

AGENDA
COUNCIL COMMITTEE MEETING
MUNICIPAL DISTRICT OF PINCHER CREEK
FEBRUARY 13, 2018
9:00 AM

1. Approval of Agenda
2. Items in Excess of \$10,000 Over/Under Budget – December 31, 2017
3. 2018 Budget Amendment Discussion
 - Report from Director of Finance, dated February 5, 2018
4. Council Remuneration and Expenses – Corporate Policy C-CO-001
5. Crowsnest / Pincher Creek Landfill Association Presentation – 10:30 am
 - Powerpoint Presentation
6. Adjournment

Items in Excess of \$10,000 Over/Under Budget

December 31, 2017

| Description | Budget | Actual | Variance | Explanation |
|--------------------------------------|-------------|-------------|-------------|---|
| <u>Wages</u> | | | | |
| Council | (155,950) | (163,863) | (7,913) | More meetings attended than budgeted |
| Administration | (1,265,300) | (1,239,436) | 25,864 | Savings in health care expenses |
| AES | (325,730) | (295,465) | 30,265 | One less summer student hired |
| Public Works | (2,442,010) | (2,443,573) | (1,563) | More OT required with storms in Jan and Dec |
| <u>Taxes and Requisitions</u> | | | | |
| Residential Taxes | 3,729,550 | 2,262,302 | (1,467,248) | |
| Non Residential Taxes | 842,540 | 532,356 | (310,184) | |
| Machinery and Equipment Taxes | 1,850,870 | 1,772,046 | (78,824) | |
| Railway Taxes | 86,150 | 57,069 | (29,081) | |
| Farmland Taxes | 541,780 | 373,985 | (167,795) | |
| Linear Taxes | 3,391,430 | 2,021,997 | (1,369,433) | |
| Power Generation Taxes | 3,805,890 | 3,503,986 | (301,904) | |
| Public School Taxes | - | 2,518,403 | 2,518,403 | |
| Separate School Taxes | - | 123,770 | 123,770 | |
| Pincher Creek Foundation Taxes | - | 328,799 | 328,799 | |
| PCESC Taxes | - | 307,922 | 307,922 | |
| Reserve Funds for Operating | - | 298,701 | 298,701 | |
| Provincial School Requisition | (2,806,620) | (2,550,885) | 255,735 | |
| PC Foundation Requisition | (341,000) | (329,652) | 11,348 | |
| PCESC Requisition | (316,170) | (438,030) | (121,860) | |
| | | | (1,650) | All of these accounts are linked together. There was a loss in assessment (linear and M&E) so the mill rate stabilization reserve was used. The reserve was also used to fund the PCESC capital levy. Then, internally, accounts were formatted differently, breaking out the municipal taxation revenue from the requisition taxation revenue. Net difference of all accounts is insignificant |

| | | | | |
|------------------------------------|-----------|-----------|-----------|--|
| Penalties on Taxes | 54,000 | 73,275 | 19,275 | More penalties placed on taxes with new penalty schedule and large outstanding tax accounts with Lexin Resources |
| Gain on Bonds Sold | - | 54,190 | 54,190 | Gain on two bonds sold, not budgeted for due to unpredictability |
| Interest on Investments | 260,000 | 248,472 | (11,528) | Less interest earned on bonds with Wood Gundy than expected |
| Sale of Land | - | 22,789 | 22,789 | Sale of closed road allowances during the year, not budgeted for due to unpredictability |
| Loss on Sale of Assets | - | (104,761) | (104,761) | Loss on sale of land at Castle Mountain to the Province |
| <u>Council</u> | | | | |
| Travel and Subsistence | (44,000) | (54,840) | (10,840) | More mileage and travel expenses (flights, hotels) than anticipated |
| <u>Administration</u> | | | | |
| Reserve Funds for Operating | 134,000 | 13,040 | (120,960) | Budgeted transfer from Mill Rate Stabilization Reserve not needed; Res 16/400 snow stop for admin building |
| Janitorial | (70,000) | (81,116) | (11,116) | More cleaning required during PW renovation |
| Assessment Contracts | (128,290) | (100,717) | 27,573 | Changes to MGA in 2017 led to the MD not having to pay for Linear assessment fees from the Province |
| Repair of Building | (6,000) | (22,205) | (16,205) | Res 16/400 snow stop for admin building |
| Contracted Services | (73,700) | (56,350) | 17,350 | Amounts for special consultant and employee recruitment not used, carried forward to 2018 |
| Transfer to Reserves | - | (20,000) | (20,000) | Transfer for consultant in Feb 2018 |
| Assessment Adjustments | (20,000) | (8,388) | 11,612 | Not as many assessment adjustments required by MD Assessor |
| <u>Fire</u> | | | | |
| Fire Fighting Services | - | 12,200 | 12,200 | |
| Reserve Funds for Operating | - | 40,000 | 40,000 | Res 17/539 |
| Emergency Services Fees | (40,000) | (93,500) | (53,500) | |
| | | | (1,300) | Total extra cost of residential fires within the MD |
| <u>Emergency Management</u> | | | | |
| Other Revenue | - | 53,919 | 53,919 | Funds from former PCEMA plus invoices to municipalities for MD's help in disaster response |
| Transfer to Reserves | - | (47,622) | (47,622) | Funds from former PCEMA |

