

Municipal Reserve Policies

Many municipalities have policies outlining how they use reserves and their role in supporting proper planning and effective service delivery. Rather than relying only on the summary nature of this report, the excerpts below from actual municipal policies provide examples of how reserves are used in different types of municipalities and why they are so important:

Town of Stony Plain

Reserves are vital to municipal financial health. Having healthy levels of reserve enable the Town of Stony Plain to:

- Plan for future operating and capital needs of the municipality
- Plan for contingencies
- Help to avoid interest expense for debt
- Generate investment income
- Deal with the ebb and flow of cash management throughout the fiscal year

Healthy reserves result from having policy surrounding their management as well as effective long-term planning to determine correct reserve levels. Standards in a reserve policy should support standards in a long-term planning policy and vice-versa.

Town of Canmore

Canmore is sustainable only if both its capital infrastructure assets and its financial assets can be maintained over the long term. It is the policy of the Town of Canmore to establish reserve funds to ensure the long-term financial stability and flexibility for the Town of Canmore, to position it to respond to varying economic conditions and changes affecting the Town's financial position, and to ensure the organization has the ability to continuously carry out its responsibilities.

Parkland County

The ongoing commitment of funds to restricted surplus provides for property tax stabilization, contingency funding, and reduces the need for debt financing. Established guidelines ensure consistent and effective management of the designated funds pertaining to the restricted surplus.

Strathcona County

A Reserve Policy is a prudent business practice that will enhance Strathcona County's financial strength, flexibility, cash flow management, and ability to achieve the Council Vision and the Strategic Plan priorities. A Reserve Policy is required to establish, maintain and manage Reserve funds that:

- maintain and improve Strathcona County's working capital requirements;
- provide for future funding requirements; and
- provide stabilization for fluctuations in operating and capital activities.

Financial Reserves Support Healthy Communities

By properly monitoring the age and condition of infrastructure and developing a long-term plan for maintenance and replacement, municipalities will increase accountability and efficiency in both managing their assets and improving their service levels. Municipal financial reserves are necessary to ensure that municipalities can invest in needed infrastructure that support Alberta's economy and healthy, thriving communities, as well as have the strong financial foundation in place to adapt to changes in the economy and continue to provide the services that residents and industry relies on.

To: Mayor and Council
From: Chief Administrative Officer
Date: February 21, 2023
Purpose: **Request for Decision**
Subject: Request to Waive Costs for Water Leak

Summary:

A Resident is requesting financial relief for costs associated with a water leak at their residential property.

Background and Discussion:

Administration is providing Council with a written request from a Town Resident related to a water leak inside their residential property. The Resident's name and specific address has been redacted.

As described in the Resident's written submission, the leak is expected to result in a substantial utility bill, which Administration calculates at \$5,077.80 (\$3,906 for Water, \$1171.80 for Wastewater).

The Resident has indicated a willingness to pay the associated cost of the leak but that doing so would produce a significant burden. As such, the Resident is requesting that Council consider reducing the balance by providing the water 'At Cost'.

Under Bylaw 002:2021, utility customers are charged \$3.72 per cubic meter of water used, with 30% of the volume also being charged \$3.72 per cubic meter as wastewater usage.

The Town's cost for water in 2022 was \$3.39 per cubic meter, excluding associated fees levied by the provider (eg. Capital replacement reserve, service fees). Applying those fees brings the total cost of delivered water to approximately \$3.92 per cubic meter.

Options Council may wish to consider include:

1. Reducing the rate for water usage from \$3.72 to \$3.39 to provide \$346.50 in relief to the Resident.
2. Reducing the rate for wastewater from \$3.72 to \$3.39 to provide \$103.95 in relief to the resident.
3. Eliminating the wastewater charges entirely to provide \$1,171.80 in relief to the resident.
4. Offering the Resident a payment plan of up to three years (\$141.05 per month).

As a best practice, Administration does not recommend waiving taxes, fees, or other sources of revenues for individuals or groups on the basis that the costs associated with those waivers benefit the few at the cost of the many.

Financial Implication(s):

Uncollected fees will be offset by property taxes.

Recommendation:

Administration does not recommend waiving costs associated with the leak, however Administration believes that the Town has sufficient financial health to absorb the immediate costs, enabling Council to offer a payment plan, without penalties applied, of up to three years.

Recommendation Motion(s):

Option #1:

Motion #1: **THAT** the request to waive costs be respectfully declined.

AND

Motion #2: **THAT** Administration be directed to work with the Resident to establish a payment plan up to three years in length, with no penalty fees applied if the payment schedule is honored.

Option #2:

As determined by Council.

