluk	(electronic means)	Councillor
	David Taylor	(electronic means)	Councillor
	Al Harvey	(electronic means)	Councillor
	Christine Beveridge	(electronic means)	Chief Administrative Officer
	Dreena Guptill	(electronic means)	Recording Secretary

**In accordance with section 199 of the MGA, this meeting will include Councillors attending the meeting via electronic means.*

CALL TO ORDER AND RELATED BUSINESS

Call to Order: Mayor Skinner: called the meeting to order at 9:02 a.m.

Adoption of Agenda

MOTION: 84/20 Councillor Harvey: That the Council Agenda be accepted as presented.

CARRIED

ADJUSTMENT TO MEETING TIME FOR REGULAR COUNCIL MEETING

MOTION: 85/20 Councillor Koroluk: That Council change the meeting time of the Regular Meeting of Council on April 14, 2020 from 7:30 p.m. to 11:00 a.m.

CARRIED

ADJOURNMENT: Mayor Skinner adjourned the meeting at 9:08 a.m.

Mayor

Chief Administrative Officer

AUDITORS' PRESENTATION

METRIX GROUP LLP

CHARTERED PROFESSIONAL ACCOUNTANTS

PHIL DIRKS, CPA, CA
PARTNER

INDEPENDENT AUDITORS' REPORT

- **AUDITORS' REPORT**
 - WHAT AN AUDIT IS
 - WHAT THE AUDITOR DOES

- **OUR OPINION**
 - PRESENT FAIRLY IN ALL MATERIAL RESPECTS

- **MANAGEMENT'S RESPONSIBILITIES**
 - PREPARATION, FAIR PRESENTATION, & INTERNAL CONTROL
 - GOING CONCERN

- **AUDITORS' RESPONSIBILITIES**
 - **REASONABLE** ASSURANCE FS NOT **MATERIALLY** MISSTATED
 - REASONABLE ASSURANCE = HIGH ASSURANCE NOT GUARANTEE
 - SOME EVIDENCE PERSUASIVE NOT CONCLUSIVE
 - PROFESSIONAL JUDGMENT & PROFESSIONAL SKEPTICISM

STATEMENT OF FINANCIAL POSITION

	2019	2018
FINANCIAL ASSETS		
CASH	\$ 4,961,890	\$ 4,645,126
RECEIVABLES	520,401	977,473
LAND HELD FOR RESALE	118,000	118,000
	\$ 5,600,291	\$ 5,740,599
LIABILITIES		
ACCOUNTS PAYABLE & ACCRUED LIABILITIES	265,727	332,769
DEPOSITS	488,715	478,573
DEFERRED REVENUE	51,273	35,927
LONG-TERM DEBT	1,239,530	1,332,546
	\$ 2,045,245	\$ 2,179,815
NET FINANCIAL ASSETS	3,555,046	3,560,784
NON-FINANCIAL ASSETS		
TANGIBLE CAPITAL ASSETS	18,410,094	18,304,254
PREPAID EXPENSES & INVENTORY	2,254	500
	\$ 18,412,348	\$ 18,304,754
ACCUMULATED SURPLUS	\$ 21,967,394	\$ 21,865,538

RECEIVABLES

	2019	2018
TAXES AND GRANTS IN LIEU OF TAXES	\$ 208,993	\$ 228,011
UTILITIES	194,400	189,565
TRADE AND OTHER	173,561	205,219
ACCRUED INTEREST	46,156	51,410
OTHER GOVERNMENTS	28,421	303,906
ALLOWANCE FOR DOUBTFUL ACCOUNTS	(131,130)	(638)
	\$ 520,401	\$ 977,473

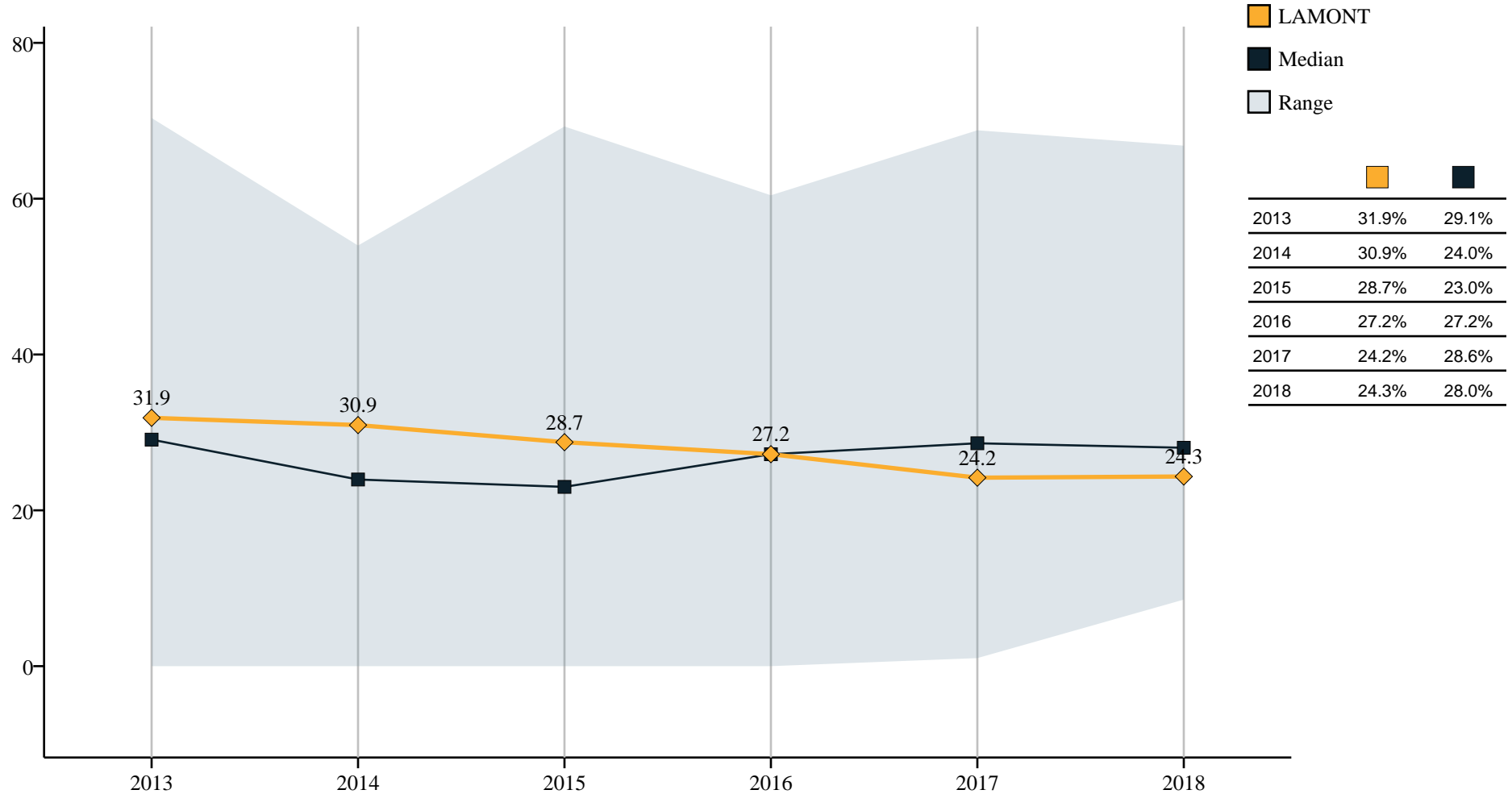
STATEMENT OF FINANCIAL POSITION

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DEBT LIMITS

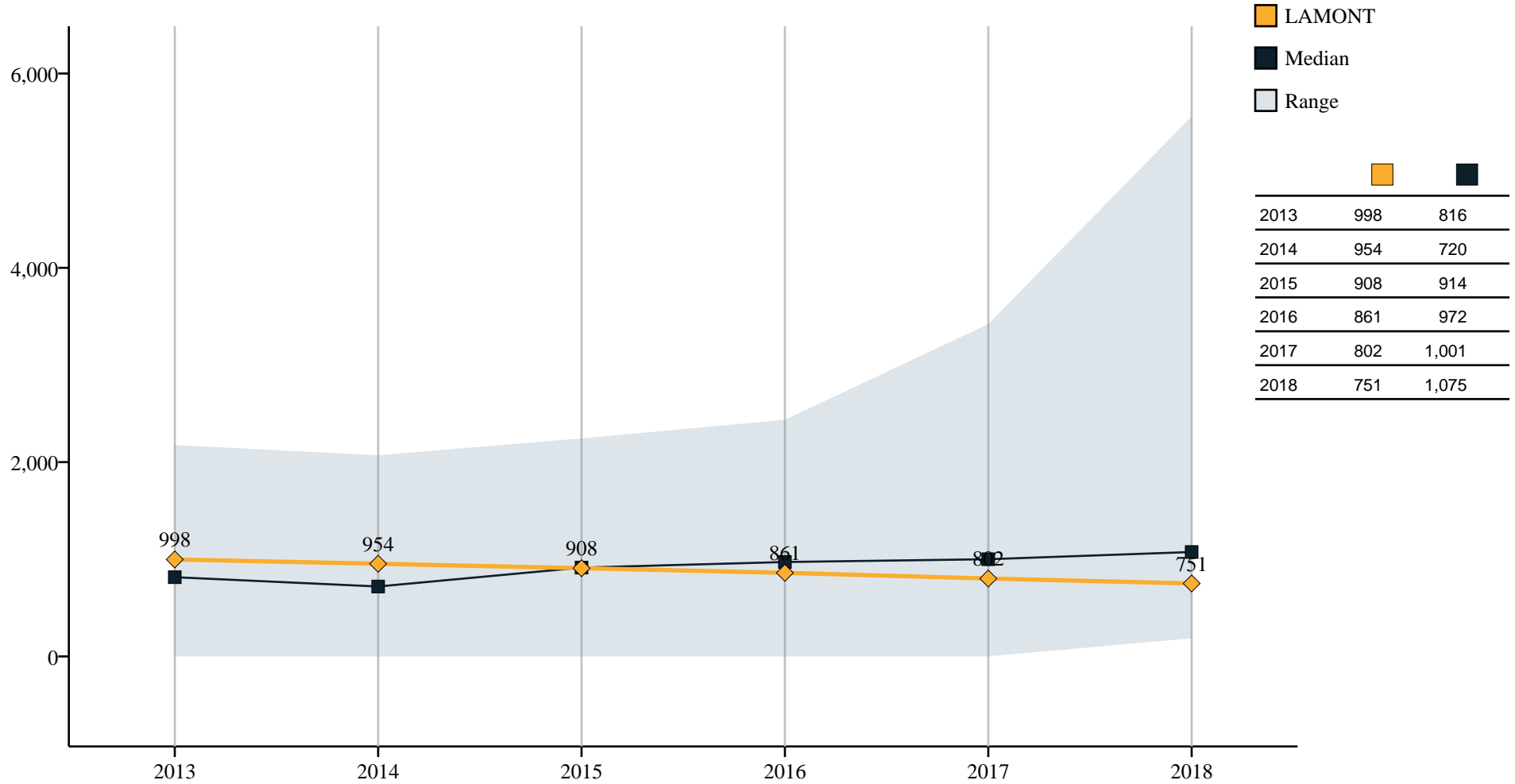
	2019	2018
TOTAL DEBT LIMIT	\$ 5,473,404	\$ 5,469,375
TOTAL DEBT	(1,239,530)	(1,332,546)
DEBT LIMITS AVAILABLE	\$ 4,233,874	\$ 4,136,829
SERVICE ON DEBT LIMIT	\$ 912,234	\$ 911,563
SERVICE ON DEBT	(145,102)	(248,635)
SERVICE ON DEBT LIMIT AVAILABLE	\$ 767,132	\$ 662,928

Percent of Debt Limit Used



Note: This graph shows, in percentage terms, the municipality's debt as a percentage of the regulated limit. This is compared to the median for the group of similar municipalities.