Bylaw

| | | | | |
|----------------------|-----------|-----------|----------|---|
| RCMP Fine Revenue | 20,000 | 9,607 | (10,393) | Fines only received when paid |
| RCMP Contract | (152,950) | (115,925) | 37,025 | Not received invoice for RCMP contract, funds carried forward |
| Transfer to Reserves | (39,680) | (78,350) | (38,670) | Transfers for RCMP contract |

Public Works

| | | | | |
|--|-----------|-----------|----------|---|
| Sale of Gravel | 45,000 | 89,064 | 44,064 | Sold gravel pile to Town of PC @ Heritage Acres Pit |
| Other Revenue | 1,000 | 13,815 | 12,815 | Insurance payout for written off vehicles & STEP allocation |
| Provincial Grants - Operating | 50,000 | 249,061 | 199,061 | MSI Operating, Operating costs for PW reno's covered by MSI, and Federal Gas tax which was allocated to reserves since the project was submitted was originally funded out of there |
| Reserve Funds for Operating | 98,000 | 284,055 | 186,055 | Usage of prior year carryforwards amounts and some projected capital projects that didn't result in capital items |
| Contracted Gravel Trucks | (300,000) | (277,986) | 22,014 | Managed to get projects done under budget |
| Repair of Machinery and Equipment | (50,000) | (110,515) | (60,515) | Many unexpected major repairs: engine in 61, front wheel drive motors on 59 and 62, broke front end off 418 drift bashing, multiple clutches that were wore out. |
| Operating Projects funded by Grants | - | 22,739 | 22,739 | Operating costs for PW reno's covered by MSI |
| Operating Projects funded by Operating | (357,000) | (277,089) | 79,911 | Under budget in dust control and Texas gate programs, line painting didn't occur so funds were carried forward to 2018. |
| Operating Projects funded by Reserves | (98,000) | (144,945) | (46,945) | Projects that didn't end up being capital (lagoon access study, engineering for lagoon, BF 1113) |
| Gravel Crushing | (482,500) | (538,900) | (56,400) | over-expenditure covered by 2016 carryforward |
| Office Equipment and Furniture | (3,300) | (20,133) | (16,833) | New furniture required after renovation |
| Machinery and Equipment Parts | (60,000) | (106,254) | (46,254) | Many unexpected major repairs: engine in 61, front wheel drive motors on 59 and 62, broke front end off 418 drift bashing, multiple clutches that were wore out. |
| Fencing Materials | (23,500) | (8,060) | 15,440 | Had allocated for DC to rebuild snow fence lost in fire, but wasn't completed in 2017. Funds carried forward to 2018 and completed in Jan '18 |
| Salt and Sand | (32,400) | (13,669) | 18,731 | Purchased as required |
| Royalties on Gravel | (225,000) | (302,493) | (77,493) | over-expenditure covered by 2016 carryforward |
| Inventory Change | - | 255,644 | 255,644 | Net change for inventory, not budgeted due to unpredictability |

| | | | | |
|-----------------------------|-------------|-------------|-----------|---|
| Transfer to Reserves | (1,215,840) | (1,346,653) | (130,813) | 2017 Fed Gas Tax applied to reserves since project was funded by reserves |
| Capital funded by Operating | (140,000) | (113,450) | 26,550 | Plow truck came in under budget |

