



DRAYTON VALLEY

2016 Annual Report to the Community

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Community

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MESSAGE FROM THE MAYOR

THE STRENGTH OF OUR COMMUNITY AND THE
ENTREPRENEURIAL SPIRIT THAT DEFINES DRAYTON VALLEY
WILL CONTINUE TO DRAW PEOPLE AND INVESTMENT TO
KEEP US STRONG AND RESILIENT



MAYOR
GLENN MCLEAN
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mayor@draytonvalley.ca

On behalf of Town Council, it is my pleasure to present the 2016 Town of Drayton Valley Annual Report. This report showcases key accomplishments in our community over the last year, and provides an opportunity to learn more about the great things that happen in Drayton Valley.

I want to thank Town staff and my Council colleagues for their dedication and commitment to our community. I want to especially thank and congratulate the great people who call Drayton Valley home. It is your community spirit, engagement, and ideas that help to define our community and make Drayton Valley the unique, vibrant, and resilient community it is.

The 2016 Annual Report reflects our commitment to corporate governance, accountability, transparency, and disclosure consistent with best practices applicable to

A KEY FOCUS OF YOUR TOWN COUNCIL HAS BEEN ENHANCING PUBLIC ACCOUNTABILITY, AND I AM PLEASED TO OUTLINE SOME OF THE ACHIEVEMENTS

Canadian municipalities. The role of Council is to govern the Town of Drayton Valley to ensure it provides the civic services residents need and want. In carrying out its many duties, Town Council must respond to citizens' concerns as well as anticipate emerging opportunities and plan for the community's long-term development and growth. Council's interest and support for the community guides the shaping of public policy as it affects Drayton Valley. Town Council advocates on behalf of the community to other levels of government and is actively involved with provincial organizations to further the education, awareness, needs, and promotion of our Town to raise Drayton Valley's profile provincially.

A key focus of your Town Council has been enhancing public accountability, and I am pleased to outline some of the achievements in this area. Significant progress was made by defining the role of the Deputy Mayor and creating public Governance and Priorities meetings wherein members of the community can have candid discussions with Council. Throughout this term, the budgeting process was vastly improved with enhanced public participation, and, as it is of the utmost importance to solicit and obtain public feedback, this consultative approach will continue to evolve to ensure your voice is heard. If you or your organization would like to speak to budget priorities, we would be pleased to have this conversation. For the first time in nearly forty years, a new Chief Administrative Officer (CAO) was hired by the Town. The CAO leads the Administrative team and works closely with Council. The CAO implements the decisions of Council, provides advice, and manages Administration. Mr. Dwight Dibben joined the Town in November 2015, and he has proven to be an extraordinary asset to our community, enjoying the full support of both Town Council and Administration.

One of our greatest assets is our natural environment. In this area, Town Council is pleased to have continued the development of our trail systems to enhance community connectivity. In addition, designs were commissioned in 2014 for additional community space, including the former HW Pickup site - now Discovery Park -, Rotary Park, and the Downtown/Civic Centre space. This work was undertaken to re-think how to get the most public benefit out of our largest public spaces and we are proud to have commissioned the work on one with the opening of Discovery Park in 2016. This space represents the most significant act of neighborhood revitalization ever seen in Drayton Valley. Discovery Park will be a focal point for the community and provide a picturesque space for people to gather as a community for decades to come. The potential to develop Rotary Park and the Downtown/Civic Centre space will remain a priority in the Town's efforts to create liveability and connectivity in Drayton Valley.

Additional capital projects included infrastructure work in the forms of the 43rd Avenue connection to the Ring Road, sidewalk and pavement replacement, drainage upgrades, water system upgrades and maintenance, and the final paving at the Clean Energy Technology Centre (CETC). Initial design work was undertaken on the Ring Road connection to 50 Street to meet the needs of all who travel through that area, as well as the requirements of Alberta Transportation. A new pumper truck has been purchased to ensure the ongoing safety of our community while, general park improvements were accomplished at numerous locations throughout the Town.

