

May 17, 2022, 8:30 AM

CALL MEETING TO ORDER

1. Approval Of Agenda

2. Approval Of Minutes

2.I. Approval Of February 15, 2022 COW Meeting Minutes

Documents:

[2.1 2022.02.15 COW MEETING MINUTES.PDF](#)

3. Quarter 1 Variance Report

Documents:

[3.0 Q1 VARIANCE REPORT.PDF](#)

[3.0A - OPERATING BUDGET SUMMARY BY FUNCTION.PDF](#)

[3.0B - OPERATING BUDGET SUMMARY BY DEPARTMENT.PDF](#)

[3.0C - CASH AND INVESTMENT SUMMARY.PDF](#)

4. Horseshoe Canyon Discussion

Documents:

[4.0 COMMITTEE OF THE WHOLE - HORSESHOE CANYON DISCUSSION MAY 17TH.PDF](#)

5. Closed Session

5.I. Personnel (FOIP, Section 17)

Adjournment

Committee of the Whole Minutes

February 15, 2022 8:30 a.m.



1600- 2ND Street NE
Three Hills, AB T0M 2A0

COUNCIL PRESENT:

Division No. 1	Faye McGhee, Councillor
Division No. 2	Debbie Penner, Councillor
Division No. 3	Jerry Wittstock, Reeve
Division No. 5	Laura Lee Machell- Cunningham
Division No. 6	Wade Christie, Councillor
Division No. 7	Kenneth King, Deputy Reeve

ABSENT

Division No. 4	Carrie Fobes, Councillor
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ADMINISTRATION PRESENT:

Chief Administrative Officer	Mike Haugen
Director of Community Services	Laurie Watt
Director of Corporate Services	Bill McKennan
Director of Operations	Mike Ziehr
Manager of Planning & Development	Barb Hazelton
Manager of ASB & Parks	Shelby Sherwick
Manager of Protective Services	Deb Grosfield
Economic Development Officer	Jacqueline Buchanan
Recording Secretary	Carolyn Van der Kuil

CALL TO ORDER

Deputy Reeve King called the meeting to order at 8:30 a.m.

1.0 AGENDA

CW009 Councillor Christie moved approval of the agenda as presented.

CARRIED UNANIMOUSLY

2.0 APPROVAL OF THE JANUARY 18, 2022, COW MEETING MINUTES

CW010 Councillor McGhee moved approval of the January 18, 2022, Committee of the Whole minutes as presented.

CARRIED UNANIMOUSLY

3.0 SCHOLLIE RESEARCH AND CONSULTING – KNEEHILL COUNTY SECTOR PROFILE PROJECT

Elan Buan, Project Consultant from Schollie Research and Consulting, presented to Council the Sector Profile Project. Schollie Research and Consulting was contracted by Kneehill County to research and develop data-driven profiles for four industries in Alberta that exhibit high growth potential for Kneehill County which included:

- Tourism
- Agri-Processing

- Machinery and Metal Fabrication
- Energy

The Chair called for a recess at 9:37 a.m. and called the meeting back to order at 9:50 a.m. with all previously mentioned members present.

4.0 SPECIAL EVENTS BYLAW

CW011 Reeve Wittstock moved that the Committee of the Whole recommends to Council to accept the Special Events Bylaw, as presented.

CARRIED UNANIMOUSLY

5.0 STRATEGIC PLANNING PRESENTATIONS

As part of the Strategic Planning process, Administration had several presentations prepared for Council's information and awareness which included presentations made by the following departments:

- Protective Services
- Planning
- Economic Development
- ASB and Parks

The Chair called for a recess at 11:02 a.m. and called the meeting back to order at 11:15 a.m. with all previously mentioned members present.

The Chair called for a recess at 12:27 p.m. and called the meeting back to order at 1:18 p.m. with all previously mentioned members present.