Lundbreck

| | | | | |
|----------------------|----------|---------|--------|---|
| Repair of Streets | (11,500) | (1,480) | 10,020 | No significant street repairs required in 2017 |
| Repair of Structures | (21,500) | (9,252) | 12,248 | No significant water line breaks occurred in 2017 |

Waste Management

| | | | | |
|------------------------|-----------|-----------|---------|---|
| Lundbreck | (19,720) | (23,392) | (3,672) | |
| Beaver Mines | (9,790) | (11,120) | (1,330) | |
| PW Shop | (57,560) | (60,100) | (2,540) | |
| Landfill Charges | (180,600) | (163,876) | 16,724 | |
| Castle Mountain Resort | (14,780) | (21,744) | (6,964) | |
| | | | 2,218 | Overall savings to the waste collection program |

Regional Water

| | | | | |
|-----------------------------------|----------|-----------|----------|---|
| Repair of Machinery and Equipment | (3,500) | (16,721) | (13,221) | Overage caused by water shortage during Summer/Fall |
| Contracted Services | (70,000) | (136,020) | (66,020) | Overage caused by water shortage during Summer/Fall |

Planning

| | | | | |
|------------------------|-----------|----------|----------|--|
| Safety Code Contractor | 50,000 | 90,662 | 40,662 | First year with Safety Code Contractor, budget was an estimate |
| Contracted Services | (112,820) | (91,023) | 21,797 | Misunderstanding in budgeting for safety code contractor, funds not paid to contractor until permits are closed, surplus carried to 2018 |
| Transfer to Reserves | - | (53,500) | (53,500) | Surplus from Safety Codes and funds for 2018 land settlement |

Agricultural and Environmental Services

| | | | | |
|----------------------------|--------|--------|--------|--|
| Sale of Goods and Services | 33,000 | 46,028 | 13,028 | Increased invoices to industry customers (CPR etc.) |
| Other Revenue | 20,000 | 35,124 | 15,124 | Waterton Biosphere for dead stock program & STEP reimbursement |

| | | | | |
|-----------------------------|----------|----------|----------|--|
| Reserve Funds for Operating | 10,000 | 38,673 | 28,673 | Usage of prior year carry forwards and AES work on PW gravel |
| Dead Stock Program | (22,750) | (36,762) | (14,012) | Over expenditure covered by funds received above |
| Pesticides | (75,000) | (85,189) | (10,189) | Related to increase in revenue (more contracts, more chemicals required) |
| Capital Funded by Operating | (10,000) | | 10,000 | Equipment was ordered late, funds carried forward to 2018 |

TO: Wendy Kay, CAO

FROM: Janene Felker, Director of Finance

SUBJECT: 2018 Budget Amendment Discussion

1. Origin

Even though 2018 has just begun, there has been some discussion around the Council table in regards to the 2018 approved budget. I thought it might be prudent, to have a more directed discussion regarding the budget and determine whether Council wishes to make any changes. We can pass a revised budget as long as the 2018 mill rate bylaw has not been passed. After that, we have to use reserves to fund any additional expenditures or delay them until the 2019 budget.

My proposal is that Council have a discussion today, direct Administration to make changes (if any). An amended budget will be presented at the February 27th meeting if needed, a special meeting for the 2018 assessment and municipal mill rate will be held on March 6th, and then depending on when we receive the school requisition, the mill rate bylaw will be presented at either the March 22nd or April 10th Council meeting.

2. Discussion

Below are some topics that could be discussed by Council:

Assessment

We have received preliminary assessments from both the MD's assessor and the Province. Combined the MD has lost over \$27,000,000 in assessment when compared to 2017 (most of this is coming from decreases in linear and machinery and equipment). This means that to raise the current amount of municipal taxes in the 2018 budget, all of the municipal mill rates will have to increase by over 7%. Discussions of how to mitigate this (the usage of the mill rate stabilization reserve or the increase of certain category mill rates in relation to others) will be done at the March 6th meeting once the figures have been finalized.

In addition, a one percent change in all municipal mill rates has decreased from \$105,500 to \$102,000.