2016 saw the grand opening of two very important facilities in our community, the Clean Energy Technology Centre (CETC) and the Water Treatment Plant (WTP), also known as the Centre for Water Intelligence. The CETC provides education, research and training and facilitates business development in clean energy and bio-industry. The CETC has developed partnerships with Government and industry that will serve our community well in the future. One key partnership coordinated through the CETC is Drayton Valley's role with the Regional Alberta Hemp Alliance. The work of this group is directed at both economic diversification and growth of business opportunities in the hemp market. With a focus on sustainability, streamlining environmental and material impacts, and lowering operating costs, the Water Treatment Plant, was built to be a centre of excellence to meet existing and future capacity needs. We are very proud of the fact that educational tours are provided at the WTP to further enhance the public's understanding of how our water resources are managed. To further support and showcase Drayton Valley's tremendous entrepreneurial spirit, Town Council approved the Economic Development Strategy

- Powered by Entrepreneurs. The goals of the strategy are focused on strengthening entrepreneurship to launch and expand business which will leverage local talent, creativity and support and diversity the local economy.

The Town of Drayton Valley was proud to host the Tour of Alberta in 2016 and the event was an extraordinary success. To those beyond our borders, it showcased the range of attractions Drayton Valley has to offer and within our community it identified a new and enthusiastic group of community volunteers. This world class cycling event allowed Drayton Valley to celebrate Drayton Valley.

In 2016, the people of Drayton Valley stepped up to support Fort McMurray wildfire evacuees. Every community member who supported those who were so adversely affected by the wildfire is deserving of the greatest thanks and appreciation for their commitment and unwavering contributions to those who needed help and support.

To augment the support afforded by the Town's Community Event Grant, numerous other initiatives were developed in 2016. Most notably, the Arts and Culture Policy was adopted, and supports and builds on our strengths as individuals and as a community. Further, the creation of the Youth Arts, Heritage and Culture Grant was developed to provide financial assistance to local youth with expenses associated with study, competition, or participation in events or programs. In the pages of this Annual Report, you will read about growth, opportunity, and progress. Combined, the two grants provide support to individuals and community groups to further their activities or interests in a way that builds on the resiliency of our community.

In a time of economic uncertainty in Alberta, Town Council recognized the impact of this on our community. As such, budgetary decisions were made that were responsive to the decreases in revenue, while ensuring that service levels and programming were maintained at the best possible standard. I am confident the strength of our community and the entrepreneurial spirit that defines Drayton Valley will continue to draw people and investment to keep us strong and resilient moving forward.

I would like to offer my sincerest thanks to my colleagues on Council, to the Town staff, and to the community for their continued commitment to making the Town of Drayton Valley the vibrant, catalytic community that provides us with a tremendous quality of life.

YOUR 2016 TOWN COUNCILLORS



COUNCILLOR

NICOLE NADEAU

780-514-5864

nnadeau@draytonvalley.ca

2016 Committees:

- Communities in Bloom
- Community School Resource Officer Steering Committee
- Early Childhood Development Centre (Childcare Operational Board)
- Eleanor Pickup Arts Centre Society
- Legacy Committee
- Economic Development Committee

2016 Committees (Alternate):

- Family and Community Support Services Advisory Board
- Healthy Communities Coalition
- Sustainability Committee



COUNCILLOR

GRAHAM LONG

780-898-5494

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2016 Committees:

- Drayton Valley Community Foundation Board
- Drayton Valley Municipal Library Board / Yellowhead Regional Library Board
- Clean Energy Technology Centre Committee
- Economic Development Committee

2016 Committees (Alternate):

- Aquatic Facility Fund Development Strategy Committee
- Homelessness & Poverty Reduction Strategy Committee
- Housing Committee (Joint with Brazeau County and Breton)
- Legacy Committee



COUNCILLOR

DEAN SHULAR

780-515-0110

dshular@draytonvalley.ca

2016 Committees:

- Communities in Bloom
- Housing Committee (Joint with Brazeau County and Breton)
- Legacy Committee
- Clean Energy Technology Centre Committee
- Sustainability Committee

2016 Committees (Alternate):

- Agriplex Committee
- Drayton Valley Municipal Library Board / Yellowhead Regional Library Board
- Economic Development Committee
- Waste Management Committee



COUNCILLOR
FAYRELL WHEELER

780-898-3655

fwheeler@draytonvalley.ca

2016 Committees:

- Agriplex Committee
- Aquatic Facility Fund Development Strategy Committee
- Eagle Points Blue Rapids Parks Council
- North Saskatchewan Watershed Alliance/Headwaters
- Pembina Physician Recruitment & Retention Committee
- Sustainability Committee

2016 Committees (Alternate):

- Community School Resource Officer Steering Committee
- Early Childhood Development Centre (Childcare Operational Board)