6.0 CLOSED SESSION

CW012 Councillor Christie moved that Council convene in closed session to discuss:

1. Disclosure Harmful to Personal Privacy (Section 17 - FOIPP)
2. Disclosure Harmful to Intergovernmental Relationships- (Section 21- FOIPP)
3. Disclosure Harmful to Economic and Other Interests of a Public Body (Section 25- FOIPP),

at 1:43 p.m.

CARRIED UNANIMOUSLY

CW013 Councillor Penner moved that Council return to open meeting at 2:36 p.m.

CARRIED UNANIMOUSLY

2:37 p.m.- Meeting recessed to allow return of public.

2:37 p.m. - Meeting resumed.

ADJOURNMENT

The meeting adjourned at 2:37 p.m.



Committee of the Whole
Discussion Report

Agenda Item #

3.0

Subject:	First Quarter Variance Report
Meeting Date:	2022-05-17
Presented By:	Marika von Mirbach, Financial Planning Coordinator
Prepared By:	Marika von Mirbach, Financial Planning Coordinator
Background/ Proposal	<p>Council receives quarterly financial reports during the year. These reports are intended to inform Council of financial transactions to-date and how expenditures, revenues and other financial indicators compare to the annual operating budget and plan which Council has previously approved.</p> <p>The purpose of this report is to:</p> <ul style="list-style-type: none"> • Report on the operating budget performance to-date. • Provide other supplementary information on key financial indicators for the municipality. <p>This is the report for the period ending March 31, 2022 (1st Quarter).</p>
Discussion/ Options/Benefits/ Disadvantages:	<p>The County is required under the <i>Municipal Government Act (MGA)</i> to approve both an operating and capital budget which are balanced and fully funded. To achieve this, the budget is prepared on a fiscal viability basis and is monitored and controlled to achieve this desired outcome of a balanced budget. As such, all budgeted revenues must equal budgeted expenditures.</p> <p>The municipality follows the legislative financial requirements of the <i>MGA</i> and its supporting Regulations. In addition, the municipality meets or exceeds all policy statements of the Canada Public Sector Accounting Handbook, which is governed by the Chartered Professional Accountants Canada (CPA).</p> <p>The budgeting process allows municipalities to prioritize projects, programs and service levels based on anticipated revenue and expenses. A municipality's annual budget routinely consists of two components:</p> <ul style="list-style-type: none"> • The Operating Budget plans for a municipality's day-to-day expenditures (e.g., salaries, wages, benefits, heat, electric, and maintenance of buildings and infrastructure, etc.). • The Capital Budget plans for the purchase and financing of assets or improvement of existing infrastructure (e.g., roads, water and wastewater facilities, county facilities and major projects, etc.) <p>For accounting and budgeting purposes, the County's activities are segregated by department or area of responsibility. There are many reasons to budget this way: it shows the responsible approximation of revenues and expenses related to each department, it allows for the accounting of specific activities and it allows for easier reporting to Council and our ratepayers and Provincial or Federal bodies.</p>

This RFD includes the following Financial Reports:

- Operating Budget Summary by Function (Appendix A)
- Operating Budget Summary by Department (Appendix B)
- Investment Summary (Appendix C)

Typically, each quarterly report provides information regarding ongoing Capital and Operating projects. Capital and Operating projects for 2022 were approved in late March, 2022; as such, minimal costs have been incurred to March 31, 2022, and no significant trends indicating projects will be over or under budget have been identified. A detailed project report will be presented to Council with the quarterly report for the period ending June 30, 2022. This also applies to the reserve continuity which relies on the status of projects to estimate reserve funding which will be available for the next budget cycle.

The following section provides details and commentary on the operating budget summary schedule.

Operating Budget Summary by Function (Appendix A)

The purpose of this schedule is to provide Council a corporate summary of the Operating Budget Performance for the three months ending March 31, 2022, and to provide explanations for unfavourable or favourable corporate results forecasted to year-end.

The body of this report will focus on Appendix A, which provides operating results by the classification of the revenue source or nature of expenditure. Appendix B, which is presented by organizational unit, is provided for reference on the individual performance of each department.