Emergency Services

As Council decided at the last meeting, the entire amount of the levy from Pincher Creek Emergency Services is going to be collected by separate levy on the tax notice. Using the preliminary assessment figures, this means that the mill rate will increase roughly 75%. That said, using an assessment of \$300,000 the total dollar change would be about \$40.

Community Grant Writer

Currently there is nothing in the 2018 budget that would allow for a \$20,000 contribution towards the community grant writer position. This amount could either be included in an amended budget or could be taken out of the mill rate stabilization reserve if Council decides to fund in 2018. The 2019 and 2020 contributions of \$20,000 can be included in those respective years' budgets.

Curling Rink

The Pincher Creek Curling Rink is requesting \$1,250,000 for the construction of a new curling rink facility. Even if they receive a grant, it is likely that this request will not decrease. This is due to the fact that the original request is only for construction of the new rink, they have not addressed the costs associated with landscaping and the interior. In addition, the MD has pledged \$140,000 to the Society for the new ice plant that has not yet been purchased.

After the ice plant and 2018 budget contributions are made, the Town Recreation Facilities Reserve will have approximately \$438,000 in it. The caution with using this reserve, is that the current policy states that the reserve should only be used for Town owned facilities. After the presentation from the Society, it isn't clear whether the Town will be taking ownership and the fact that the request is coming from the Society and not the Town is a factor to consider.

If Council wants to support this initiative, how would they like to fund it? There is not enough in reserves.

- We do have significant MSI funds but there are some substantial upcoming infrastructure projects (ex. HWY 3A in 2019 is currently estimated to be \$1,000,000) and the four year forecast of bridge projects exceeds the reserve (\$3,750,000 in projects; \$1,900,000 in reserves).
- Annual contribution to the society (perhaps over the next 3-5 years). Using the preliminary figures the approximate effect on the municipal mill rate would be:
 - 3 years - \$416,000 per year (4% mill rate increase)
 - 4 years - \$312,500 per year (3% mill rate increase)
 - 5 years - \$250,000 per year (2.5% mill rate increase)
- A debenture

Other Initiatives

Are there any other initiatives that Council would like to discuss for 2018?

Respectfully Submitted,

Janene Felker, Director of Finance

Reviewed By: Wendy Kay, CAO



Date: February 6, 2018

TITLE: COUNCIL REMUNERATION AND EXPENSES

Approved by Council

Date: June 28, 2016

Revised by Council

Date: *November 7, 2017*

Applicable Provincial Legislation

Municipal Government Act
Section 275.1

Policy Statement

Council members shall be reimbursed for attendance at meetings and related expenses, as set out below.

1.0 COUNCIL HONORARIUM

Council honorariums are set by Council resolution, prior to each election.

A monthly honorarium will be paid each Councillor in recognition of their commitment to attend to issues, above and beyond regular Councillor duties, excluding travel, meetings and meeting related expenses.

In addition to the Councillor honorarium, the Reeve will receive an additional amount in recognition of additional responsibilities attached to the office.

2.0 COUNCIL EXPENSE CLAIMS

Council members appointed to Council approved Boards and Committees are entitled to submit per diem, and other eligible expense claims to the municipality for reimbursement. Per diems and mileage paid to Councillors' by Committees or Boards of which they are members, are to be paid directly to the MD of Pincher Creek.

OUT OF TOWN CONVENTIONS / CONFERENCES

All Councillors are authorized to attend both Spring and Fall AAMD&C Conventions.

Two Councillors plus the Reeve are authorized to attend the annual FCM Convention, with the intention of the Councillors rotating from one year to the next.

Any additional conventions that Councillors wish to attend are to be approved by Council.

M.D. OF PINCHER CREEK NO. 9

CORPORATE POLICY

C-CO-001

TITLE: COUNCIL REMUNERATION AND EXPENSES

Approved by Council

Date: June 28, 2016

Revised by Council

Date: *November 7, 2017*

PER DIEMS

Per Diem rates are set by Council resolution, prior to each election.

Per Diem claims will be accepted in accordance with the following rate schedule:

Half Day attendance at any combination of meetings up to four (4) hours duration including travel time

Full Day attendance at any combination of meetings exceeding four (4) hours and up to eight (8) hours duration including travel time

Day and a Half any combination of meetings exceeding eight (8) hours duration including travel time

MILEAGE

The MD pays mileage if your personal vehicle is used on MD business. This includes travel to and from meetings, conventions and/or work related activities in town and out.