Long Term Municipal Debt Per Capita



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TANGIBLE CAPITAL ASSETS

	2018				2019	
	NBV	PURCHASES	DISPOSALS	AMORTIZATION	NBV	
ENGINEERED STRUCTURES						
WATER SYSTEMS	\$ 4,983,191			\$ (186,164)	\$ 4,797,027	
WASTEWATER SYSTEMS	4,418,744	101,204		(168,285)	4,351,663	
ROADWAYS	3,761,897	722,403	-	(363,185)	4,121,115	
	13,163,832	823,607	-	(717,634)	13,269,805	
LAND						
LAND	1,181,000	-	-	-	1,181,000	
BUILDINGS						
BUILDINGS	2,921,359			(109,949)	2,811,410	
MACHINERY & EQUIPMENT						
MACHINERY & EQUIPMENT	815,185	217,742		(68,958)	963,969	
VEHICLES						
VEHICLES	222,878	-		(38,968)	183,910	
	\$ 18,304,254	\$ 1,041,349	\$ -	\$ (935,509)	\$ 18,410,094	

ADDITIONS		FUNDING	
46 Street	356,695	MSI-C	331,133
55 Avenue	246,149	GTF	200,463
Arena chiller / condenser	207,742	Reserves	207,742
57 Avenue	119,558		
44A Street drainage improvements	61,925	Reserves	61,925
Spray park	39,280		
Generator	10,000		
	\$ 1,041,349		\$ 801,263

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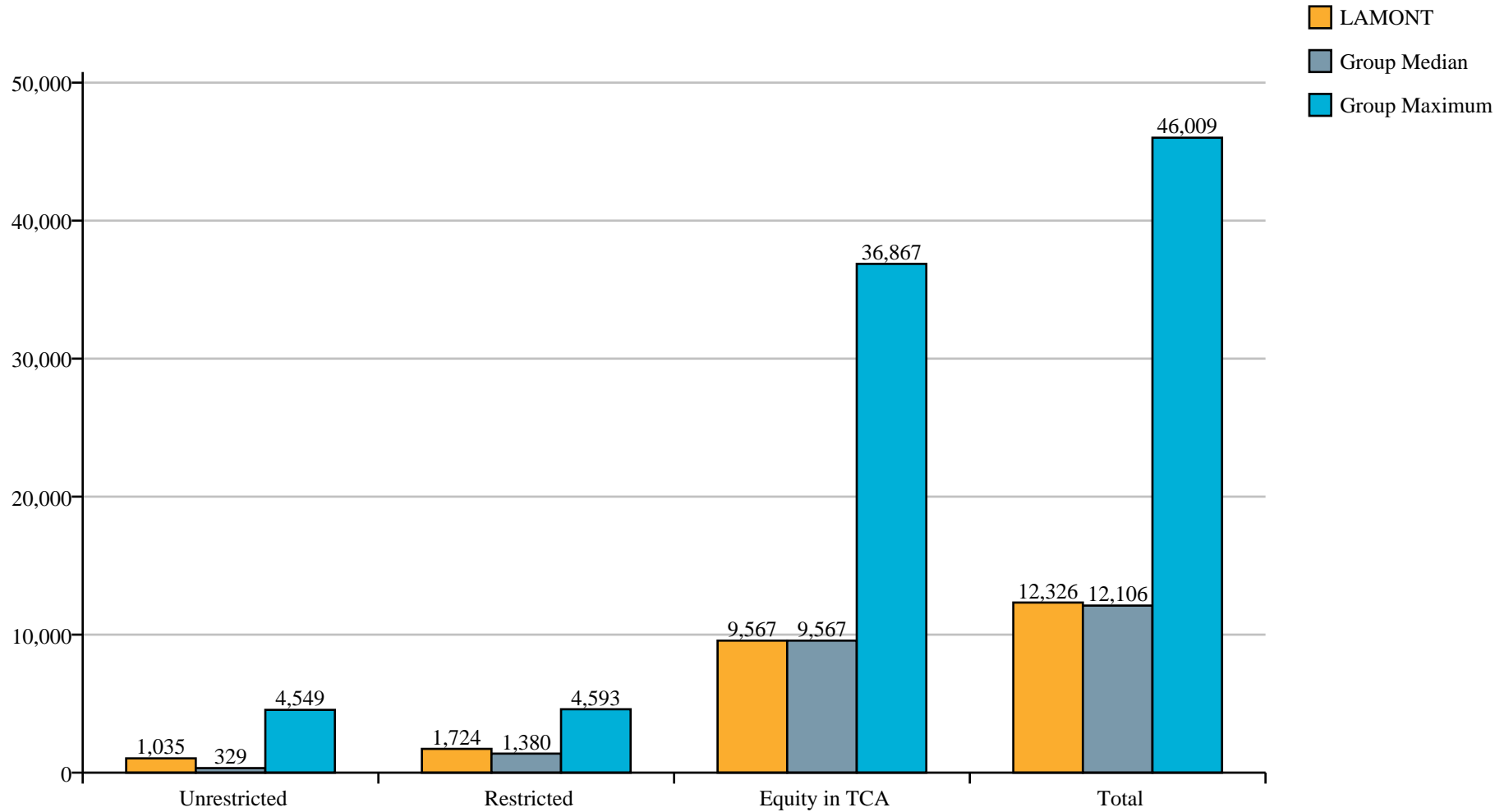
ACCUMULATED SURPLUS

	2019	2018
UNRESTRICTED SURPLUS	\$ 2,162,743	\$ 1,835,820
RESTRICTED SURPLUS	2,634,087	3,058,010
EQUITY IN TCA	17,170,564	16,971,708
	\$ 21,967,394	\$ 21,865,538

LIQUID SURPLUS

UNRESTRICTED SURPLUS	\$ 2,162,743	\$ 1,835,820
RESERVES	\$ 2,634,087	\$ 3,058,010
	\$ 4,796,830	\$ 4,893,830

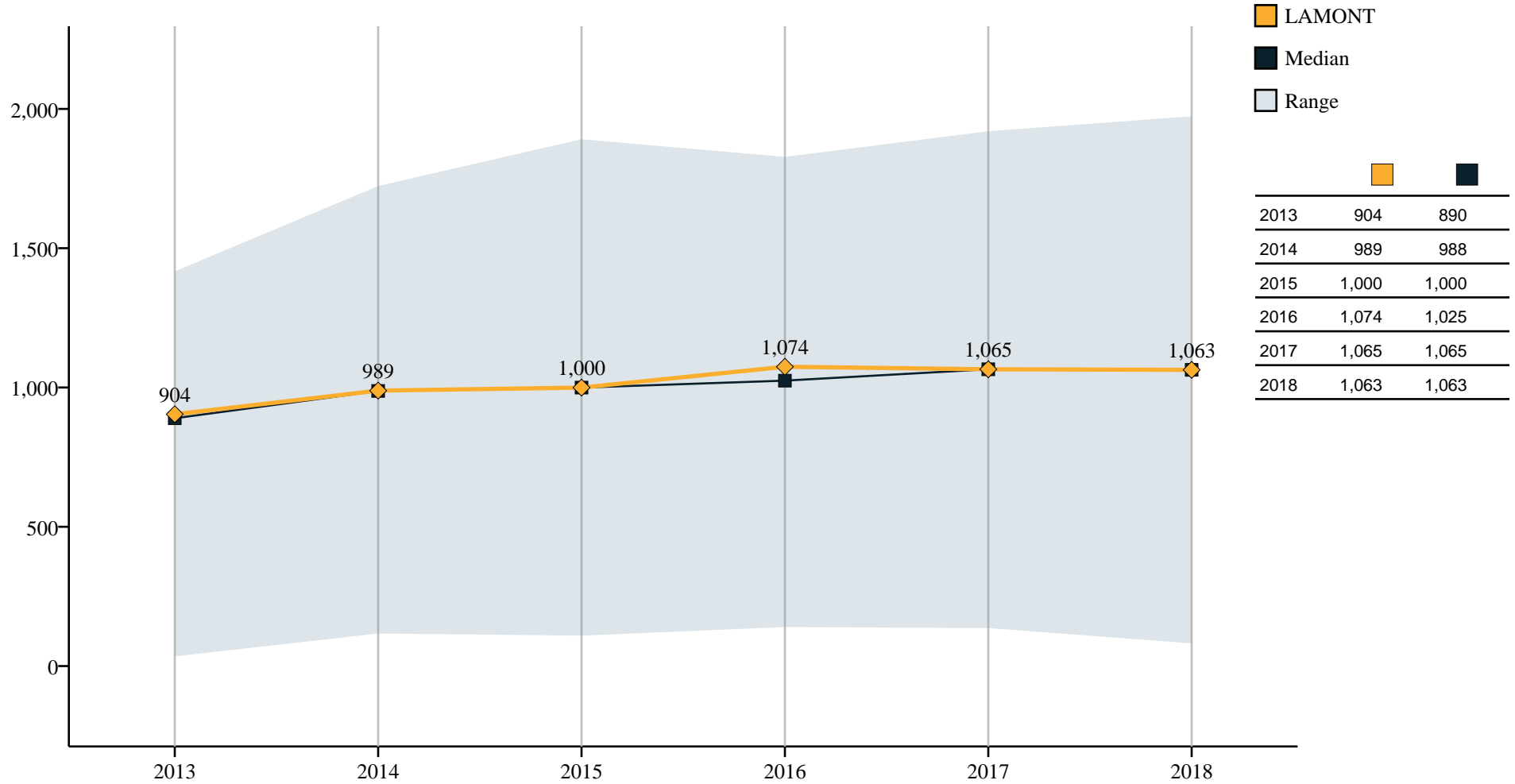
Accumulated Surplus Per Capita, 2018



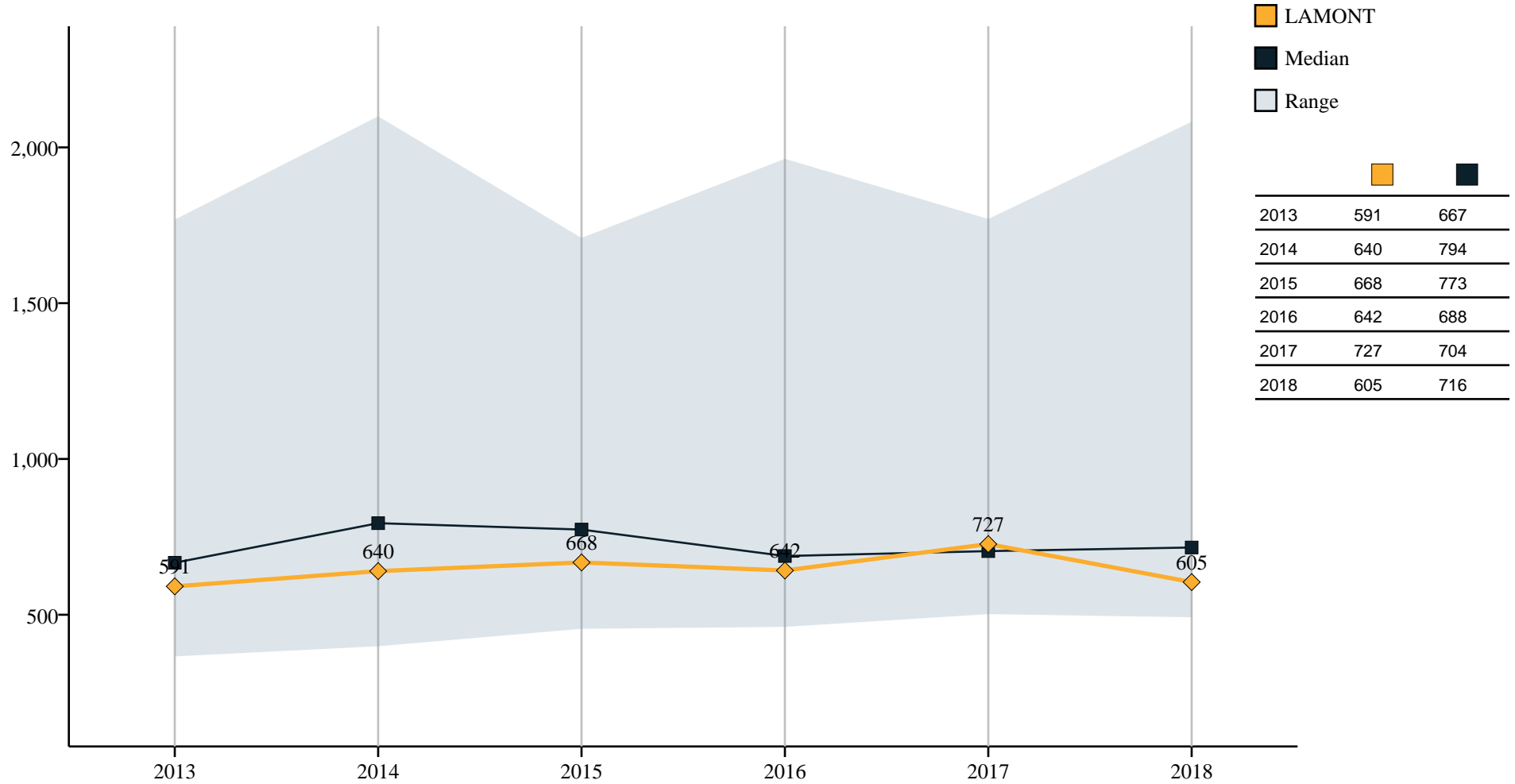
REVENUE

	2019 (Budget)	2019 (Actual)	2018 (Actual)
NET MUNICIPAL TAXES	\$ 1,925,000	\$ 1,915,166	\$ 1,889,437
SALES & USER CHARGES	1,185,600	1,072,004	1,058,792
FRANCHISE & CONCESSION CONTRACTS	230,000	228,528	249,173
GOVERNMENT TRANSFERS FOR OPERATING	139,960	155,519	140,038
RENTALS	110,300	96,151	105,933
INTEREST	70,000	89,459	102,129
PENALTIES AND COSTS ON TAXES	77,300	74,919	86,014
OTHER	18,500	11,164	7,736
FINES, LICENSES & PERMITS	6,800	6,026	6,998
	\$ 3,763,460	\$ 3,648,936	\$ 3,646,250