There are no significant trends which are projected to generate a large surplus or deficit at year-end; all operations are reasonably on track based on expectations. The net forecasted revenue/expenditure year-end result anticipates a surplus of \$447,770 which represents a 1% overall variance on the Operating Budget. A large portion, \$201,836, of the projected surplus pertains to payments received from the province related to the 2018 flooding DRP claim, which were not included as revenues in the 2022 operating budget.

Revenue Summary - \$223,173 Favourable forecasted at Year-End


The favourable revenue variance relates to funds received in the amount of \$201,836 related to a DRP claim from flooding back in 2018. These revenues were not included in the 2022 operating budget, as they are funds received which are reimbursements for expenses incurred in 2018.

Penalties and Fines is showing a positive variance as at the first quarter, but is projected to be in alignment with budget at year-end. This is a result of penalties and fines, related to taxes, being booked which are not anticipated to be collectable, but have not been written off by Council. A subsequent report to Council regarding these uncollectable penalties will be brought forward later in the year.

All other revenue streams are in line with expectations, and no significant year-end variances are anticipated.

	<p><u>Expense Summary \$224,599 Favourable forecasted at Year-End</u></p> <p>The majority of expenditures are in line with expectations. Administration continues to provide all budgeted services to ratepayers.</p> <p>Both the “<i>Contract Goods and Services</i>” and “<i>Materials, Goods, Supplies and Utilities</i>” classifications are reflecting slightly more favourable variance for the first quarter than anticipated at year-end. This is mainly reflecting the timing difference of the goods or services being ordered and the actual payment for those goods or services. In most of these classifications there is a lag, for example the fuel consumption for January is not billed until February. Administration has been improving the forecast model on an ongoing basis to address reporting lags; however, some lags will continue to be present during the year.</p> <p>A favourable variance in Salaries and Wages is anticipated through to year-end due to turnover vacancies during the first quarter in several positions across the organization.</p> <p><u>Operating Summary</u></p> <p>Overall, the first quarter has not generated any significant variances to budget. Additional insight into the projected year-end results will be strengthened in future quarterly reports.</p> <p><u>Investment Report (Appendix C)</u></p> <p>Administration has endeavored to implement new investment strategies in 2021 and 2022 to improve investment returns. As detailed in Appendix C, the rate of return on cash investments now ranges from 0.7% to 1.8%.</p> <p>The prime rate of return was adjusted by the Bank of Canada in April 2022, the impact this will have on investment returns will be reflected on the Q2 variance report.</p>
Link to Strategic Plan:	Improving Fiscal Sustainability
Discussion Outcome:	Communication on financial position as compared to budget as at March 31, 2022.
Attachments:	<ul style="list-style-type: none"> • Operating Budget Summary by Function (Appendix A) • Operating Budget Summary by Department (Appendix B) • Investment Report (Appendix C)