When an appropriate MD vehicle is available, it is preferable that it be used by Council members for travel on MD business of two or less days. If an MD vehicle is not available or is not a practical alternative in a particular circumstance, a private vehicle may be used and a claim made for the full prescribed mileage rate. When a private vehicle is used to travel on MD business but also to accommodate personal uses, mileage claims will be paid only at 50% of the prescribed mileage rate.

OUT OF TOWN EXPENSES

Council members attending out of town meetings or conferences, as members of a Council Committee or Board require Council approval, if per diems and expenses are to be claimed.

Councillor claims for attendance at out of town meetings or conventions will be based on the following criteria unless otherwise approved:

M.D. OF PINCHER CREEK NO. 9

CORPORATE POLICY

C-CO-001

TITLE: COUNCIL REMUNERATION AND EXPENSES

Approved by Council

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Accommodation

total cost

Accommodation costs will be taken care of by the CAO, or designate, where possible.

Telephone calls may be claimed if they are related to the operation of your business. Personal services such as movie rentals are not claimable.

If Administration staff are not available to cover these costs, Council is to use their MD issued credit card.

Per Diem

equal to Councillor full day rate of pay for the total number of days that the Council is away

Other Costs

the actual cost of transportation

Meals

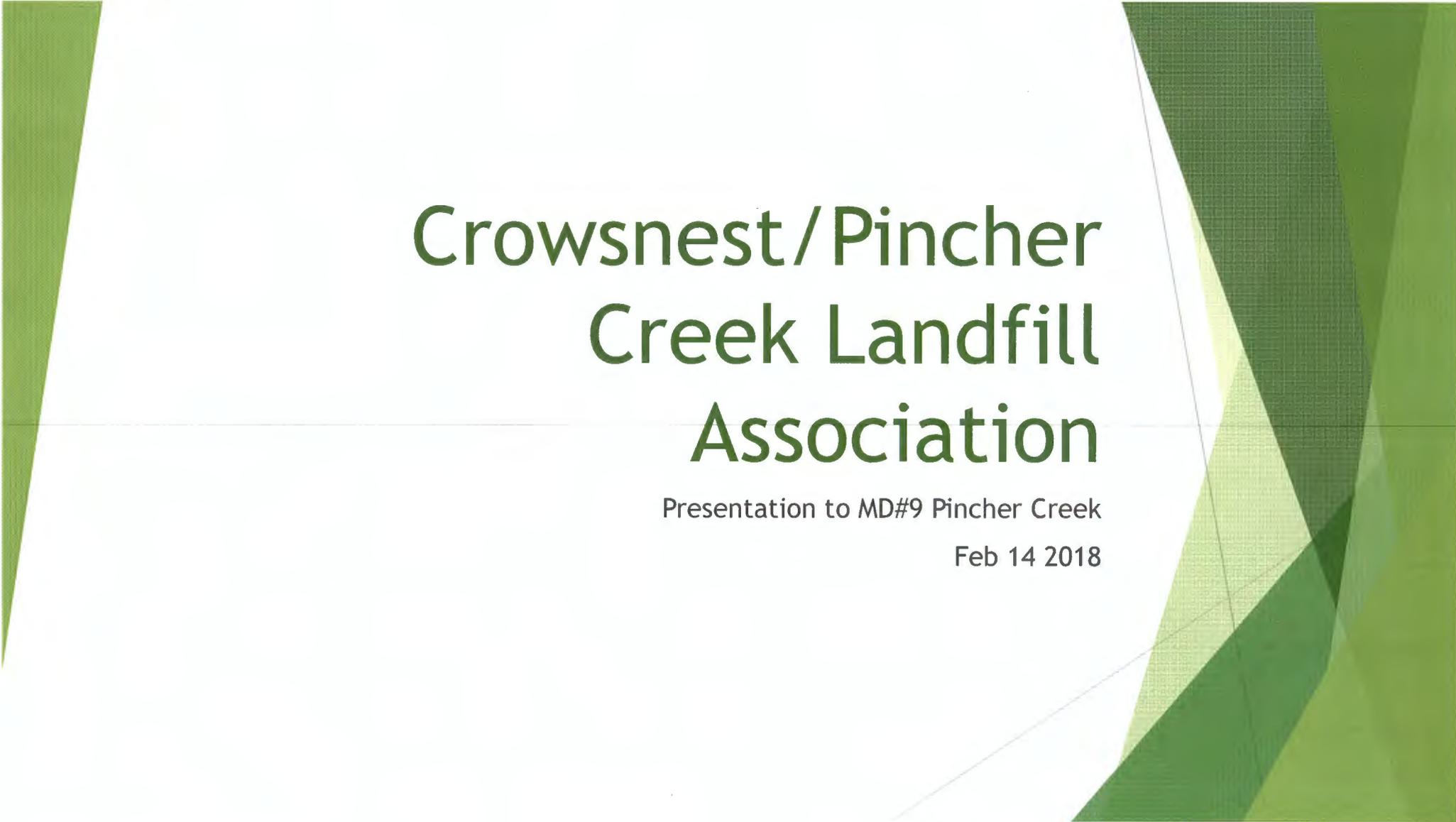
the cost of meals incurred while out of town on MD business can be claimed to a total of a maximum of \$100.00 per day.