Revenue Sources Per Capita: Net Municipal Property Taxes



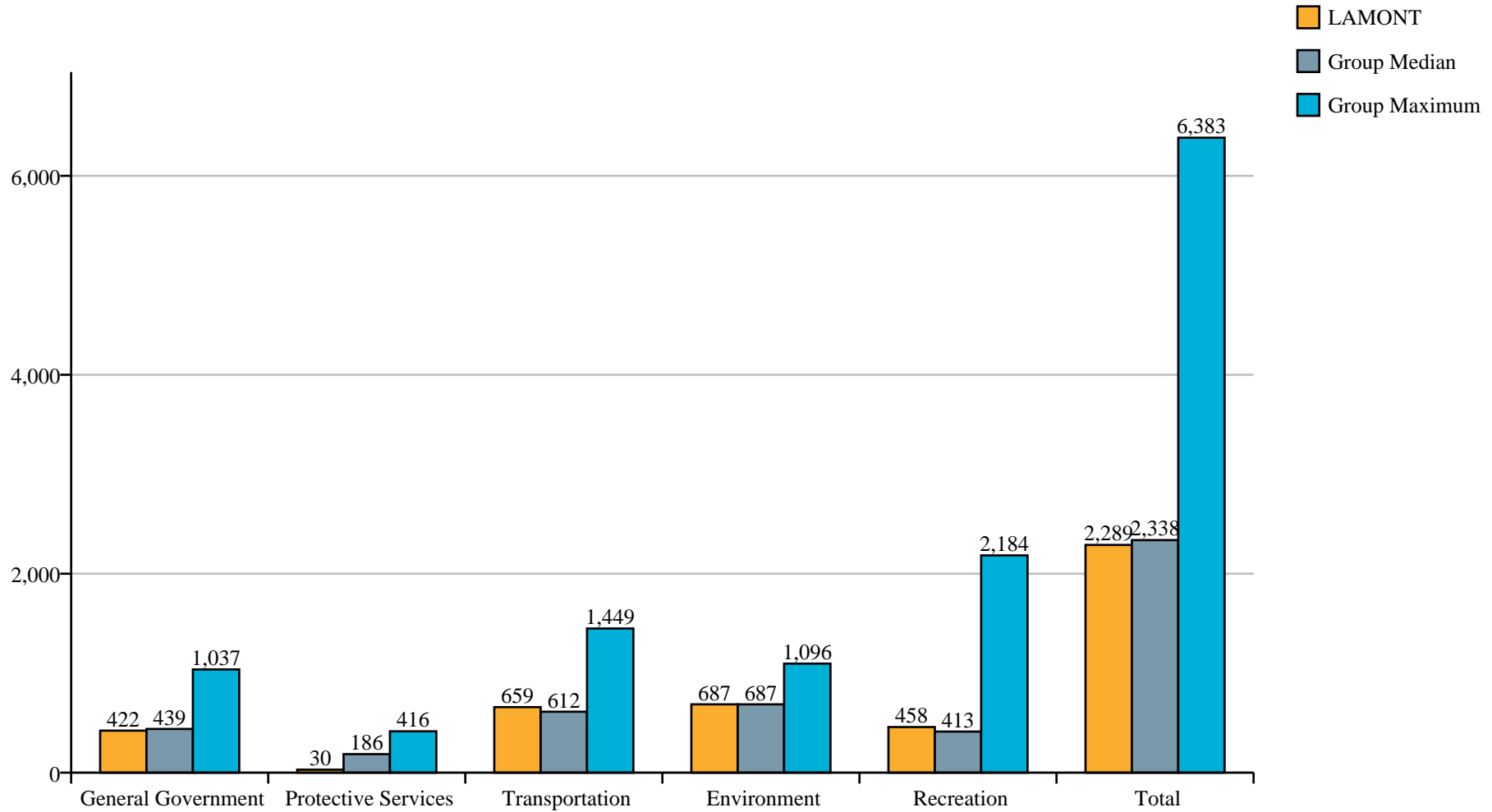
Revenue Sources Per Capita: Sales and User Charges



EXPENSES

	2019 (Budget)	2019 (Actual)	2018 (Actual)
RECREATION & CULTURAL SERVICES	\$ 778,247	\$ 756,786	\$ 760,137
GENERAL ADMINISTRATION	667,109	703,418	629,632
ROADS, STREETS, WALKS, LIGHTING	776,400	593,486	648,317
COMMON SERVICES	541,057	509,435	528,559
WATER SUPPLY AND DISTRIBUTION	569,800	506,618	630,728
WASTE MANAGEMENT	381,200	383,622	373,951
WASTEWATER TREATMENT AND DISPOSAL	182,500	249,015	215,152
SUBDIVISION LAND & DEVELOPMENT	51,000	170,685	43,508
COUNCIL	131,083	106,650	120,200
FIRE PROTECTION AND SAFETY SERVICES	52,050	48,207	44,521
COMMUNITY SERVICE	35,000	23,346	41,955
BYLAW ENFORCEMENT	12,900	12,617	9,543
FCSS	13,000	11,275	10,738
CEMETARY	4,500	4,200	4,200
	\$ 4,195,846	\$ 4,079,360	\$ 4,061,141

Major Expenditures Per Capita by Broad Function, 2018



ANNUAL SURPLUS

	2019 (Budget)	2019 (Actual)	2018 (Actual)
ANNUAL OPERATING SURPLUS (DEFICIT)	\$ (432,386)	\$ (430,424)	\$ (414,891)
OTHER REVENUE			
GOVERNMENT TRANSFERS FOR TCA	453,000	531,596	826,136
GAIN ON DISPOSAL OF TCA		684	
	453,000	532,280	826,136
ANNUAL SURPLUS (DEFICIT)	\$ 20,614	\$ 101,856	\$ 411,245

SUMMARY

- **FINANCIAL INDICATORS**
 - COMPARABLE / LOWER DEBT
 - HIGHER RESERVES
 - COMPARABLE TAXES & SALES & USER CHARGES
 - COMPARABLE SPENDING

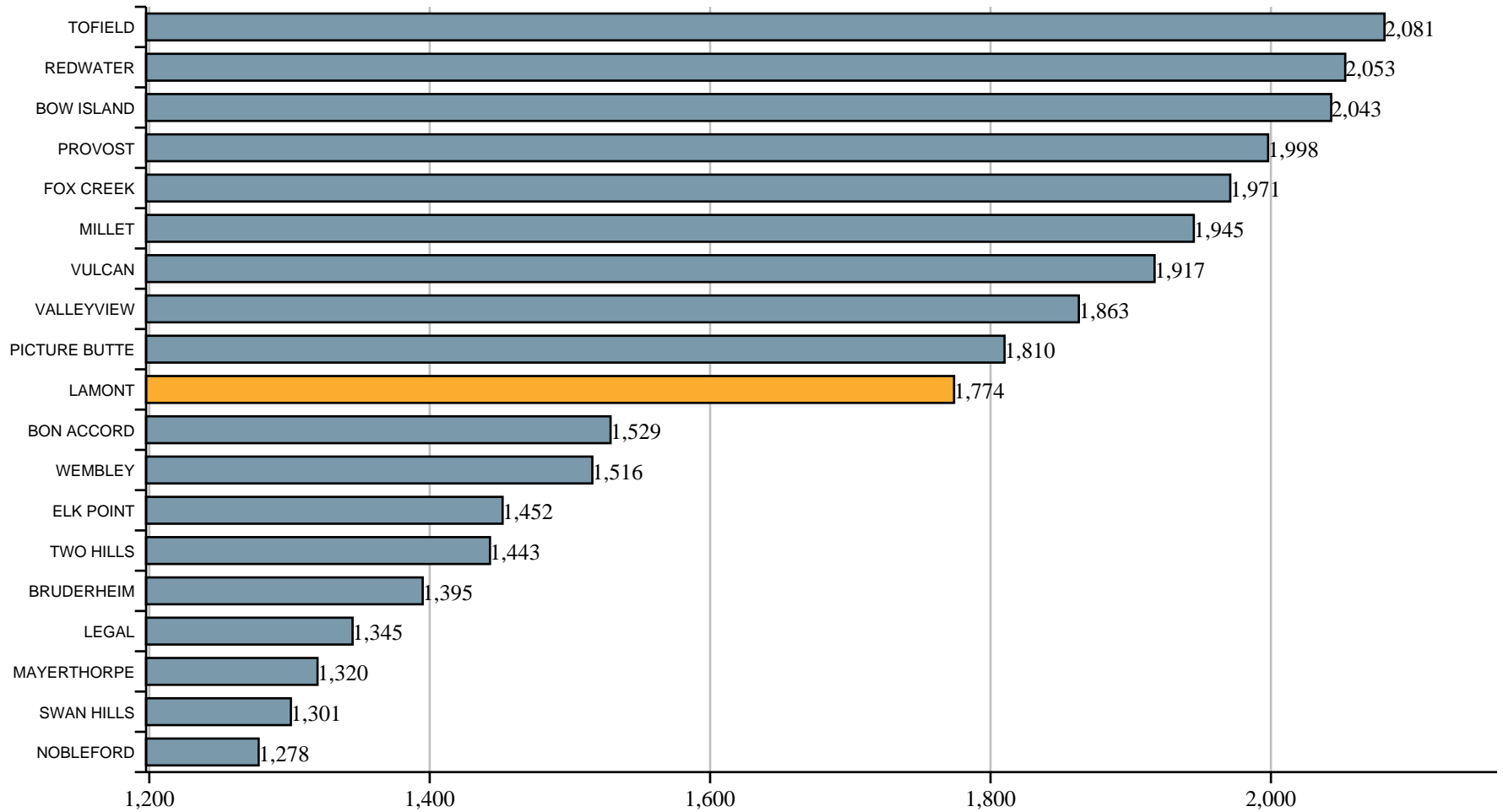
- **AUDIT FINDINGS LETTER TO COUNCIL (see letter)**
 - NO SIGNIFICANT CONTROL DEFICIENCIES
 - NO UNUSUAL ACCOUNTING POLICIES / ESTIMATES
 - NO SIGNIFICANT UNCORRECTED MISSTATEMENTS
 - NO SIGNIFICANT DIFFICULTIES DURING THE AUDIT

- **THANK YOU TO MANAGEMENT AND STAFF**

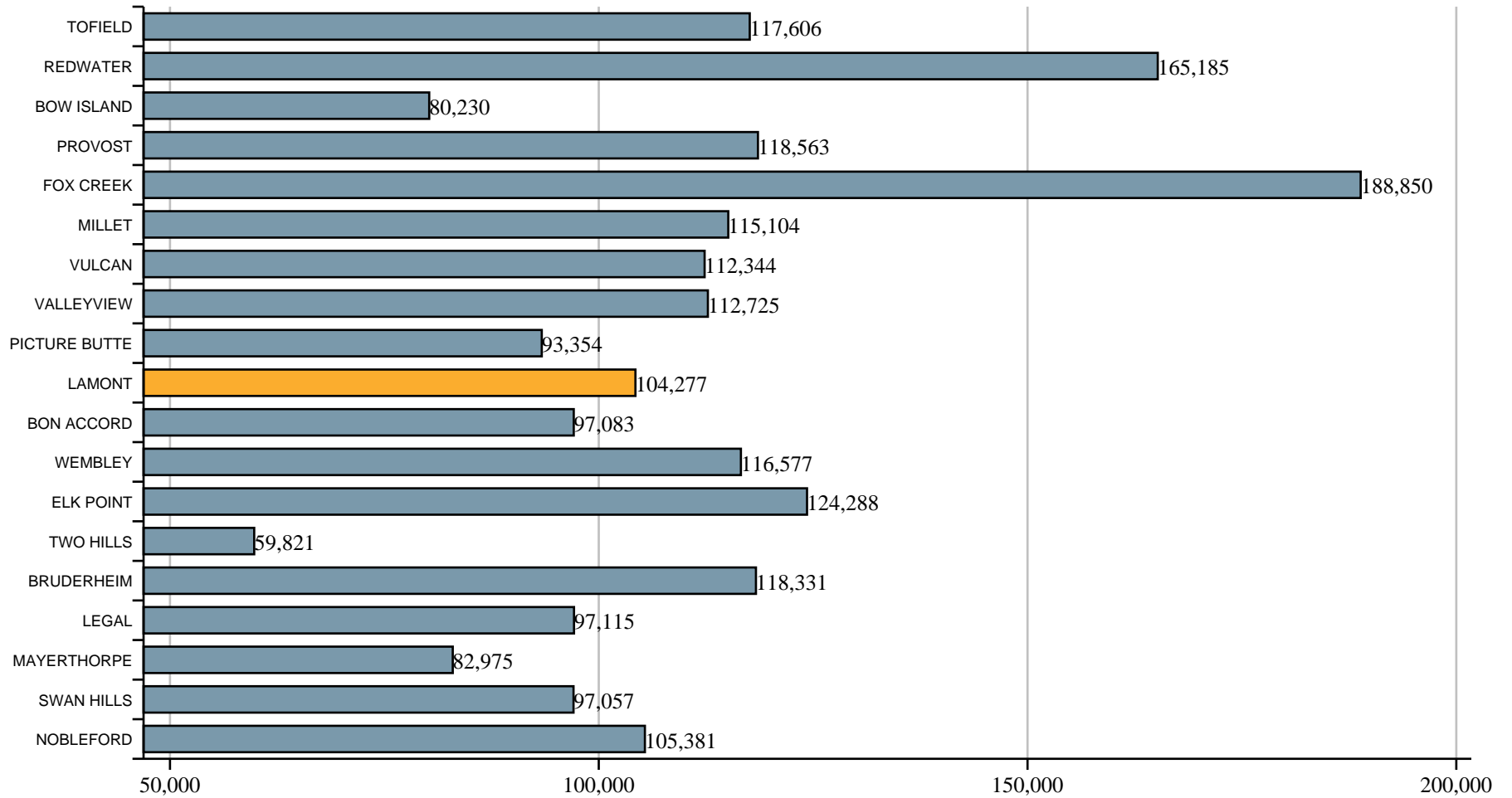
- **QUESTIONS?**



Group Population



Equalized Assessment Per Capita



April 14, 2020

Town of Lamont
PO Box 330
Lamont, AB
T0B 2R0

Attention: Town Council Members

Dear Council Members:

RE: 2019 AUDIT FINDINGS REPORT

The purpose of this communication is to summarize certain matters arising from the audit that we believe would be of interest to Council. Additionally, during the course of our audit we identified matters that may be of interest to management and Council.

The objective of our audit was to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Our audit was not designed for the sole purpose of identifying matters to communicate. Accordingly, our audit would not necessarily identify all such matters that may be of interest to Council and management and it is inappropriate to conclude that no such matters exist.

This communication should be read in conjunction with the financial statements and our report thereon, and it is intended solely for the use of Council and should not be distributed to external parties without our prior consent. Metrix Group LLP accepts no responsibility to a third party who uses this communication.

SIGNIFICANT FINDINGS FROM THE AUDIT

Our objective is to communicate appropriately to the Council and management deficiencies in internal control that we have identified during the audit and that, in our professional judgment, are of sufficient importance to merit being reported to Council.

The audit findings contained in this letter did not have a material effect on the Town's financial statements, and as such, our audit report is without reservation with respect to these matters.

Significant Deficiencies in Internal Control

Our audit procedures did not reveal any significant deficiencies in internal control.

Significant Accounting Policies

Management is responsible for determining the significant accounting policies. The choice of different accounting policy alternatives can have a significant effect on the financial position and results of the Town. The application of those policies often involves significant estimates and judgments by management.

We are of the opinion that the significant accounting policies, estimates and judgments made by management do not materially misstate the financial statements taken as a whole.

Uncorrected Misstatements

Uncorrected misstatements aggregated by our Firm for the year ended December 31, 2019 resulted in an understatement of annual surplus by \$22,687.