Respectfully submitted,

"Doug Hafichuk"

Chief Administrative Officer

ATTACHMENTS:

Attachment 'A' – Written Request from Irricana Resident

Attachment 'A'

Written Request from Irricana Resident

February 17, 2023

Mr. Doug Hafichuk, CAO
Town of Irricana
PO Box 100
Irricana, AB T0M 1B0

Re: Town Council Meeting – [REDACTED] March 2023 Water Bill

Dear Doug,

Thank you for speaking with me last week to share our devastating water damage to our home on [REDACTED].

Our family has had challenges recently, my husband was on LTD for 18 months and returned to work in December. I am retired and have no income. Prior to this, was COVID where everyone was locked down. During this period, we had our second water leak that cost us in excess of \$3,900 which we just finished paying off last year. We apparently had over 1,069 m3 water. We showed no sign of a water leak and had the town of Irricana staff come to the house to see if there was a water leak somewhere from house to meter. Or if there was a faulty meter. The town replaced our reading “puck” on the exterior of the house. It was not a good experience as the past CAO did not return my calls and the office was closed due to COVID. I am very appreciative that <Town Staff> and the council accept this agenda item as it was a difficult unforeseen expense for us.

In the first week of February, I went to the Irricana house and found water upon entering the house. I called Town of Irricana and <Public Works Staff> came out. I told him we had broken pipes, & need to shut water off at street because I couldn't shut water off at house. The shut off rod was frozen so he had to get hot water apparatus. He couldn't shut water off inside the house either. There were more issues BNB Beiseker had to come out. After several attempts, helper was able to loosen the crud build up at the tap and we were finally able to shut the water off. BNB came out the following week to dig up the rod to the water line 10' down, they were able to fix the rod to shut the water at the street.

Unfortunately, we also had to hire a plumber. He's spent two weekends so far and isn't finished. Our pipes along the perimeter of the house appeared to have “blown apart” at the elbow of approximately 6 copper pipes, Our house has a boiler and our heat is water baseboard heating. Our faucets in the ensuite also blew off. I showed this to one of the Irricana employees and was told several houses had similar situations, blown faucets. I was then made aware that on December 24, a water main blew 6 houses from ours. The crew worked Dec 24 & 25th to restore water service. I thought pressure blew our pipes, but told gradual water flow during restore. So just a coincidence of several homes' faucets blowing off, just like our copper pipes. Its just all so very unfortunate that it happened.

I spoke to <Administration> and she confirmed that approximately 1,050 m3 water has flowed from the house since our December billing date. And projected the March bill to be approximately \$5,100.00 We researched prior bills and confirmed the following:

Sept/Oct bill: 2,917 m3 meter reading
Nov/Dec bill: 2,918 m3 meter reading 1 m3 water usage
Feb 6 2020 bill to date: 3,968 m3 meter reading 1,050 m3 water usage

Our Costs:

Water Usage: 1,050 m3 at \$3,72/m3 = \$3,906.00
Sewer: 30% of 1,050 m3 = 350 m3 x \$3.72 = \$1,171.89
Another fee: \$50.00
Projected bill: \$5,100.00

What we are asking council for help with is:

- 1) I understand that the sewer usage is a calculation only and there was no actual water usage I think it's reasonable to request the sewer charge be waived.
- 2) The 1,050 m3 I was told the town could possibly provide some relief by way of reducing water to "at cost".
- 3) We will not be able to pay the bill and a delinquent balance forward after three months. I ask that a payment plan be acceptable and we are not considered delinquent under these circumstances please.

I sincerely appreciate your consideration in helping us as we are under financial duress.

Thanking you in advance,

Yours very sincerely,

[Redacted Signature]

Irricana, AB

To: Mayor and Council
From: Chief Administrative Officer
Date: February 21, 2023
Purpose: **Provided for Information**
Subject: Letter from Rebecca Schulz, Minister of Municipal Affairs

Summary:

Minister of Municipal Affairs, Rebecca Schulz, has replied to the 2022 resident petition seeking a municipal inspection.

Background and Discussion:

In the fall of 2022, Residents of Irricana submitted a petition to the Ministry of Municipal Affairs seeking a Municipal Inspection. The petition included the (verified) signatures of at least 20% of Irricana Residents, and was accepted by the Ministry.

In December 2022, Municipal Affairs staff undertook a preliminary review to assess the validity of the underlying complaints by Residents. This review included interviews with all Members of Council, the Chief Administrative Officer, and the Petition Organizer.

In her letter of February 14th, 2023, Minister Schulz concluded that:

"While I am not ordering an inspection, I have asked ministry staff to continue to provide advisory support to the town, and monitor any ongoing concerns raised by residents."

Although an inspection is not being ordered, Municipal Affairs did raise a number of items for discussion that Administration would like to update Council on.