When attending meetings locally, only when such meetings are interrupted by lunch or supper hours, are the costs of meals claimable.

Spouses' meals are not paid by the MD.

Registrations

Cost of registrations will be handled internally by administration.



Crowsnest / Pincher Creek Landfill Association

Presentation to MD#9 Pincher Creek

Feb 14 2018

Landfill Designation

- ▶ Non-profit association governed by Board of Directors
- ▶ Operation guidelines include approved Budget and Financial transactions.
- ▶ Self sustainable entity with revenues from sales of airspace to area municipal government, residents and commercial contracts.(No Federal, provincial or Municipal funds.)
- ▶ Class 11 Landfill as designated by Alberta Environment and Parks.
- ▶ Licensed to accept Municipal Solid Waste and Non- Hazardous industrial waste.
- ▶ Eco recycle centre which processes all majors forms of recyclables.

Landfill Current and Future Projects.

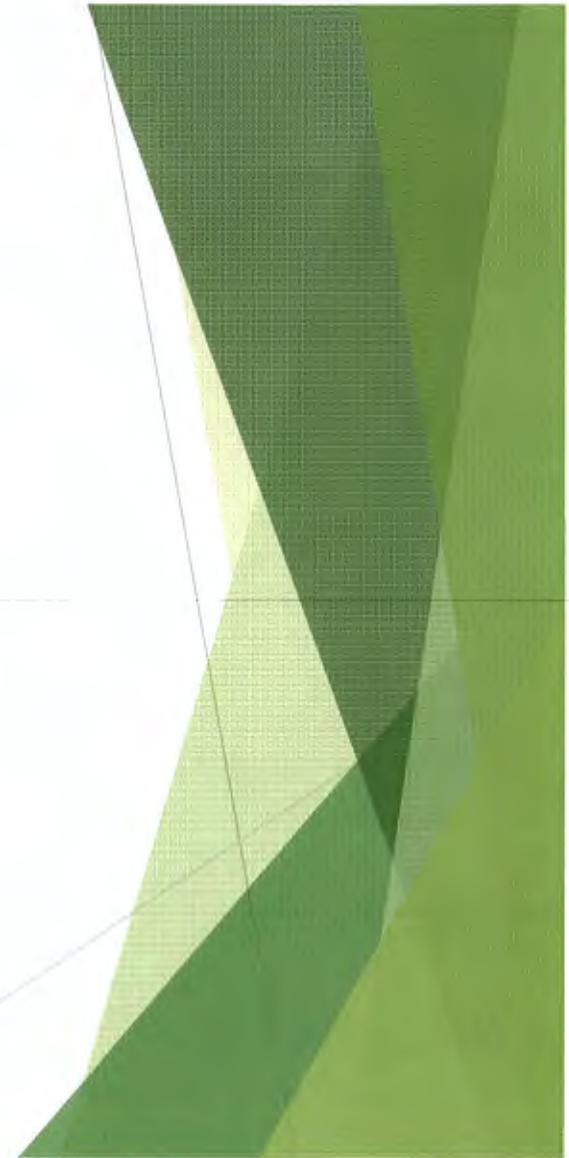
- ▶ Landfill Gas mitigation and extraction project 2017/2018.
- ▶ Storm water pond and collection expansion 2017/2018.
- ▶ MSW cell expansion as per 25 year plan 2017/2018.
- ▶ Incinerator operator permit application 2013/2018
- ▶ Potential incinerator plant approval and operation 2018/2020
- ▶ Compost project review and feedstock review 2018.
- ▶ Regional Recycling project 2011/?