After considering both quantitative and qualitative factors with respect to the uncorrected misstatements above, we agree with management that the financial statements are not materially misstated.

Significant Difficulties Encountered During the Audit

We encountered no difficulties during our audit that should be brought to the attention of Council. We had the full co-operation of Town management and staff throughout our work and we received full access to all necessary records and documentation.

Management Representations

Management's representations are integral to the audit evidence we will gather. Prior to the release of our report, we will require management's representations in writing to support the content of our report.

OTHER MATTERS

Redundant Accounts Payable Balances

We noted numerous accounts payable general ledger accounts that had balances totaling \$18,557 (debit) which have not changed since at least 2017.

We recommend Town staff investigate these balances and adjust them in fiscal 2020 if necessary.

Alberta School Foundation Fund (ASFF) Over-Levy

During the audit we identified an over-levy (ASFF requisition expense to Town less than anticipated / budgeted mainly due to the Province being late in providing ASFF information to municipalities in 2019), resulting in ratepayers paying approximately \$17,000 more than the Town's requirement.

This was adjusted for as part of the audit and we understand will be incorporated into the 2020 tax bylaw as a reduction in the required ASFF requisition collections from ratepayers for 2020.

Unrestricted Surplus and Reserves

As December 31, 2019 the Town reported slightly in excess of a \$2 million unrestricted surplus. Large unrestricted surplus balances can give the impression that the Town has no specific plans for these funds. Council may want to consider internally restricting further amounts for various future uses (e.g. building and automotive repairs / replacement, emergencies, rate-stabilization reserve, etc.). Other factors to consider include stability of revenue and expenses and future plans of the Town (as per the business plan and / or long-term capital plan) which may include new ventures or programs.

Furthermore, we understand the Town does not have a reserve policy in place.

The Town may wish to consider adopting a reserve policy which would provide formal guidance for, and allocation of, unrestricted surplus.

Budgeting

We noted several significant budget variances in certain of the Town's general ledger accounts (for example function "3200", "3700" under roads, streets, walks, lighting expense; and utility revenue accounts) both compared to current 2019 results as well as historical figures.

We recommend the Town revisit the assumptions / calculations in these areas to ensure they are still applicable and accurate.

Furthermore, section 248(1) of the *Municipal Government Act* discusses the types of expense a municipality may make and also states that "each Council must establish procedures to authorize and verify expenditures that are not included in a budget".

We recommend significant unbudgeted expenses be approved in budget revisions or in the Council minutes as per Town Policy #12-17 *Unbudgeted or Over-Budgeted Expenditures Approval*.

AUDITOR INDEPENDENCE

We believe it is important to communicate, at least annually, with Council regarding all relationships between the Town and our Firm that, in our professional judgment, may reasonably be thought to bear on our independence

In determining which relationships to report, these standards require us to consider relevant rules and related interpretations prescribed by CPA Alberta and applicable legislation, covering such matters as:

- (a) holding a financial interest, either directly or indirectly, in a client;
- (b) holding a position, either directly or indirectly, that gives the right or responsibility to exert significant influence over the financial or accounting policies of a client;
- (c) personal or business relationships of immediate family, close relatives, partners or retired partners, either directly or indirectly, with a client;
- (d) economic dependence on a client; and

(e) provision of services in addition to the audit engagement.

We are not aware of any relationships between the Town and ourselves that, in our professional judgment, may reasonably be thought to bear on our independence that have occurred from January 1, 2019 – April 14, 2020.

We appreciated the assistance of Dawn Nielsen, Robert Mu and other Town staff during the audit. We appreciate the opportunity to provide audit services to the Town.

Yours truly,

METRIX GROUP LLP

Philip J. Dirks, CPA, CA
Partner

cc: Christine Beveridge, Chief Administrative Officer

DRAFT

-----Original Message-----

From: [REDACTED] > *Redacted as per Section 17 of the FOIP Act*
Sent: March 13, 2020 5:04 PM
To: lamont@townlife.ca
Subject: A visitor has sent you a message

Hi Town of Lamont,

A visitor has sent you a message.

Mark Lee wrote: "To Mayor and Council,

In reference to your March 10th meeting, I read the letter from the owner of Heartcreek estates and believe that you should be considering offering assistance to local businesses in these hard economic times.

I am the owner of Sunshine Liquor on Main street and my store has been broken into 3 times in 2019 and as a result no longer qualify for insurance for my business. I have also noticed a decrease in foot traffic/sales with the hard economic times and now with Covid19.

I would also like to be consider for a 50% reduction in my Municipal taxes for 2020, this would help me to provide security upgrades for the front of my store and remain in business.

Thank you for your consideration.

Mark Lee

[REDACTED] " *Redacted as per Section 17 of the FOIP Act*

Reply to this email to send a comment to Mark Lee via [REDACTED] *Redacted as per Section 17 of the FOIP Act*

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ALBERTA
MUNICIPAL AFFAIRS

*Office of the Minister
MLA, Edmonton - South West*

AR100484

MAR 31 2020

His Worship Bill Skinner
Mayor
Town of Lamont
Bag 330
Lamont AB T0B 2R0

Dear Mayor Skinner,

Thank you for your letter of March 20, 2020, requesting an exemption to the requirement for a by-election due to a councillor resignation received on March 11, 2020.

After careful consideration of the legislation; the global COVID-19 pandemic and associated safety of electors, candidates, and election officials; the costs associated with a by-election; and the composition of council, I am pleased to approve your request.

Attached is Ministerial Order No. MSD:024/20 granting the request for an extension of the legislated 18 months to fill a vacancy on a council with six or more councillors, meaning the Town of Lamont council may operate with one vacant councillor position until the next general municipal election on October 18, 2021.

I am pleased we were able to work together to find an effective solution, which meets the operational requirements of your municipality and ensures the well-being of Albertans.

Yours very truly,

Kaycee Madu, QC
Minister

Attachment: Ministerial Order No. MSD:024/20

cc: Christine Beveridge
Chief Administrative Officer, Town of Lamont



ALBERTA
MUNICIPAL AFFAIRS

*Office of the Minister
MLA, Edmonton - South West*

MINISTERIAL ORDER NO. MSD:024/20

I, Kelechi Madu, Minister of Municipal Affairs, pursuant to Section 605 of the *Municipal Government Act (MGA)*, make the following order:

That for the purpose of the Town of Lamont council vacancy that occurred on March 11, 2020, Section 162(b)(i) of the *MGA*, be modified to read 20 months.

Dated at Edmonton, Alberta, this 21st day of March, 2020.

Kelechi Madu, QC
Minister of Municipal Affairs



**TOWN OF LAMONT
COUNCIL AGENDA
REQUEST FOR DECISION**

AGENDA ITEM: 4.1.

COUNCIL MEETING DATE: APRIL 14, 2020

ITEM DESCRIPTION OR TITLE

2019 AUDITED FINANCIAL STATEMENTS

RECOMMENDATION

That Council approve the 2019 Audited Financial Statements.

BACKGROUND

Metrix LLP conducted the audit of the Financial Statements for the year ending December 31, 2019.

This report is a legislated requirement, as indicated within the *Municipal Government Act* (MGA), which typically requires municipalities to submit an annual report to the Minister by May 1 of each year. It is noted that this timeline is extended to October 1, 2020 due to COVID-19, however, our auditors were ready to present that report therefore we have no reason to delay the filing of the financial return with the Province.

COMMUNICATIONS

The 2019 Audited Financial Statements will also be made public by posting on the Town website.

IMPLICATIONS OF DECISION

N/A

FINANCIAL IMPLICATIONS

N/A

POLICY AND/OR LEGISLATIVE REFERENCES

Section 276 MGA

ATTACHMENTS

Draft 2019 Audited Financial Statements

Report Prepared By: Christine Beveridge, CAO

Approved by CAO:

TOWN OF LAMONT
Financial Statements
For The Year Ended December 31, 2019

DRAFT

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of Town of Lamont

Opinion

We have audited the financial statements of Town of Lamont (the Town), which comprise the statement of financial position as at December 31, 2019, and the statements of operations and accumulated surplus, changes in net financial assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2019, and the results of its operations, changes in net financial assets, and its 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 *Auditors' Responsibilities for the Audit of the 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 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.

Other Matter

The financial statements of the Town for the year ended December 31, 2018, were audited by another auditor who expressed an unmodified opinion on those statements on April 23, 2019.

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

Management is responsible for the preparation and fair presentation of the 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 financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the 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)

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 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 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 auditors' report to the related disclosures in the 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 auditors' 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 financial statements, including the disclosures, and whether the 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.

Chartered Accountants

Edmonton, Alberta
April 14, 2020

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

To His Worship the Mayor and Members of Council of the Town of Lamont

The integrity, relevance and comparability of the data in the accompanying financial statements are the responsibility of management.

The financial statements are prepared by management in accordance with Canadian public sector accounting standards. They necessarily include some amounts that are based on the best estimates and judgements of management.

To assist in its responsibility, management maintains accounting, budget and other controls to provide reasonable assurance that transactions are appropriately authorized, that assets are properly accounted for and safeguarded, and that financial records are reliable for preparation of financial statements.

Metrix Group LLP, Chartered Professional Accountants, have been appointed by the Town Council to express an opinion on the Town's financial statements.

Christine Beveridge
Chief Administrative Officer

TOWN OF LAMONT
Statement of Financial Position
As At December 31, 2019

	2019	2018
FINANCIAL ASSETS		
Cash and cash equivalents <i>(Note 2)</i>	\$ 4,961,890	\$ 4,645,126
Receivables <i>(Note 3)</i>	520,401	977,473
Land held for resale	118,000	118,000
	<u>5,600,291</u>	<u>5,740,599</u>
LIABILITIES		
Accounts payable and accrued liabilities	265,727	332,769
Deposits	488,715	478,573
Deferred revenue	51,273	35,927
Long-term debt <i>(Note 4)</i>	1,239,530	1,332,546
	<u>2,045,245</u>	<u>2,179,815</u>
NET FINANCIAL ASSETS	<u>3,555,046</u>	<u>3,560,784</u>
NON-FINANCIAL ASSETS		
Tangible capital assets <i>(Note 5)</i>	18,410,094	18,304,254
Inventory	500	500
Prepaid expenses	1,754	-
	<u>18,412,348</u>	<u>18,304,754</u>
ACCUMULATED SURPLUS <i>(Note 6)</i>	<u>\$ 21,967,394</u>	<u>\$ 21,865,538</u>
Contingency <i>(Note 10)</i>		

The accompanying notes are an integral part of these financial statements.

TOWN OF LAMONT

Statement of Operations and Changes in Accumulated Surplus

For the Year Ended December 31, 2019

	2019 (Budget) (Note 13)	2019 (Actual)	2018 (Actual)
REVENUE			
Net municipal taxes (Schedule 2)	\$ 1,925,000	\$ 1,915,166	\$ 1,889,437
Sales and user charges (Schedule 4)	1,185,600	1,072,004	1,058,792
Franchise and concession contracts (Note 12)	230,000	228,528	249,173
Government transfers for operating (Schedule 3)	139,960	155,519	140,038
Rentals	110,300	96,151	105,933
Interest	70,000	89,459	102,129
Penalties and costs on taxes	77,300	74,919	86,014
Other	18,500	11,164	7,736
Fine, licenses and permits	6,800	6,026	6,998
	<u>3,763,460</u>	<u>3,648,936</u>	<u>3,646,250</u>
EXPENSES			
Recreation and cultural services	778,247	756,786	760,137
General administration	667,109	703,418	629,632
Roads, streets, walks and lighting	776,400	593,486	648,317
Common services	541,057	509,435	528,559
Water supply and distribution	569,800	506,618	630,728
Waste management	381,200	383,622	373,951
Waste water treatment and disposal	182,500	249,015	215,152
Subdivision land and development	51,000	170,685	43,508
Council	131,083	106,650	120,200
Fire protection and safety services	52,050	48,207	44,521
Community service	35,000	23,346	41,955
Bylaws enforcement	12,900	12,617	9,543
Family and community support	13,000	11,275	10,738
Cemetery	4,500	4,200	4,200
	<u>4,195,846</u>	<u>4,079,360</u>	<u>4,061,141</u>
ANNUAL DEFICIT BEFORE OTHER REVENUE	<u>(432,386)</u>	<u>(430,424)</u>	<u>(414,891)</u>
OTHER REVENUE			
Government transfers for capital (Schedule 3)	453,000	531,596	826,136
Gain on disposal of tangible capital assets	-	684	-
	<u>453,000</u>	<u>532,280</u>	<u>826,136</u>
ANNUAL SURPLUS	<u>20,614</u>	<u>101,856</u>	<u>411,245</u>
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>21,865,538</u>	<u>21,865,538</u>	<u>21,454,293</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 6)	<u>\$ 21,886,152</u>	<u>\$ 21,967,394</u>	<u>\$ 21,865,538</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF LAMONT
Statement of Changes in Net Financial Assets
For the Year Ended December 31, 2019

	2019 (Budget) (Note 13)	2019 (Actual)	2018 (Actual)
ANNUAL SURPLUS	\$ 20,614	\$ 101,856	\$ 411,245
Acquisition of tangible capital assets	(1,082,080)	(1,041,349)	(1,354,615)
Amortization of tangible capital assets	950,364	935,509	953,718
Proceeds on disposal of tangible capital assets	-	684	-
Loss (gain) on sale of tangible capital assets	-	(684)	-
	(111,102)	(3,984)	10,348
(Acquisition) use of prepaid expenses	-	(1,754)	-
INCREASE (DECREASE) IN NET FINANCIAL ASSETS	(111,102)	(5,738)	10,348
NET FINANCIAL ASSETS, BEGINNING OF YEAR	3,560,784	3,560,784	3,550,436
NET FINANCIAL ASSETS, END OF YEAR	\$ 3,449,682	\$ 3,555,046	\$ 3,560,784

The accompanying notes are an integral part of these financial statements.