- Alleged Violation of the Potable Water Regulation

The Town has been working with Alberta Environment and Parks (AEP) to support the investigation, including regular meetings with the EPO assigned to the file. A final submission of information to AEP is expected by the end of February 2023.

- **Ongoing Municipal Deficits**
As indicated in Minister Schulz’s letter, the municipal deficits have been declining in recent years, but remain in the 2021 Audited Financial Statements.

In lead-up to the 2023 Town Budget, Administration has undertaken a significant revamp of the organization, including a deep-dive into revenues and expenses, a focus on ensuring that budgets ‘Paint an accurate picture’ of the costs associated with delivering municipal services, and seeking to consistently improve financial controls.

Further, opportunities for additional (non-tax) revenues continue to be explored, including the recent Waste-to-Energy initiative brought to Council on February 6, 2023.

- **Insufficient Collection of Alberta School Foundation Fund Requisition**

The letter from Minister Schulz did not arrive in time for Administration to review the 2022 requisition and determine the difference what was requisitioned versus what was collected. However, Administration has reviewed Section 359(3) of the MGA, as suggested by the Ministry, and will be including any outstanding funds in the 2023 Town Budget.

Lastly, the Minister expressed concern about the relationship between Town Council and Administration (“the Town”) and Residents of the Community.

The closing months of 2022 and the early months of 2023 have seen a concerted effort on behalf of the Town to more fully engage with Residents, to ensure that accurate and timely information is provided, and that Residents are included in the continued development of the community.

These early, sincere, efforts have produced a perceptible positive change in the overall quality and tone of discourse within the community, and the Town has a number of initiatives (short-term, long-term) in the works to continue re-building relationships.

Financial Implication(s):

There are no financial commitments associated with this report.

Recommendation:

Administration recommends that Council receive this report for information.

Recommendation Motion(s):

Option #1:

Motion #1: **THAT** Council receives Administration's report for information.

Option #2:

As determined by Council.

Respectfully submitted,

"Doug Hafichuk"

Chief Administrative Officer

ATTACHMENTS:

Attachment 'A' – Letter from Minister Rebecca Schulz

Attachment 'A'

Letter from Minister Rebecca Schulz



ALBERTA
MUNICIPAL AFFAIRS

*Office of the Minister
MLA, Calgary-Shaw*

AR109899

February 14, 2023

His Worship Jim Bryson
Mayor
Town of Irricana
PO Box 100
Irricana AB T0M 1B0

Dear Mayor Bryson and Council:

Thank you for participating in and cooperating with the preliminary review conducted by Municipal Affairs in response to a petition requesting an inspection into the Town of Irricana. The preliminary review explored the concerns and issues that led to the petition.

The preliminary review identified a number of areas of concern, most notably the following:

- Conduct of the 2022 by-elections, including the denial of entry of a scrutineer and the removal of a candidate acting as their own scrutineer. While these are significant concerns, the *Local Authorities Election Act* provides a clear legislated process to address such concerns, and an inspection would not provide a remedy to these matters.
- Alleged violation of the Potable Water Regulation. Again, this is a significant concern, which I understand is being addressed by Alberta Environment and Protected Areas; an inspection would not provide any remedy to this matter.
- Ongoing municipal deficits. While a source of concern, our review indicates that the deficits appear to be declining and that the town has made improvements to its financial processes. Ministry staff will monitor the town's financial statements for 2022 and 2023 to determine if further supports might be appropriate in future.
- Non-compliant municipal tax rate bylaw. The town's 2022 tax rate bylaw is not compliant with legislation, as it does not levy sufficient funds for the Alberta School Foundation Fund requisition. While this is a concern, Section 359(3) of the *Municipal Government Act* provides the means for the town to mitigate this contravention through its 2023 tax rate bylaw, and I strongly encourage council to take steps to address this issue.

.../2

The preliminary review also identified a number of other concerns raised by petitioners, indicating dissatisfaction with various decisions of council. However, the review determined that in each case these were decisions that council is authorized to make under legislation. The popularity of council decisions is not a matter that can or should be addressed by an inspection; these are matters to be sorted out locally, through the democratic process.

Municipal inspections are extraordinary measures and are not undertaken lightly. As a result of the findings of the preliminary review, I will not order an inspection into the town at this time.

While I am not ordering an inspection, I have asked ministry staff to continue to provide advisory support to the town, and monitor any ongoing concerns raised by residents. I encourage the town to access the advisory supports available through Municipal Affairs, to assist in ensuring compliance with legislated procedures and processes.

The Town of Irricana council may also want to consider developing protocols to assist with positive relationships with the community. Support may be available to the town through the Mediation and Cooperative Processes component of the Alberta Community Partnership program. Town administration may contact a Collaboration Advisor for further information.