Director Approval: _____
Name, Title



CAO Approval: _____
Mike Haugen, Chief Administrative Officer



Appendix A: Operating Budget Variance Report by Function

at at March 31, 2022

	Q1 Expected	Q1 Actual	Q1 Variance	2022 Budget	Year-End Projected	Projected Year-End Variance
Revenues						
Licenses and Permits	(18,775)	(17,001)	(1,775)	(88,100)	(86,326)	(1,775)
Operating Grants	-	-	-	(314,861)	(314,860)	-
Other Revenue	(7,750)	(214,893)	207,143	(116,000)	(323,143)	207,143
Sale of Goods and Services	(249,709)	(248,626)	(1,082)	(1,386,750)	(1,385,668)	(1,082)
Sales to Other Governments	(50,842)	(54,375)	3,534	(145,478)	(149,012)	3,534
Rental Income	(50,512)	(50,839)	327	(145,846)	(146,173)	327
Penalties and Fines	(31,250)	(371,228)	339,978	(125,000)	(122,013)	(2,987)
Property Taxes	-	-	-	(24,011,496)	(24,011,496)	-
Special Taxes and Frontage	(12,200)	(21,791)	9,591	(331,374)	(340,965)	9,591
Return on Investments	(131,950)	(140,373)	8,423	(527,800)	(536,223)	8,423
Transfer from Reserves	(13,653)	(13,653)	-	(849,600)	(849,600)	-
Capital Equipment Plan Sales	-	-	-	(100,000)	(100,000)	-
Total Revenues	(566,640)	(1,132,778)	566,138	(28,142,305)	(28,365,476)	223,173
Expenses						
Contract and General Services	795,468	719,750	75,718	3,004,771	2,936,804	67,968
Materials, Goods, Supplies, and Utilities	775,722	698,089	77,633	3,766,410	3,724,976	41,433
Salaries, Wages and Benefits	1,817,179	1,692,365	124,814	9,700,295	9,586,481	113,814
Other Expenses	28,821	28,618	202	138,382	138,180	202
Provision for Allowances	282	282	-	1,000,000	1,000,000	-
Purchases from Other Governments	207,716	207,367	349	580,064	579,715	349
Transfer to Other Governments	239,455	239,459	(4)	637,364	637,369	(4)
Transfer to Individuals and Organizations	26,100	25,514	586	276,600	276,014	586
Transfer to Local Boards and Agencies	68,711	68,460	251	153,356	153,105	251
Contributions to Reserves	7,335,463	7,335,463	-	7,335,463	7,335,463	-
Non TCA Operating Projects	13,653	13,653	-	557,800	557,800	-
Gravel (Inventory) Projects	308,700	308,700	-	991,800	991,800	-
Total Expenses	11,617,270	11,337,722	279,549	28,142,305	27,917,706	224,599
Net	(11,050,630)	(10,204,944)	845,687	-	447,770	447,770



Appendix B: Operating Budget Variance Report by Department

as at March 31, 2022

	Q1 Expected	Q1 Actual	Q1 Variance		2022 Budget	Year-End Projected	Projected Year End Variance
Revenues							
General	(156,950)	(508,338)	351,388		(24,789,185)	(24,797,608)	8,423
Administration	(18,041)	(227,131)	209,091		(592,009)	(801,099)	209,091
Fire	(31,616)	(31,047)	(569)		(106,076)	(105,507)	(569)
Enforcement	(9,212)	(6,753)	(2,459)		(64,648)	(62,189)	(2,459)
Transportation	(36,800)	(38,163)	1,363		(624,800)	(626,163)	1,363
Water	(195,793)	(201,139)	5,346		(1,326,385)	(1,331,731)	5,346
Wastewater	(3,625)	(2,485)	(1,140)		(14,500)	(13,360)	(1,140)
Waste Management	(29,500)	(31,050)	1,550		(96,000)	(97,550)	1,550
Health	(22,500)	(22,500)	-		(90,000)	(90,000)	-
Cemetery	(1,825)	(1,000)	(825)		(7,300)	(6,475)	(825)
Planning	(23,650)	(26,411)	2,761		(107,600)	(110,361)	2,761
Agriculture	(1,325)	(674)	(651)		(185,402)	(184,751)	(651)
Economic Development	-	-	-		(25,500)	(25,500)	-
Parks	(35,803)	(36,086)	283		(112,900)	(113,183)	283
Total Revenues	(566,640)	(1,132,778)	566,138		(28,142,305)	(28,365,476)	223,173
Expenses							
General	4,676,293	4,676,894	(601)		5,843,152	5,843,753	(601)
Legislative	169,147	156,519	12,627		1,135,002	1,122,875	12,127
Administration	785,624	718,820	66,804		3,793,427	3,736,623	56,804
Fire	825,133	808,313	16,820		1,324,749	1,307,429	17,320
Disaster	14,341	11,418	2,924		67,441	65,717	1,724
Enforcement	183,618	165,818	17,799		955,744	938,195	17,549
Transportation	3,190,344	3,127,865	62,479		9,269,755	9,242,276	27,479
Water	821,731	771,182	50,550		2,345,321	2,300,771	44,550
Wastewater	28,257	23,948	4,309		129,010	124,701	4,309
Waste Management	295,958	290,180	5,777		615,386	609,608	5,777
Health	7,862	7,746	116		31,942	31,826	116
Cemetery	8,613	4,025	4,589		90,421	85,832	4,589
Planning	116,472	112,117	4,355		569,929	565,574	4,355
Agriculture	153,835	150,214	3,622		823,947	820,826	3,122
Economic Development	35,584	28,512	7,072		243,458	236,386	7,072
Parks	204,457	184,151	20,307		803,620	785,313	18,307
Capital Equipment Reserve Transfer	100,000	100,000	-		100,000	100,000	-
Total Expenses	11,617,270	11,337,721	279,549		28,142,305	27,917,706	224,599
Net	(11,050,630)	(10,204,943)	845,687		-	447,770	447,770