TOWN OF LAMONT
Statement of Cash Flows
For The Year Ended December 31, 2019

	2019	2018
OPERATING ACTIVITIES		
Annual surplus	\$ 101,856	\$ 411,245
Non-cash items not included in annual surplus:		
Amortization of capital assets	935,509	953,718
Gain on disposal of tangible capital assets	(684)	-
	<u>1,036,681</u>	<u>1,364,963</u>
Changes in non-cash working capital balances related to operations:		
Receivables	457,072	(227,043)
Land held for resale	-	9,000
Accounts payable and accrued liabilities	(67,042)	122,844
Deferred revenue	15,346	9,732
Deposits	10,142	10,028
Prepaid expenses	(1,754)	-
	<u>413,764</u>	<u>(75,439)</u>
Cash flow from operating activities	<u>1,450,445</u>	<u>1,289,524</u>
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	684	-
Purchase of tangible capital assets	(1,041,349)	(1,354,615)
Cash flow used by capital activities	<u>(1,040,665)</u>	<u>(1,354,615)</u>
FINANCING ACTIVITIES		
Repayment of long-term debt	(93,016)	(89,652)
CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR	316,764	(154,743)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	4,645,126	4,799,869
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,961,890	\$ 4,645,126

The accompanying notes are an integral part of these financial statements.

TOWN OF LAMONT

Schedule of Equity in Tangible Capital Assets

(Schedule 1)

For the Year Ended December 31, 2019

	2019	2018
BALANCE, BEGINNING OF YEAR	\$ 16,971,708	\$ 16,481,159
Acquisition of tangible capital assets	1,041,349	1,354,615
Amortization of tangible capital assets	(935,509)	(953,718)
Repayment of capital long-term debt	93,016	89,652
BALANCE, END OF YEAR	\$ 17,170,564	\$ 16,971,708
Equity in tangible capital assets is comprised of the following:		
Tangible capital assets (net book value)	\$ 18,410,094	\$ 18,304,254
Long-term debt used for tangible capital assets	(1,239,530)	(1,332,546)
	\$ 17,170,564	\$ 16,971,708

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TOWN OF LAMONT
Schedule of Property Taxes
For the Year Ended December 31, 2019

(Schedule 2)

	2019 (Budget) (Note 13)	2019 (Actual)	2018 (Actual)
TAXATION			
Real property tax	\$ 2,425,000	\$ 2,402,444	\$ 2,396,882
Linear property tax	63,500	65,244	62,566
Government grants in lieu of property tax	4,500	12,822	4,639
	<u>2,493,000</u>	<u>2,480,510</u>	<u>2,464,087</u>
REQUISITIONS			
Alberta School Foundation Fund	500,000	492,563	510,440
Lamont Seniors Foundation	68,000	72,494	64,210
Designated Industrial Property	-	287	-
	<u>568,000</u>	<u>565,344</u>	<u>574,650</u>
NET MUNICIPAL PROPERTY TAXES	<u>\$ 1,925,000</u>	<u>\$ 1,915,166</u>	<u>\$ 1,889,437</u>

DRAFT

TOWN OF LAMONT
Schedule of Government Transfers
For the Year Ended December 31, 2019

(Schedule 3)

	2019 (Budget) (Note 13)	2019 (Actual)	2018 (Actual)
TRANSFERS FOR OPERATING			
Provincial government unconditional transfers	\$ 70,960	\$ 87,446	\$ 71,965
Local government transfers	69,000	68,073	68,073
	139,960	155,519	140,038
TRANSFERS FOR CAPITAL			
Provincial government conditional transfers	453,000	531,596	826,136
TOTAL GOVERNMENT TRANSFERS	\$ 592,960	\$ 687,115	\$ 966,174

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TOWN OF LAMONT
Schedule of Segmented Information
For the Year Ended December 31, 2019

(Schedule 4)

	General Administration	Recreation Services	Protective Services	Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ 653,919	\$ 396,985	\$ 38,737	\$ 672,290	\$ -	\$ 153,235	\$ 1,915,166
Sales and user charges	4,567	-	-	-	1,062,492	4,945	1,072,004
Government transfers	700	141,859	-	-	-	12,960	155,519
Rentals	4,945	91,206	-	-	-	-	96,151
All other	4,044	778	3,487	5,902	5,466	300,960	320,637
Investment income	10,399	-	-	-	-	79,060	89,459
	<u>678,574</u>	<u>630,828</u>	<u>42,224</u>	<u>678,192</u>	<u>1,067,958</u>	<u>551,160</u>	<u>3,648,936</u>
EXPENSES							
Salaries, wages and benefits	477,335	187,276	-	389,287	-	77,573	1,131,471
Contracted and general services	143,649	34,305	15,549	54,570	669,299	61,299	978,671
Utilities	24,907	278,077	13,760	108,194	42,107	-	467,045
Materials, goods, and supplies	24,235	28,250	1,087	58,534	16,999	52,620	181,725
Provision for allowances	-	-	-	-	139	130,492	130,492
Repairs & maintenance	1,578	60,648	3,576	33,650	4,321	-	103,773
Insurance	6,870	42,272	8,252	8,720	5,439	900	72,453
Interest on long-term debt	-	-	-	25,237	26,416	-	51,653
Transfers to local boards	-	-	-	-	-	26,568	26,568
	<u>\$ 678,574</u>	<u>\$ 630,828</u>	<u>\$ 42,224</u>	<u>\$ 678,192</u>	<u>\$ 764,720</u>	<u>\$ 349,452</u>	<u>\$ 3,143,851</u>
NET REVENUE, BEFORE AMORTIZATION	-	-	-	-	303,238	201,708	505,085
Amortization	24,844	92,800	18,600	424,728	374,537	-	935,509
NET REVENUE (DEFICIT)	<u>\$ (24,844)</u>	<u>\$ (92,800)</u>	<u>\$ (18,600)</u>	<u>\$ (424,728)</u>	<u>\$ (71,299)</u>	<u>\$ 201,708</u>	<u>\$ (430,424)</u>

The accompanying notes are an integral part of these financial statements.

TOWN OF LAMONT

**Schedule of Segmented Information
For the Year Ended December 31, 2018**

(Schedule 4)

	General Administration	Recreation Services	Protective Services	Transportation Services	Environmental Services	All Other	Total
REVENUE							
Taxation	\$ 579,813	\$ 427,112	\$ 32,915	\$ 673,107	\$ -	\$ 176,490	\$ 1,889,437
Sales and user charges	4,415	-	-	-	1,053,178	1,200	1,058,793
All other	1,028	1,548	2,548	3,995	7,893	332,908	349,920
Government transfers	3,445	136,593	-	-	-	-	140,038
Rentals	6,115	99,818	-	-	-	-	105,933
Investment income	9,972	-	-	-	-	92,157	102,129
	604,788	665,071	35,463	677,102	1,061,071	602,755	3,646,250
EXPENSES							
Contracted and general services	\$ 167,336	\$ 33,818	\$ 11,282	\$ 34,380	\$ 775,253	\$ 65,667	\$ 1,087,736
Salaries, wages and benefits	388,660	194,958	-	389,322	-	65,917	1,038,857
Utilities	25,687	270,854	14,488	103,514	44,290	-	458,833
Materials, goods, and supplies	15,446	44,065	741	46,017	46,610	71,072	223,951
Repairs & maintenance	1,294	79,546	257	68,898	6,168	-	156,163
Interest on long-term debt	-	-	-	26,343	28,691	-	55,034
Insurance	6,365	41,830	8,695	8,628	5,547	926	71,991
Transfers to local boards	-	-	-	-	-	14,858	14,858
	604,788	665,071	35,463	677,102	906,559	218,440	2,019,687
NET REVENUE, BEFORE AMORTIZATION	-	-	-	-	154,512	384,315	538,827
Amortization	24,844	97,229	18,600	499,773	313,272	-	953,718
NET REVENUE (DEFICIT)	\$ (24,844)	\$ (97,229)	\$ (18,600)	\$ (499,773)	\$ (158,760)	\$ 384,315	\$ (414,891)

The accompanying notes are an integral part of these financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Town of Lamont (the "Town") are the representations of management, prepared in accordance with Canadian public sector accounting standards. Significant aspects of the accounting policies adopted by the Town are as follows:

(a) Reporting Entity

The financial statements reflect the assets, liabilities, revenues and expenses, and cash flows of the reporting entity. The entity is comprised of all the organizations that are owned or controlled by the Town and are, therefore, accountable to Town Council for the administration of their financial affairs and resources.

The schedule of taxes levied also includes requisitions for education that are not part of the reporting entity.

The statements exclude trust assets that are administered for the benefit of external parties.

(b) Basis of Accounting

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

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Government transfers are recognized in the financial statements as revenues in the period that the events giving rise to the transfer occurred, providing the transfers are authorized, the Town has met any eligibility criteria, and reasonable estimates of the amounts can be made.

Expenses are recognized in the period the goods and services are acquired and a liability is incurred or transfers are due.

(c) 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenditures during the period. Where measurement uncertainty exists, the financial statements have been prepared within reasonable limits of materiality. Actual results could differ from those estimates.

(d) Cash and cash equivalents

Cash and cash equivalents include items that are readily convertible to known amounts of cash, are subject to an insignificant risk of change in value, and have a maturity of one year or less at acquisition.

(e) 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 loss in value that is other than a temporary decline, the respective investment is written down to recognize the loss.

(continues)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Land held for resale*

Land 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 the respective function.

(g) *Tax Revenue*

Property taxes are recognized as revenue in the year they are levied..

Construction and borrowing costs associated with local improvement projects are recovered through annual special assessments during the period of the related borrowings. These levies are collectable from property owners for work performed by the municipality and are recognized as revenue in the year in which the local improvement project is completed.

(h) *Tangible Capital Assets*

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, of the tangible capital assets is amortized on a straight-line basis over the estimated useful life as follows:

Land improvements	20 years
Buildings	50 Years
Engineered structures:	
Water systems	40 years
Wastewater systems	40 years
Storm Sewer	45 - 75 years
Roadways	20 - 40 years
Machinery and equipment	10 - 15 years
Vehicles	10 - 20 years

Tangible capital assets received as contributions are recorded at fair value at the date of receipt and also are recorded as revenue.

Works of art for display are not recorded as tangible capital assets but are disclosed.

(i) *Contaminated Sites*

Contaminated sites are defined as the result of contamination being introduced in air, soil, water or sediment of a chemical, organic, or radioactive material or live organism that exceeds an environmental standard. A liability for remediation on contaminated sites is recognized, net of any recoveries, when an environmental standard exists, contamination exceeds the environmental standard, the Town is directly responsible for or accepts responsibility for the liability, future economic benefits will be given up, and a reasonable estimate of the liability can be made.

(continues)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) 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, together with the excess of revenues over expenses, provides the consolidated Change in Net Financial Assets (Debt) for the year.

(k) Over-levy and Under-levy

Over-levies and under-levies arise from the difference between the actual property tax levy made to cover each requisition and the actual amount requisitioned.

If the actual levy exceeds the requisition, the over-levy is accrued as a liability and property tax revenue is reduced. Where the actual levy is less than the requisition amount, the under-levy is accrued as a receivable and as property tax revenue.

Requisition tax rates in the subsequent year are adjusted for any over-levies or under-levies of the prior year.

(l) Equity in Capital Assets

Equity in capital assets represents the town's net investment in its capital assets after deducting the portion financed by third parties through debenture, bond and mortgage debts, long term capital borrowings, capitalized leases and other capital liabilities which will be repaid by the municipality.

(m) New Accounting Standards not yet Adopted

Effective for fiscal years beginning on or after April 1, 2021, PS 3280 Asset Retirement Obligations provides guidance on how to account for and report liabilities for retirement of tangible capital assets.

Effective for fiscal years beginning on or after April 1, 2022, PS 3400 Revenue provides guidance on how to account for and report revenue, and specifically, it addresses revenue arising from exchange transactions and unilateral transactions.

2. CASH AND CASH EQUIVALENTS

	<u>2019</u>	<u>2018</u>
Guaranteed Investment Certificates	\$ 4,255,875	\$ 4,054,295
Deposit accounts with financial institutions	699,934	584,750
Other	6,081	6,081
	<u>\$ 4,961,890</u>	<u>\$ 4,645,126</u>

The Guaranteed Investment Certificates bear interest at rates ranging from 2.15% - 2.36% maturing at dates ranging from February - December 2020.

Cash includes \$472,112 received when the Town called a letter of credit related to a development agreement plus accrued interest to date. The proceeds from this letter of credit are to be used to fund any future costs needed to complete the related development project.