Deadstock Handling

- ▶ Local producer dead stock includes.(Chickens, Pigs, Horses and various exotic farm animals.
- ▶ Wild animal encounters (Road Kill, Poaching, Diseased carcasses
- ▶ No Beef cattle or calves based on BSE protocol.
- ▶ On-going project to apply for incinerator operator permit and eventual incinerator operation to handle deadstock.

Incinerator Project

- ▶ Deadstock Handling review started in March of 2013
- ▶ Expression of Interest from Incinerator Manufacturers in March 2014.
- ▶ MOU with Eco waste in July 2104.
- ▶ On-going discussions with AEP 2015 /2020
- ▶ 3rd party open house information package and presentation Sept 2016
- ▶ Application for amendment to current approval for permit to operate incinerator. June 2017
- ▶ Permit application and data currently under review by AEP.



Incinerator

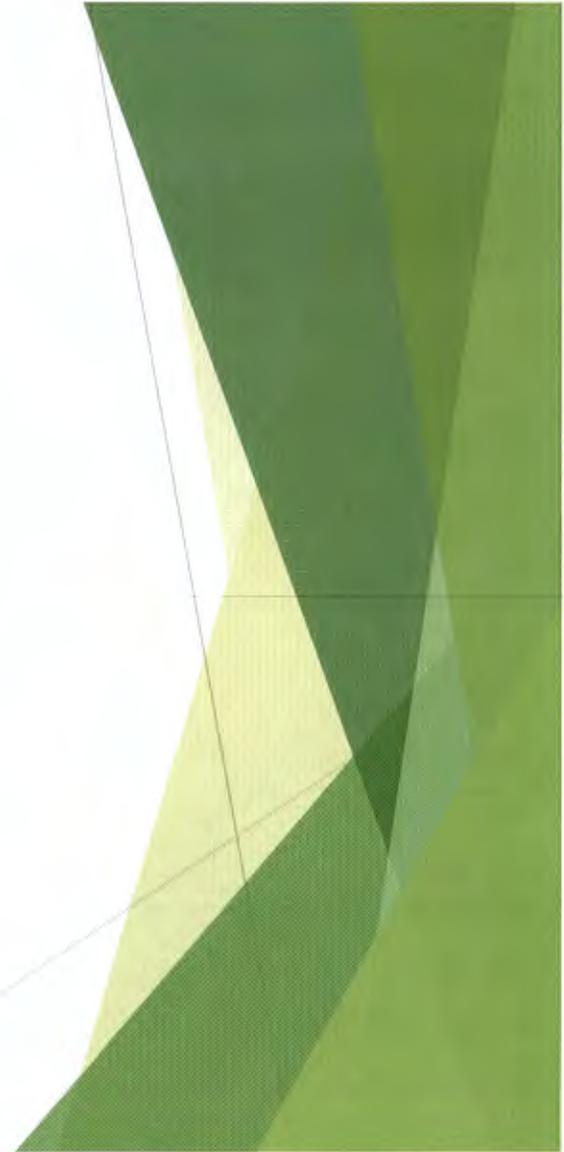
- ▶ 10 ton per 24 hour operation cycle batch plant.
- ▶ 2 stage process with primary and secondary chamber process.
- ▶ Operating temp of 900 to 1000 degrees C.
- ▶ Natural gas fired and full computerized operating and monitoring system
- ▶ Full time stack emission monitoring system.
- ▶ Waste characterization and emissions data available on our website.
- ▶ Manufacturer required to meet all AEP and EPA emissions standards along with reports capabilities for such standards.