Appendix C: Cash and Investment Summary

as at March 31, 2022

Bank Accounts

Account	Balance as at March 31, 2022	Interest Rate
Servus General Bank Account	\$ 4,624,970	0.70%
AUMA High Interest Savings Account	\$ 15,084,873	0.80%
Canadian Western Bank	\$ 15,089,223	1.00%

Investments

Investment	Term	Balance as at March 31, 2022	Interest Rate
1 - Haventree Bank	July 16, 2021 - July 18, 2022	2,018,467	1.30%
2 - Haventree Bank	July 16, 2021 - January 16, 2024	4,050,219	1.80%
3 - Tandia Credit Union	October 14, 2021 - January 16, 2023	5,034,777	1.50%
4 - Canadian Western Bank	November 24, 2021 - March 24, 2023	5,025,474	1.45%

Notes:

Budgeted income is based on an overall target return on investment rate of 0.8%

Actual return on investment is estimated at 1.2% annualized for 2022.

The prime interest rate increased in April, 2022; this change will be reflected in the Q2 report.



Committee of the Whole
Discussion Report

Agenda Item #

4.0

Subject:	Horseshoe Canyon Discussion
Meeting Date:	2022-05-17
Presented By:	Shelby Sherwick, Jacqueline Buchanan
Prepared By:	Shelby Sherwick
Background/ Proposal	<p>Administration is presenting a proposal following Recommended Strategies from the Horseshoe Canyon Focus Group for additional opportunities as part of the Horseshoe Canyon Pay Parking Pilot to explore new potential for revenue generation at the site, specifically around the sale of branded items.</p> <p>Secondly, in preparing for Budget 2023 discussions, Administration would like to engage Council in discussion on the prioritization of the remaining Horseshoe Canyon Focus Group’s Recommended Strategies.</p>
Discussion/ Options/Benefits/ Disadvantages:	<p>These options are being presented following the Horseshoe Canyon Focus Group’s Recommended Strategies and stakeholder discussions, and align with the Focus Group’s Strategies to Consider <i>First</i> and <i>Next</i>.</p> <p>Options include: moving forward with some of the recommended strategies, not moving forward with the strategies, or moving forward with all of the recommended strategies in a prioritized order.</p> <p>Benefits to moving forward with the strategies include increased engagement, increased promotion of the site, brand ownership, opportunity for partnership.</p> <p>Disadvantages include that there are increased budget impacts with new initiatives.</p>
Link to Strategic Plan:	Pursuing Focused Growth
Discussion Outcome:	<p>That the presented brand materials be recommended for Council’s approval as the Horseshoe Canyon brand.</p> <p>That the presented materials be recommended for Council’s approval for the purpose of promotion and sale at Horseshoe Canyon by staff or by third party operators.</p> <p>That the prioritized recommended strategies of the Horseshoe Canyon Focus Group be brought forward as part of 2023 Budget Discussions.</p>
Attachments:	

Director Approval:
Name, Title

CAO Approval:
Mike Haugen, Chief Administrative Officer