TOWN OF LAMONT
Notes to Financial Statements
December 31, 2019

3. RECEIVABLES

	<u>2019</u>	<u>2018</u>
Taxes and grants in place of taxes	\$ 208,993	\$ 228,011
Utilities	194,400	189,565
Trade and other	173,561	205,219
Accrued interest	46,156	51,410
Other governments	28,421	303,906
	<u>651,531</u>	978,111
Less: allowance for doubtful accounts	<u>(131,130)</u>	(638)
	<u>\$ 520,401</u>	\$ 977,473

4. LONG-TERM DEBT

	<u>2019</u>	<u>2018</u>
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$48,959 including interest at 3.295% maturing December 2028.	\$ 751,626	\$ 822,299
Alberta Capital Finance Authority debenture repayable in semi-annual installments of \$23,956 including interest at 5.066% maturing March 2034.	<u>487,904</u>	510,247
	<u>\$ 1,239,530</u>	\$ 1,332,546

Principal and interest payments are due as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 96,509	\$ 48,593	\$ 145,102
2021	100,140	44,962	145,102
2022	103,913	41,189	145,102
2023	107,835	37,267	145,102
2024	111,911	33,191	145,102
To maturity	<u>719,222</u>	<u>124,760</u>	<u>843,982</u>
	<u>\$ 1,239,530</u>	<u>\$ 329,962</u>	<u>\$ 1,569,492</u>

TOWN OF LAMONT
Notes to Financial Statements
December 31, 2019

5. TANGIBLE CAPITAL ASSETS

	2019	2018
	Net Book	Net Book
	Value	Value
Engineered structures		
Water systems	\$ 4,797,027	\$ 4,983,191
Wastewater systems	4,351,663	4,418,744
Roadways	4,121,115	3,761,897
	13,269,805	13,163,832
Land	1,181,000	1,181,000
Buildings	2,811,410	2,921,359
Machinery and equipment	963,969	815,185
Vehicles	183,910	222,878
	\$ 18,410,094	\$ 18,304,254

	Cost	Purchased	Disposals	Write-downs	Cost
	Beginning of	Additions			End of
	Year				Year
Engineered structures					
Roadways	\$ 14,047,070	\$ 722,403	\$ -	\$ -	\$ 14,769,473
Water systems	7,993,798	-	-	-	7,993,798
Wastewater systems	6,620,909	101,204	-	-	6,722,113
	28,661,777	823,607	-	-	29,485,384
Buildings	5,501,563	-	-	-	5,501,563
Machinery and equipment	1,263,144	217,742	-	-	1,480,886
Land	1,181,000	-	-	-	1,181,000
Vehicles	551,117	-	-	-	551,117
	\$ 37,158,601	\$ 1,041,349	\$ -	\$ -	\$ 38,199,950

	Accumulated	Current	Disposals	Write-downs	Accumulated
	Amortization	Amortization			Amortization
	Beginning of				End of
	Year				Year
Engineered structures					
Roadways	\$ 10,285,173	\$ 363,185	\$ -	\$ -	\$ 10,648,358
Water systems	3,010,607	186,164	-	-	3,196,771
Wastewater systems	2,202,165	168,285	-	-	2,370,450
	15,497,945	717,634	-	-	16,215,579
Buildings	2,580,204	109,949	-	-	2,690,153
Machinery and equipment	447,959	68,958	-	-	516,917
Vehicles	328,239	38,968	-	-	367,207
	\$ 18,854,347	\$ 935,509	\$ -	\$ -	\$ 19,789,856

TOWN OF LAMONT
Notes to Financial Statements
December 31, 2019

6. ACCUMULATED SURPLUS

	<u>2019</u>	<u>2018</u>
Unrestricted Surplus	\$ 2,162,743	\$ 1,835,820
Restricted surplus		
Reserves (Note 7)	2,634,087	3,058,010
Equity in tangible capital assets (Schedule 1)	<u>17,170,564</u>	<u>16,971,708</u>
	<u>\$ 21,967,394</u>	<u>\$ 21,865,538</u>

7. RESERVES

	<u>2019</u>	<u>2018</u>
Operating		
Subdivision	\$ 1,411,130	\$ 1,627,311
Administration	486,127	486,127
General administration	384,129	384,129
Sanitary sewer	77,500	77,500
Public works	62,073	62,073
Recreation	52,500	52,500
Arena	34,358	242,100
Parks	17,615	17,615
Storm sewer	15,000	15,000
Water	14,000	14,000
Hall	10,000	10,000
Curling rink	10,000	10,000
Fire	7,986	7,986
Capital		
Water	<u>51,669</u>	<u>51,669</u>
	<u>\$ 2,634,087</u>	<u>\$ 3,058,010</u>

TOWN OF LAMONT
Notes to Financial Statements
December 31, 2019

8. DEBT LIMITS

Section 276(2) of the *Municipal Government Act* requires that debt and debt limits as defined by Alberta Regulation 255/00 for the Town of Bon Accord be disclosed as follows:

	<u>2019</u>	<u>2018</u>
Total debt limit	\$ 5,473,404	\$ 5,469,375
Total debt	<u>(1,239,530)</u>	<u>(1,332,546)</u>
Total debt limit remaining	\$ 4,233,874	\$ 4,136,829
Service on debt limit	\$ 912,234	\$ 911,563
Service on debt	<u>(145,102)</u>	<u>(248,635)</u>
Total service on debt limit remaining	\$ 767,132	\$ 662,928

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 limits requires approval by the Minister of Municipal Affairs. These thresholds are guidelines used by Alberta Municipal Affairs to identify municipalities which could be a financial risk if further debt is acquired. The calculation taken alone does not represent the stability of the Town. Rather, the financial statements must be interpreted as a whole.

9. CREDIT FACILITY

The Town has a demand credit facility with its financial institution for a maximum amount of \$800,000 bearing interest at 1.45%. No amounts were drawn as at December 31, 2019 or 2018.

10. CONTINGENCY

The Town is a member of the Alberta Municipal Insurance Exchange (MUNIX). Under the terms of membership, the Town could become liable for its proportionate shares of any claim losses in excess of the funds held by the exchange. Any liability incurred would be accounted for as a current transaction in the year the losses are determined.

11. SEGMENTED INFORMATION

The Town provides a range of services to its citizens. For each reported segment, revenues and expenses represent both amounts that are directly attributable to the segment and amounts that are allocated on a reasonable basis. The accounting policies used in these segments are consistent with those followed in the preparation of the financial statements as disclosed in Note 1. For additional information see the Schedule of Segmented Disclosure (Schedule 4).

TOWN OF LAMONT
Notes to Financial Statements
December 31, 2019

12. UTILITY FRANCHISE AGREEMENTS

Disclosure of utility franchise agreement annual revenues as required by Alberta Regulation 313/2000 is as follows:

	<u>2019</u>	<u>2018</u>
Atco Gas	\$ 174,044	\$ 187,972
Fortis Alberta Inc.	54,484	61,201
	\$ 228,528	\$ 249,173

13. SALARIES AND BENEFITS DISCLOSURE

Disclosure of salaries and benefits for Town officials, the Town Chief Administrator Officer and designated officers are required by Alberta Regulation 313/2000 is as follows:

	<u>Salary (1)</u>	<u>Benefits (2)</u>	<u>2019</u>	<u>2018</u>
Mayor Skinner	\$ 17,400	\$ -	\$ 17,400	\$ 15,600
Councillors				
Pewarchuck	9,600	-	9,600	8,400
Taylor	9,600	-	9,600	8,400
Harvey	9,600	-	9,600	8,400
Koroluk	9,600	-	9,600	8,400
Foulds	9,600	-	9,600	8,400
Perrin	9,600	-	9,600	8,400
	\$ 75,000	\$ -	\$ 75,000	\$ 66,000
Chief Administrative Officer	\$ 131,986	\$ 26,406	\$ 158,392	\$ 129,047
Deputy Chief Administrative Officer	\$ 60,232	\$ 8,107	\$ 68,339	\$ 56,636

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

(2) Employer's share of all employee benefits and contributions or payments made on behalf of employees including pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, long and short term disability plans, professional memberships and tuition.

(3) Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including special leave with pay, financial planning services, retirement planning services, concessionary loans, travel allowances, car allowances and club memberships.

14. LOCAL AUTHORITIES PENSION PLAN

Employees of the Town participate in the Local Authorities Pension Plan (LAPP), which is one of the plan covered by the *Public Sector Pension Plans Act*. The LAPP is financed by employer and employee contributions and by investment earnings of the LAPP Fund.

Contributions for current service are recorded as expenses in the year in which they become due.

The Town is required to make current service contributions to the LAPP of 9.39% of pensionable earnings up to the year's maximum pensionable earnings under the Canada Pension Plan and 13.84% on pensionable earnings above this amount. Employees of the Village are required to make current service contributions of 8.39% of pensionable earnings up to the year's maximum pensionable earnings and 12.84% on pensionable earnings above this amount.

Total current service contributions by the Town to the LAPP in 2019 were \$74,065 (2018 - \$73,721). Total current service contributions by the employees of the Town to the LAPP in 2019 were \$66,876 (2018 - \$67,130).

At December 31, 2018, the Plan disclosed an actuarial surplus of \$3.469 billion (2017 - \$4.835 billion surplus).

15. BUDGET FIGURES

The 2019 budget data presented in these financial statements is based on the operating and capital budgets approved by Council on November 27, 2018. The chart below reconciles the approved financial plan to the figures reported in these financial statements.

	2019 Budget	2019 Actual
Annual surplus	\$ 20,614	\$ 101,856
Amortization expense	950,364	935,509
Loss (gain) on disposal of tangible capital assets	-	(684)
Repayment of long-term debt	(91,000)	(93,016)
Purchase of tangible capital assets	(1,082,080)	(1,041,349)
Net transfers (to) from reserves	202,102	423,923
	<u>\$ -</u>	<u>\$ 326,239</u>

16. FINANCIAL INSTRUMENTS

The Town's financial instruments consist of cash and cash equivalents, receivables, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the Town is not exposed to significant interest, currency or credit risk arising from these financial instruments. Unless otherwise noted, the fair values of these financial instruments approximate their carrying values.

The Town is exposed to credit risk with respect to receivables. Credit risk arises from the possibility that customers may experience financial difficulty and be unable to fulfill their obligations. The large number and diversity of customers minimizes the Town's credit risk.

17. APPROVAL OF FINANCIAL STATEMENTS

These financial statements were approved by Council and management.

18. SUBSEQUENT EVENT

On March 11, 2020, the COVID-19 outbreak was declared a global pandemic by the World Health Organization and on March 17, 2020 the Province of Alberta declared a public health emergency. Many businesses and individuals in a vast array of sectors may experience an economic loss due to COVID-19 which may have a financial effect on the Town. An estimate of the potential financial impact cannot be made at this time.

19. COMPARATIVE FIGURES

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

DRAFT



**TOWN OF LAMONT
COUNCIL AGENDA
REQUEST FOR DECISION**

AGENDA ITEM: 4.2.

COUNCIL MEETING DATE: APRIL 14, 2020

ITEM DESCRIPTION OR TITLE

PROPERTY TAX DEFERRAL OPTIONS

RECOMMENDATION

1. That Council direct Administration to bring forward the Tax Rate Bylaw and the Tax Penalty Bylaw to an upcoming Meeting of Council for consideration to:
 - a. Extend the tax payment deadline from June 30 to August 31, 2020
 - b. Extend the tax penalty date from July 1 to September 1, 2020
2. That Council approve the delay of utility arrears transfers to tax rolls from March 1 through August 31, 2020 to provide financial support ratepayers affected by the COVID-19 Pandemic.

BACKGROUND

Administration is committed to providing recommendations for supports to the community where feasible and have proposed another option to relieve immediate financial pressures, specifically in relation to the delay of tax payments and penalties.

Administration is recommending that Council consider the following tax relief measures for our ratepayers to lessen the financial pressure some may be faced with as a result of COVID-19. These recommendations are in line with the current practices being implemented by many other municipalities. The recommendations are:

- Extend payment due date from June 30 to August 31, 2020
- Extend penalty date from July 1 to September 1

The tax notices would be mailed as scheduled on May 22, 2020.

Liability for municipal amounts owing will remain in effect and penalties due on accounts in arrears will be applied September 1, as approved within the Tax Penalty Bylaw.

Those ratepayers who are able to continue to pay their bills on schedule are strongly encouraged to do so, to ensure accounts are current, which will support municipal operations during these challenging times.

COMMUNICATIONS

If approved, Administration will ensure to effectively manage all changes and communicate with ratepayers the impacts.



**TOWN OF LAMONT
COUNCIL AGENDA
REQUEST FOR DECISION**

IMPLICATIONS OF DECISION

N/A

FINANCIAL IMPLICATIONS

The Town generates approximately \$2.5M per year in net property taxation revenue. Administration manages about 882 accounts, of which around 125 or 14% of our customers pay monthly through the tax installment payment program, generating on average \$31,300.93 per month in revenue. Approximately 162 of these tax accounts are paid directly by mortgage companies. Payments that fall within this structure have been collecting the monthly tax payments from homeowners since last July, and it is anticipated that most mortgage companies would continue to make payments for June 30, however, this is just an assumption.

POLICY AND/OR LEGISLATIVE REFERENCES

Bylaw 02-15

ATTACHMENTS

N/A

Report Prepared By: Christine Beveridge, CAO

Approved by CAO:



**A BYLAW OF THE TOWN OF LAMONT
IN THE PROVINCE OF ALBERTA**

BYLAW 02/15

TAX PENALTY & INSTALLMENT PAYMENTS BYLAW

**BEING A BYLAW OF THE TOWN OF LAMONT, IN THE PROVINCE OF ALBERTA, TO
PROVIDE FOR THE IMPOSITION OF PENALTIES AND INSTALLMENT PAYMENTS**

WHEREAS, the Council of the Town of Lamont, in the Province of Alberta, pursuant to Sections 340, 344, 345 & 346 of the Municipal Government Act, being Chapter M-26.1 of the Revised Statutes of Alberta 2000 and subsequent amendments, deems it expedient to establish a penalty & installment payment bylaw.

PENALTIES ON UNPAID TAXES

- 1. That in the event that any current years taxes remain unpaid after the 30th day of June of each year, there shall be added, by way of a penalty, the amount of twelve (12) percent calculated on the remaining portion then unpaid.
- 2. On January 1st of each year, a penalty of eighteen (18) percent shall be imposed on all taxes, penalties and applicable costs which remain unpaid after December 31 of each year.

TAX INSTALLMENT PAYMENTS

- 1. The Installment Tax Payment Plan shall commence on January 1st of each year. A taxpayer may enter into the plan to provide for the payment of taxes in equal monthly installments from January to December of each year and will avoid the July penalty.
- 2. All previous year's taxes must be paid in full in order to enter a tax installment payment plan.
- 3. All payments are due on the first (1st) day of each month.
- 4. The amount of the installment payment shall be calculated based on the previous year's taxes unless the taxpayer wishes to pay a higher amount.
- 5. If the current year's taxes are more than the previous year's taxes, the taxpayer will pay the difference by December 31 of that year. Any amount not received by December 31, will be subject to all penalties.
- 6. No interest will be applied against any tax installment payment.
- 7. No penalties will be applied on any outstanding balance for those properties subject to a tax installment payment plan except for those taxes stated in Section 5.
- 8. The CAO/Deputy CAO may cancel any tax installment payment plan if one instalment fails to be honoured.
- 9. Rate payers may choose to withdraw from the Property Tax Installment Plan upon completion of the Cancellation of Pre-Authorized Payment Plan, and on payment of the full remaining property tax balance of the present tax year.
- 10. An agreement between the Town of Lamont and the rate payer must be signed and the rate payer has the option of providing twelve (12) post-dated cheques or having payments remitted through automatic pre-authorized withdrawal.