In addition, town administration may wish to also contact a Municipal Finance Advisor to seek advice on requisitions and the 2023 tax rate bylaw. These advisors can be contacted by phone, toll-free by first dialing 310-0000, then 780-427-2225.

Thank you again for your cooperation, and I wish you success in moving forward in a positive and productive manner.

Sincerely,

A handwritten signature in black ink, appearing to read "Rebecca Schulz". The signature is written in a cursive, flowing style.

Rebecca Schulz
Minister

cc: Honourable Nathan Cooper, MLA, Olds-Didsbury-Three Hills
Brandy Cox, Deputy Minister, Municipal Affairs

Item J1

Marigold Library Council Notes for January 2023

Notes to Council



January 28, 2023, Board Meeting Highlights

Financial Statements

Marigold unaudited Financial Statements to December 31, 2022 were accepted for information. Many costs going into 2022 were unknown, such as the costs for running the new facility and whether or not the old headquarters would be sold.

Marigold was able to repay the \$500,000 loan from Wheatland County in October. Marigold used this loan in part to ensure a viable cashflow position could be sustained during the construction of the new facility.

97% of budgeted expenditures were spent. Items over or under spent were a result of universal trends everyone is seeing with supply chain price increases, such as fuel, utilities, shipping and office supplies.

HQ Building Sale

Marigold has a conditional buyer for our old headquarters property at 710 2 Street in Strathmore.

The real estate listing can be found here: <https://www.realtor.ca/real-estate/25017701/710-2-street-strathmore>

Budget 2023

Marigold's Operating Budget and Capital and Projects Budget were approved. The Operating Budget for 2023 is \$5,838,340.

There have been no updates yet from the province of Alberta about whether there will be any changes to operational grant funding. Marigold and member libraries still receive funding based on 2016 Municipal Affairs population.

This year, Marigold is more clearly able to anticipate utility costs for our headquarters and condominium costs for the facility and property, which we co-own with the Western Irrigation District. Budget lines that have increased include travel, Board activities, and training for member libraries.

Delivery costs will rise with the opening of the new Langdon Community Library and the possible addition of a second weekly delivery to Bragg Creek.

Upcoming Board Meetings



Saturday, April 22, 2023: 9:30 AM in Strathmore at the Marigold Library System & Western Irrigation District Community Room

Trustee Orientation: February 11, 2023
Virtual TEAMS Meeting, 9:30 AM

Questions?

Contact CEO Lynne Price, lynne@marigold.ab.ca

Notes to Council - January 28, 2023

Policy Approval & Decision

The following policies were reviewed and approved by the Marigold Board:

- Marigold Library System Constitution
- Marigold Library System Procedural Bylaws
- Appointment Plan for Marigold Board Members
- Orientation for Marigold Board Members
- Code of Conduct
- Contingency Plan for Finance
- Collection Management Policy
- Transfer Payments Policy
- IT Capacity Fund Policy

Staff Updates

Indigenous Outreach Specialist Rose Reid reported on activities from the past year that included programming, literacy, school visits and holiday events at various locations on Stoney Nakoda Nations. In 2023, the Indigenous Advisory Group, led by staff at PLSB, will be meeting in person to share information.

CEO Lynne Price reported on the work of the Regional Systems Advocacy Committee and presented a set of advocacy documents. A How-To Guide and Handout provide some strategies to advocate for increased funding for public libraries that addresses growing populations and inflation. Marigold's Director of Service Delivery, Kristine den Boon attended

a Public Library Services Branch meeting in Edmonton on January 25. The Honourable Rebecca Schulz, Minister of Municipal Affairs, was in attendance.

Nora Ott, Executive Support and HR Specialist, introduced the online Boardable platform that will be used to streamline future Board and Committee meetings and improve document management.

Lynne Price provided further updates regarding the Marigold Agreement, the 2023 Marigold Conference, the Making a Difference Awards, and the Canadian Urban Libraries Council Safety and Security Working Group.



Marigold Library System

B 1000 Pine Street
Strathmore, Alberta T1P 1C1 | 1-855-934-5334
marigold.ab.ca

Item J2

Motion Tracker for February 21st, 2023

Motion Tracker

Motion #	Description	Action Required	Motion Date	Public / In Camera	Due Date	Status	Comments	Last Update
211:22	AG Society Founders Park Lease	to direct Administration to negotiate with the Irricana AG Society for the renewal of leases for Founders Park and the Rec Centre.	21-Nov-22	Public		In Progress	DH: Delayed due to lack of Administrative manpower. ETA mid-March.	21-Feb-23
20:22	Strategic Planning Date	to direct administration to research the availability and costs associated with a third party consultant in reviewing and developing an updated strategic plan for the Town of Irricana	14-Feb-22	Public		Closed	DH: Strategic Planning Session scheduled for March 2023	21-Feb-23