Recycling and It's Potential

- ▶ Eco Recycle building operational since Jan 2017.
- ▶ 8000 sq. ft building with modern equipment to handle (cardboard, plastic, Household Hazardous, Paint, Batteries, Freon removal, Mercury vapour lamps, Used oil, filters.
- ▶ Building is operating at 60% capacity with room to expand in both volume and materials.
- ▶ Community and residential based recycling needs governmental attention and programs to increase recycling in rural communities.
- ▶ Current recycling rate is approx. 15% across our region. Target for the next 5 years should be a 5% increase per year.
- ▶ We are a resource that waits to be enabled. **YOU ARE THE ENABLER.**

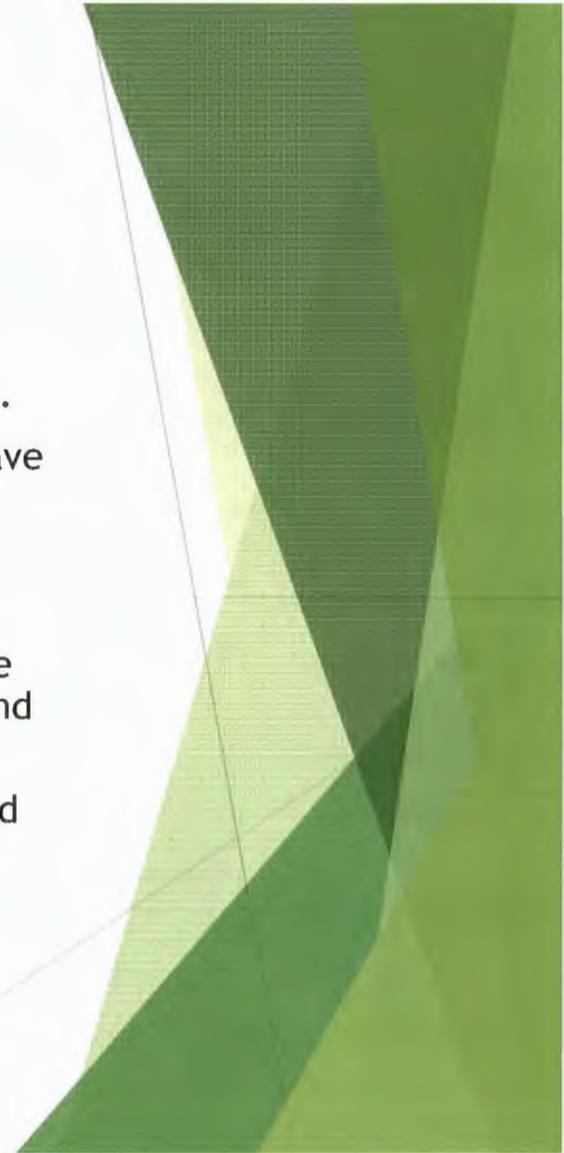
Composting Here and Now

- ▶ Preliminary research indicated that controlled waste stream collection of organics can help reduce disposal in landfills.
- ▶ Local resident and commercial participation is required.
- ▶ Modern automated composting plants with various capacities available.
- ▶ Commercial producers of organic waste are the most effective start up suppliers.
- ▶ Schools, hospitals, personal care homes are viable centres for collection.
- ▶ Residential pick up is the most time consuming and expensive.
- ▶ Municipal governance is required with waste policy and monthly rates implemented.



Agricultural Plastics

- ▶ Chemical jug recovery and recycling well in hand with Clean Farms process.
- ▶ Bale twine collection was introduced in 2015 and is slowly increasing we have collected and baled approx. 15 tonnes.
- ▶ Majority of twine is being hauled to the landfill with regular waste and landfilled, a small percentage is still being burned at the producers sites.
- ▶ Grain bags, silage bags are the big cause of concern with much of the silage bags being scraped up and hauled into the landfill with far too much dirt and debris to be recycled.
- ▶ Recyclers have minimal capability of handling silage bags that are not rolled and kept relatively clean.
- ▶ Municipal incentives and training of producers would go a long way to improving the recycling of these products.



Residents, Municipality, Landfill

- ▶ The Landfill is a resource for all to use.
- ▶ Recycling, Reduction and Reuse are the best options for a better environment.
- ▶ We are here to work with all groups who want to make those changes we all talk about.
- ▶ Please remember when it arrives at our facility **IT IS THE END OF THE LINE.**



THANK YOU

▶ QUESTIONS