Bylaw 02-11 is hereby rescinded.

pd *SA*



THAT this bylaw shall remain in force from the time of passing until rescinded.

That the Mayor and Chief Administrative Officer are hereby authorized to sign this Bylaw.

READ A **FIRST** TIME THIS 13 DAY OF January, 2015 A.D.

Mayor

Chief Administrative Officer

READ A **SECOND** TIME THIS 13 DAY OF January, 2015 A.D.

Mayor,

Chief Administrative Officer

PROCEED WITH THIRD READING WITH THE UNANIMOUS CONSENT OF ALL MEMBERS PRESENT THIS 13 day of January 2015

Mayor

Chief Administrative Officer

READ A **THIRD** TIME THIS 13 DAY OF January, 2015 A.D.

Mayor,

Chief Administrative Officer

Initials



**TOWN OF LAMONT
COUNCIL AGENDA
REQUEST FOR DECISION**

AGENDA ITEM: 4.3.

COUNCIL MEETING DATE: April 14, 2020

ITEM DESCRIPTION OR TITLE

2020 Proposed Tax Rates

RECOMMENDATION

That Council approve Option 1 for the 2020 mill rates as per the 2020 Proposed Tax Rates report dated April 14, 2020.

BACKGROUND

- Council approved 2020 budget on December 3, 2019, which stated that the 2020 property tax would be increased by 1% for both residential and non-residential properties.
- However, in an effort to support our residents and local stakeholders during the COVID-19 pandemic, Administration reviewed 2020 budget and identified certain areas where the cost could be further reduced in order to freeze or lower the 2020 tax burdens for the ratepayers.
- Furthermore, Administration identified that the Town has a potential loss in operating revenues of an estimated amount of \$64K from other sources during the pandemic period, referenced within the Memo, COVID – 19 Impact on the Town Financials.
- The 2020 property assessment report (for the year of 2019) indicates that the property value at the Town was decreased by 2.6% in 2019 on average comparing with the value in 2018, referenced within Appendix I.
- The Province froze the 2020 School Tax Requisition in response to the COVID-19 pandemic.
- Therefore, Administration prepared the following two (2) options with financial analysis in the Financial Implications Section for Council’s consideration.

COMMUNICATIONS

N/A

IMPLICATIONS OF DECISION

The recommended options both provide Town residents and businesses a degree of financial relief in the face of the COVID-19 financial wakes.



**TOWN OF LAMONT
COUNCIL AGENDA
REQUEST FOR DECISION**

FINANCIAL IMPLICATIONS

Option I – To freeze the **total** mill rates for residential (farmland) and commercial (excluding machinery & equipment) properties.

2020	Farmland and Residential	Non- Residential	Machinery and Equipment
Municipal	10.4975	14.3238	14.3238
Senior	0.4625	0.4625	0.4625
ASFF	2.6928	3.3065	
2020 TOTAL MILL RATES	13.6528	18.0928	14.7863
VS			
2019 TOTAL MILL RATES	13.6528	18.0928	13.6466
Increase (Decrease)	0.0000	0.0000	1.1397

This option will result in the following:

- The total amount of the mill rates, sum of Municipal, Lamont Housing Foundation Requisition, and School Requisition, will not change for residential and non-residential (excluding machinery & equipment).
- However, the municipal rates will be increased slightly to offset the reduced amount of 2020 School requisition and the 2019 over-levied School requisition. The comparison of 2020 municipal mill rates and 2019 rates is as follow:

Municipal Rate	Farmland and Residential	Non- Residential	Machinery and Equipment
2020	10.4975	14.3238	14.3238
2019	10.4635	13.2161	13.2161
Increase	0.0340	1.1077	1.1077

- The 2020 taxation revenues will be \$2,423,853 as per the Option I mill rates, which is \$99,655 lesser than the budgeted amount of \$2,523,509.
- The amount of the 2020 taxation revenue is also \$71,095 lesser than the 2019 taxation revenue.
- **The average 2020 residential property tax is \$2,659, which is \$64 lesser than the 2019 average.**
- **The average 2020 commercial property tax is \$4,319, which is \$372 lesser than the 2019 average.**



**TOWN OF LAMONT
COUNCIL AGENDA
REQUEST FOR DECISION**

Below are some examples of property tax changes calculated based on Option I mill rates:

Residential

ROLL	2020 Value	2019 Value	Increase(De)	2020 Tax	2019 Tax	Increase(De)
53400	131,400	140,200	(8,800)	1,794	1,902	(108)
67100	241,500	235,700	5,800	3,297	3,198	99
77500	204,600	212,300	(7,700)	2,793	2,881	(87)
84900	235,900	240,300	(4,400)	3,221	3,261	(40)
86300	292,400	287,700	4,700	3,992	3,904	88
90600	271,000	270,500	500	3,700	3,670	29
104100	283,600	288,000	(4,400)	3,872	3,908	(36)

Commercial

ROLL	2020 Value	2019 Value	Increase(De)	2020 Tax	2019 Tax	Increase(De)
19100	280,200	291,100	(10,900)	5,070	5,382	(312)
5000	394,400	404,100	(9,700)	7,136	7,471	(335)
18900	150,900	157,200	(6,300)	2,730	2,906	(176)
1000	2,485,100	2,479,300	5,800	44,962	45,835	(872)
4900	138,300	124,800	13,500	2,502	2,307	195
26500	174,000	178,100	(4,100)	3,148	3,293	(144)



**TOWN OF LAMONT
COUNCIL AGENDA
REQUEST FOR DECISION**

Option II – To freeze only the **Municipal** mill rates for all ratepayers.

2020	Farmland and Residential	Non- Residential	Machinery and Equipment
Municipal	10.4635	13.2161	13.2161
Senior	0.4625	0.4625	0.4625
ASFF	2.6928	3.3065	
2020 TOTAL MILL RATES	13.6188	16.9851	13.6786
VS			
2019 TOTAL MILL RATES	13.6528	18.0928	13.6466
Increase (Decrease)	-0.0340	-1.1077	0.0320

This option would result in the following:

- The total mill rate, sum of Municipal, Lamont Housing Foundation Requisition, and School Requisition, will be reduced by 0.034 and 1.1077 for residential and non-residential (excluding machinery & equipment) respectively.
- The 2020 taxation revenues will be \$2,387,069 as per the Option II mill rates, which is \$136,440 lesser than the budgeted amount of \$2,523,509.
- The amount of the 2020 taxation revenue is also \$107,879 lesser than the 2019 taxation revenue.
- **The average 2020 residential property tax is \$2,653, which is \$69 lesser than the 2019 average.**
- **The average 2020 commercial property tax is \$4,055, which is \$635 lesser than the 2019 average.**



**TOWN OF LAMONT
COUNCIL AGENDA
REQUEST FOR DECISION**

Below are some examples of property tax changes calculated based on Option II mill rates:

Residential

ROLL	2020 Value	2019 Value	Increase(De)	2020 Tax	2019 Tax	Increase(De)
53400	131,400	140,200	(8,800)	1,790	1,902	(113)
67100	241,500	235,700	5,800	3,289	3,198	91
77500	204,600	212,300	(7,700)	2,786	2,881	(94)
84900	235,900	240,300	(4,400)	3,213	3,261	(48)
86300	292,400	287,700	4,700	3,982	3,904	78
90600	271,000	270,500	500	3,691	3,670	20
104100	283,600	288,000	(4,400)	3,862	3,908	(46)

Commercial

ROLL	2020 Value	2019 Value	Increase(De)	2020 Tax	2019 Tax	Increase(De)
19100	280,200	291,100	(10,900)	4,759	5,382	(622)
5000	394,400	404,100	(9,700)	6,699	7,471	(772)
18900	150,900	157,200	(6,300)	2,563	2,906	(343)
1000	2,485,100	2,479,300	5,800	42,210	45,835	(3,625)
4900	138,300	124,800	13,500	2,349	2,307	42
26500	174,000	178,100	(4,100)	2,955	3,293	(337)

Financial Analysis to balance the 2020 Budget:

- If the proposed mill rate option I is approved, an estimated amount of required expense-cut is \$164K to cover the following revenue losses:
 - \$99,655 from taxation (Ref: Option I)
 - \$64,000 from other source of revenue (Ref: Memo COVID-19 Impact on the Town Financial)

- If the proposed mill rate option II is approved, an estimated amount of required expense-cut is \$200K to cover the following revenue losses:
 - \$136,440 from taxation (Ref: Option II)
 - \$64,000 from other source of revenue (Ref: Memo COVID-19 Impact on the Town Financial)



TOWN OF LAMONT COUNCIL AGENDA REQUEST FOR DECISION

- Potential Cost Savings to Balance the Budget

In order to balance the reduced amounts of revenues, the Administration reviewed the 2020 budget again and identified the following areas with potential cost savings of \$312K for Council's consideration:

- **Council** - \$8,009 saving due to Councillor resignation on March 11, 2020.
- **Administration** - \$6,879 saving on areas such as reduced overtime, reduced conference expense, travel expense, projects deferrals. Note that the actual saving Administration is \$11,430, however, WCB recently provided a statement that the Town will have an increase of \$4,551 in 2020, which unfortunately reduced the amount of savings.
- **Bylaw** - \$11,675 saving on the reduced Policing cost and Enforcement Officer cost (3 months).
- **Public Works** - \$24,721 saving on casual labour cost, on-calls (for the period May 1 to October 1, the Town will have one on-call for both Public Work and Recreation Departments instead of one on-call for each department), and project deferral.
- **Street & Road** - \$45K saving, which includes \$37,500 for patches and \$7,500 for bulk gravel. Based on our progress on patches last year and our gravel needs just for this year alone, we can make this revised budget work.
- **Town Beautification** – \$20K saving.
- **Hall** - \$51,504 saving on reduced casual labour and project deferrals.
- **Arena** - \$68,946 saving due to long term leave.
- **Park** - \$42,175 saving due to elimination of two (2) seasonal workers.
- **School Funds** - \$33,474 saving due to the provincial school tax levy freeze.

Further, the Province may defer the Policing cost (\$32,745) for the year of 2020, but no official information has been announced yet.

To summarize, with these potential cost savings identified, the Town has the capacity to provide tax relief to the ratepayers. Administration will be closely monitoring the pandemic situation and its impact on the Town financial position. As the situation evolves, Administration will update Council in a timely manner. The actual cost adjustments on the approved budget is subject to Council's approval in the future.



**TOWN OF LAMONT
COUNCIL AGENDA
REQUEST FOR DECISION**

Recommendation from a financial perspective, Administration recommends the Option I based on the following reasons:

1. Option I provides a reasonable amount of tax relief to the ratepayers. The ratepayers will pay \$64 and/or \$372 less than what was paid in 2019 for residential and commercial respectively.
2. Although the Province froze their 2020 School Tax Requisition currently, it will most likely be increased in the further year as a 4.2% increase was announced at their 2020 Budget initially.

POLICY AND/OR LEGISLATIVE REFERENCES

Part 10 of *Municipal Government Act (MGA)*

ATTACHMENTS

1. *Appendix I*
2. *Memo: COVID – 19 Impact on the Town Financials*

Report Prepared By: Finance Officer

Approved by CAO:



TOWN OF LAMONT COUNCIL AGENDA REQUEST FOR DECISION

Appendix I:

Comparison on 2019 Assessment (for year of 2018) & 2020 Assessment (for year of 2019)

<u>Description</u>	<u>Assessment Year of 2018</u>	<u>Assessment Year of 2019</u>	<u>\$ Change</u>	<u>% Change</u>
Residential Farm	515,760	496,500	(19,260)	-4%
Residential Improved	133,055,930	129,317,480	(3,738,450)	-3%
Residential Vacant	2,902,100	2,871,900	(30,200)	-1%
Multi Family	4,225,780	4,303,090	77,310	2%
Farmland	163,400	162,600	(800)	0%
Commercial Improved	15,841,400	15,035,580	(805,820)	-5%
Industrial Improved	9,146,950	9,371,800	224,850	2%
Commercial Vacant	833,800	807,200	(26,600)	-3%
Industrial Vacant	377,000	202,100	(174,900)	-46%
Machinery /Equipment	67,810	68,290	480	1%
	167,129,930	162,636,540	(4,493,390)	-3%
Federal - Grant in Lieu	265,000	257,200	(7,800)	-3%
Industrial Improved (DIP)	128,100	128,100	0	0%
Machinery /Equip (DIP)	547,190	547,190	0	0%
Pipeline & Gas dist linear	1,033,520	1,038,340	4,820	0%
Electric Power linear	917,860	911,130	(6,730)	-1%
Telecomm linear	476,500	473,520	(2,980)	-1%
Cable linear	156,850	168,500	11,650	7%
Well linear	272,970	261,010	(11,960)	-4%
Railway linear	57,510	59,550	2,040	4%
	3,590,500	3,587,340	(3,160)	0%
Total	170,985,430	166,481,080	(4,504,350)	-2.6%

TOWN OF LAMONT

TO: CAO
FROM: FINANCE OFFICER
SUBJECT: COVID-19 IMPACT ON THE TOWN FINANCIAL ANALYSIS
DATE: MARCH 26, 2020
CC:

1. Cash Position:
 - a. The amount of the unrestricted fund is \$4.2 million
 - b. Line of credit of \$800K

Unrestricted fund	Servus	ATB	Total
Bank Operating Account Balance	409,289	74,748	484,037
Bank Investment Account Balance	1,727,998	2,027,800	3,755,798
Total as March 19, 2020	2,137,288	2,102,548	4,239,836
Restricted fund	473,282	0	473,282
Line of Credits	800,000	0	800,000

2. Major Revenue:
 - a. Taxation – TBD
 - b. Utilities - \$1,058,634 per year (COVID-19 should not have a negative impact on utility consumption. Collection may be an issue. But the impact should be very minimum overall.)
 - c. Grants of \$675,834

Canada Day	700
MSI Operating	66,161
Lamont County	67,373
Summer Students	8,000
MSI Capital and GTF	533,600
Total	675,834

3. Average monthly expense payment is \$377K, which includes \$60K for payroll and \$317K for vendor payments (included payments for Capital projects as well)

Payments	2020 P2	2022 P1	2021 P12	2021 P11	2021 P10	2021 P9	2021 P8	2021 P7	2021 P6	2021 P5	2021 P4	2021 P3	Average
AP	340,617	318,200	315,665	421,636	218,620	539,289	415,960	260,648	189,063	314,412	323,755	150,457	317,360
Payroll	52,824	57,706	57,890	55,885	62,962	60,295	67,661	70,406	60,036	62,046	55,343	54,085	59,762
Total	393,441	375,906	373,554	477,521	281,582	599,584	483,621	331,054	249,099	376,458	379,098	204,542	377,122

4. Therefore, without tax income, the Town need to transfer \$243K from saving/reserve/investments each month for the Town normal operation.

Monthly Cash Flow Analysis:	
Utility and Grants average per month	134,085
Less	
Monthly vendors' bill payments	(317,360)
Monthly payroll payments	(59,762)
Debenture Payments	(12,092)
Cash shortage per month	(243,037)

5. The current funds available for use is \$4.2 million and as a result, the \$4.2 M can support the Town's full operation for 17 months without Tax Revenue.

Potential impacts on the Town:

- Potential Revenue Losses:
 - Penalties Revenue from Late Tax Payments – Council may waive the first 90 days late payments' interest and penalties or postpone the deadlines of interest and penalties for 90 days, that will reduce the Town's revenues by approximately \$19K.
 - Interest Revenue – the 90 postpone will also reduce the interest revenue by \$12.5K.
 - Penalties Revenue from Late Utility Payments – Council may waive the late payments' interest and penalties for the period from March 31 to June 30 that will reduce the Town's revenues by approximately \$1.4K.
 - Rental Revenue – if the facilities, such as Hall, Arena, are closed for 90 days, the Town will loss rental revenues of \$31K approximately.
- Potential Cost Saving:
 - \$21K saving on Education Requisition as the Education mill rates are freeze by the Government of Alberta.
 - \$7K saving on Policing Cost. The cost recovery model was determined at 10% instead of 15%.
 - Potential saving on Office and facilities' utilities' bill is \$25K if the office and facilities are closed for 90 days.
 - Potential saving on Office and facilities' maintenance is \$2.4K if the office and facilities are closed for 90 days.
- For details, please refer to enclosed spreadsheet titled, COVID – 19 Impact on the Town Financial Analysis.

Encl: COVID-19 Impact on the Town Financial Analysis



MAYOR & COUNCIL REPORT

COUNCIL MEETING DATE: April 14, 2020

ELECTED OFFICIAL: Mayor Bill Skinner

REPORT PERIOD: March 4 – April 8, 2020

Boards and Committees:

- **March 5:** Special Council Meeting for CAO evaluation.
- **March 16:** Housing Committee Finance Committee meeting – received annual report from auditor and discussed 2020 budget.
- **March 20:** Special Council Meeting to cancel March 24 Regular Meeting of Council.
- **March 27:** Special Meeting via Microsoft Teams – met to discuss Town of Lamont Pandemic responses/readiness.

Town of Lamont Business:

- **March 20:** Municipal Affairs Minister Madu Teleconference - Teleconference with Mayors and Reeves to update on the Province's COVID-19 actions.
- **April 2:** Alberta Health Services Community Conversation Teleconference - AHS provided basic COVID-19 information and answered questions
- **April 2:** Seniors and Housing Minister Town Hall - Minister Pon provided information on recommended actions for Lodges and extended living facilities for pandemic.
- **April 7:** Government of Alberta Town Hall - Teleconference with numerous Ministers and Dr. Hinshaw to receive updates on the Province's steps to combat COVID-19 pandemic.

Lamont Functions and Events:

- **March 4:** Meet, Greet and Eat event with Lamont County council – good discussion and relationship building.
- **March 6:** Bruderheim Mayor's Supper – good social event with representation from numerous communities.
- **March 14:** Lamont County Fire Department Annual Awards Night – Brought greetings from Town of Lamont and made presentations to John Helton and Herman Sieker for their years of service as both have retired.

OPERATIONS & INFRASTRUCTURE REPORT

FOR THE PERIOD ENDING APRIL 3, 2020

HIGHLIGHTS – PARKS AND RECREATION

EVENTS

- No major events held in March 2020.

UPDATES

- March 14 – Arena was closed for the season.
- March 17 – Ice Plant was shut down, majority of ice removed or melted, and paint cleanup done by March 27th.
- Installed Hand Sanitizer stations throughout the Meeting Room, Arena, Hall, and Curling Rink.
- Received and using new floor scrubber.
- Deep cleaning of all Hall and Meeting Room tables, chairs and fixtures is ongoing.
- March 27 – Closure of all Playgrounds. Playgrounds have been taped off and signage posted.
- Up to March 16, prior to the closure of Recreation facilities, the Meeting Room had five (5) bookings, the Hall had two (2) bookings, and the Arena was used daily until March 14.
- Beginning March 23, Parks and Recreation staff started utilizing increased personal safety measures related to Covid-19. This includes working individually on tasks when able, maintaining physical distancing of two (2) meters when appropriate, utilizing bleach wipes on equipment and vehicles before and after each use, separate use of vehicles, and following Alberta Health Public Orders.

HIGHLIGHTS – PUBLIC WORKS

Snow Removal and Cleanup

- Snow removal and cleanup completed in March entirely with the Town's own personnel and equipment.
- Warm weather cycles have required daily monitoring and management of runoff to catch basins and ditches as required.

Maintenance

- Sweeper service ongoing – Parts expected to be delivered from the United States early April.

Operations

- Sanitary Sewer Service repaired in Hillside, 41 Duke Drive; restriction found at the sewer main connection that required replacement.
- Water Service CC repaired at 5507-52 Avenue in order to turn the water off, water was flowing from the residence onto the street.

OPERATIONS & INFRASTRUCTURE REPORT

FOR THE PERIOD ENDING APRIL 3, 2020

- Road repair work completed on 49A Street, from Highway 15 south to 45 Avenue right of way.
- Beginning March 23, Public Works staff have been utilizing increased personal safety measures related to Covid-19. This includes utilizing separate vehicles, working in groups out of both the Public Works shop and the RCMP office space at the Fire Hall, maintaining physical distancing of two (2) meters when appropriate, utilizing bleach wipes on equipment and vehicles before and after each use, and following Alberta Health Public Orders.

Operations and Infrastructure Position

- Covid-19 Response
 - Reviewing operations and capital budgets with Administration.
 - Reviewing and implementing procedural changes to staffing and work environments for improved worker safety.
 - Tracking and reviewing self-isolation requirements for sick workers.
 - Regular meetings with Administration regarding operational changes and requirements.
 - Reviewing PPE, general use, and cleaning inventories and confirming requirements for supply shortages.
- Ongoing – Summer Student Applications.
- Ongoing – Compiling internal and external Equipment Maintenance Records.
 - Admin staff have aided with compiling all information from 2018 and 2019, and an Equipment Maintenance Binder (physical) and Directory (digital) are being created.
- Ongoing – Compiling and reviewing building utility costs for sustainability review.
 - Gas & Electric Utility Costs have been pulled together for all facilities from 2017 to current.
- Ongoing – Compiling record drawings for facilities with available documents.
 - Purpose is to establish a list of all equipment to be maintained.
 - Next step is to inventory the equipment from the record drawings and from physical site visits.
- Ongoing – Compiling building maintenance records from 2018 onward.
 - Preparing a Building Maintenance Binder (physical) and Directory (digital) for records.
- Responding to Resident Concerns, calls/requests for March related to the following:
 - 41 Duke Drive, Sanitary Service Repair.
 - 5507 – 52 Avenue, Water CC Repair.

Description	2020 Budget	Targeted Amount Jan - Mar	2020 Actual Jan - Mar	Variance	% of Completion	2020 - Mar	2019 - Mar	Increase/ (Decrease)	Percentage	Note
REVENUE										
General Revenue	(2,923,710)	(2,593,050)	(121,992)	(2,801,718)	4%	(24,967)	(25,227)	260		
Administration	(19,350)	(4,838)	(4,374)	(14,976)	23%	(104)	(216)	112		
By Law	(2,500)	(625)	(1,800)	(700)	72%	(245)	(677)	432		
Strs. & Road	(672,900)	(168,225)	(758)	(672,142)	0%	(758)	(1,067)	308		
Storm Sewer	0	0	0	0	0%	0	0	0		
Water	(569,910)	(142,478)	(94,853)	(475,057)	17%	(94,024)	(96,947)	2,923		
Sewer	(169,523)	(42,381)	(28,030)	(141,493)	17%	(28,030)	(28,787)	757		
Garbage	(338,095)	(84,524)	(56,835)	(281,259)	17%	(56,835)	(55,641)	(1,194)		
Cemetery	(2,000)	(500)	0	(2,000)	0%	0	0	0		
Planning & Subdivision	(3,000)	(750)	(1,024)	(1,976)	34%	(536)	0	(536)		
Hall	(25,500)	(6,375)	(2,845)	(22,655)	11%	(450)	(1,296)	846		
Arena	(224,534)	(56,134)	(28,603)	(195,932)	13%	(5,105)	(2,005)	(3,100)		
Park	(38,000)	(9,500)	0	(38,000)	0%	0	0	0		
Curling Rink	(500)	(125)	0	(500)	0%	0	0	0		
FCSS	0	0	0	0	0%	0	0	0		
TOTAL REVENUE	(4,989,522)	(3,109,503)	(341,114)	(4,648,408)	7%	(211,057)	(211,864)	807		
EXPENSE										
Council	150,200	37,550	52,143	98,057	35%	22,466	6,417	16,050		
Administration	642,210	160,553	173,397	468,813	27%	51,149	45,354	5,107		
Fire	29,250	7,313	12,361	16,889	42%	3,924	2,829	1,095		
Disaster Service	1,500	375	0	1,500	0%	0	0	0		
By-Law	60,420	15,105	2,284	58,136	4%	2,284	68	2,216		
Public Work	487,163	121,791	112,060	375,103	23%	37,423	39,334	(1,911)		
Street & Road	307,300	76,825	45,914	261,386	15%	23,516	17,625	5,891		
Storm Sewer	17,400	4,350	0	17,400	0%	0	985	(985)		
Water	357,900	89,475	64,666	293,234	18%	20,414	22,047	587		
Sewer	104,200	26,050	9,434	94,766	9%	4,038	3,076	962		
Garbage	388,510	178,846	47,406	341,104	12%	23,887	0	23,887		
Cemetery	4,800	1,200	0	4,800	0%	0	0	0		
Town Beautification	30,500	7,625	0	30,500	0%	0	415	(415)		
Planning & Subdivision	163,350	40,838	11,803	151,547	7%	2,060	850	1,210		
Hall	204,009	51,002	40,548	163,461	20%	11,764	15,094	(3,330)		
Arena	381,122	95,280	90,612	290,510	24%	28,982	26,721	2,260		
Park	97,863	24,466	1,657	96,206	2%	456	88	368		
Curling Rink	42,000	10,500	15,777	26,223	38%	2,251	279	1,972		
FCSS & School Fund	615,460	153,865	9,733	605,727	2%	0	0	0		
Total Expense	4,085,157	1,103,007	689,795	3,395,362	17%	234,616	181,181	54,966		

Description	2020 Budget	Targeted Amount		2020 Actual		Variance	% of Completion		Increase/ (Decrease)	Percentage	Note
		Jan - Mar	Jan - Mar	Jan - Mar	Jan - Mar		2020 - Mar	2019 - Mar			
Capital Programs											
Administration	0	0	0	0	0	0%	0	0	0	0%	
Fire	0	0	0	0	0	0%	0	0	0	0%	
Public Work	0	0	0	0	0	0%	0	0	0	0%	
Street and Road	653,400	163,350	2,069	651,331		0%	0	4,325	(4,325)	-100%	
storm Sewer	0	0	0	0	0	0%	0	0	0	0%	
Water	0	0	0	0	0	0%	0	0	0	0%	
Sewer	0	0	0	0	0	0%	0	0	0	0%	
Planning & Subdivision	0	0	0	0	0	0%	0	0	0	0%	
Hall	0	0	0	0	0	0%	0	0	0	0%	
Arena	0	0	0	0	0	0%	0	0	0	0%	
Park	41,000	10,250	0	41,000		0%	0	0	0	0%	
Curling Rink	0	0	0	0	0	0%	0	0	0	0%	
Total Capital Programs	694,400	173,600	2,069	692,331		0%	0	4,325			



Department: Fire Department
For the Month ending: March 2020

- Training suspended due to Covid-19
- Completed on boarding for 2 new members
- Chief Zayonce interviewed applicants for Fire Chief position and Scott Calder was the successful candidate
- Applicants for Deputy Chief position were interviewed and Russel Scott was the successful candidate
- Awards Night was held on March 14 and was very successful
- Attended 2 calls this month
-

Planned for next month:

- Applications to be sent out for filling the vacant Captain and Lieutenant positions
- Due to the Covid-19 practice nights are going to try meeting using virtual assistance
- Will be starting to transition with new Fire Chief and Deputy Fire Chief

John Helton, Fire Chief
District 4

CLOSED SESSION NOTICE

April 14, 2020

- Personnel (*FOIP Section 17 – Disclosure Harmful to Personal Privacy*)
- Advice from Officials – (*FOIP Section 24(1)(a), Advice, proposals, recommendations for or by a public body*)