COUNCILLOR
DEBRA BOSSERT

780-514-0868

dbossert@draytonvalley.ca

2016 Committees:

- Community School Resource Officer Steering Committee
- Family and Community Support Services Advisory Board
- Homelessness & Poverty Reduction Strategy Committee
- Housing Committee (Joint with Brazeau County and Breton)
- Waste Management Committee

2016 Committees (Alternate):

- Brazeau Seniors' Foundation
- Drayton Valley Community Foundation Board
- Pembina Physician Recruitment & Retention Committee



COUNCILLOR
BRANDY FREDRICKSON

780-515-1541

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2016 Committees:

- Aquatic Facility Fund Development Strategy Committee
- Brazeau Seniors' Foundation
- Healthy Communities Coalition
- Waste Management Committee

2016 Committees (Alternate):

- Eagle Points Blue Rapids Parks Council
- Eleanor Pickup Arts Society
- Clean Energy Technology Centre Committee

SALARY AND BENEFITS DISCLOSURE

DISCLOSURE OF SALARIES AND BENEFITS FOR ELECTED MUNICIPAL OFFICIALS, THE CHIEF ADMINISTRATIVE OFFICER, AND DESIGNATED OFFICERS AS REQUIRED ARE AS FOLLOWS:

		<u>Salary</u>	<u>2016 Benefits and Allowances</u>	<u>Total</u>	<u>2015 Total</u>
Mayor	Glenn McLean	\$ 67,677	\$ 11,928	\$ 79,605	\$ 83,577
Councillor	Fayrell Wheeler	40,055	8,936	48,991	49,128
Councillor	Graham Long	40,086	8,477	48,563	58,655
Councillor	Debra Bossert	37,077	7,742	44,819	44,824
Councillor	Nicole Nadeau	33,811	6,652	40,463	46,315
Councillor	Brandy Fredrickson	30,100	6,486	36,586	28,052
Councillor	Dean Shular	<u>26,928</u>	<u>5,221</u>	<u>32,149</u>	<u>46,851</u>
		<u>\$ 275,734</u>	<u>\$ 55,442</u>	<u>\$ 331,176</u>	<u>\$ 357,402</u>
Chief Administrative Officer		<u>\$ 185,400</u>	<u>\$ 45,700</u>	<u>\$ 231,100</u>	<u>\$ 305,872</u>
Chief Operating Officer					
Clean Energy Technology Center		<u>\$ 241,020</u>	<u>\$ 53,534</u>	<u>\$ 294,554</u>	<u>\$ -</u>
Designated Officers		<u>\$ 376,165</u>	<u>\$ 86,582</u>	<u>\$ 462,747</u>	<u>\$ 595,234</u>

Salary includes regular base pay, bonuses, overtime, lump sum payments, and any other direct cash remuneration.

Employer's share of all employee benefits and contributions or payments made on behalf of employee's include: pension, health care, dental coverage, vision coverage, group life insurance, accidental disability and dismemberment insurance, professional memberships and tuition.

Benefits and allowances figures also include the employer's share of the costs of additional taxable benefits including travel allowances and car allowances.

THIS SALARY AND BENEFITS DISCLOSURE STATEMENT
CAN BE FOUND ON PAGE 19 OF THE AUDITED FINANCIAL
STATEMENTS ON THE TOWN'S WEBSITE:
draytonvalley.ca/financial-statements/



OUR DRAYTON VALLEY...

IS RESILIENT; WE ARE PASSIONATE PEOPLE DRIVEN TO ACHIEVE. WE SPEAK CONFIDENTLY, WE ARE ASSERTIVE AND WE ARE PROUD. OUR ENTREPRENEURIAL SPIRIT KEEPS US MOTIVATED - ALWAYS FUTURE-FACING, STRIVING FOR WAYS TO INNOVATE AND IMPROVE. WE ARE WELCOMING AND SINCERE WITHOUT BEING WARM OR FUZZY. OUR SENSE OF COMMUNITY IS STRONG, LOYAL, AND SUPPORTIVE. WHEN WE SPEAK IT IS TO THE POINT, AUTHORITATIVE, AND ALWAYS POSITIVE. DRAYTON VALLEY WELCOMES YOU WITH ENDLESS OPPORTUNITIES.

OUR PURPOSE

DRAYTON VALLEY IS FOR PEOPLE WHO BELIEVE IN THE POWER OF HARD WORK

As a whole, 'community' is not a goal, it is a benefit of multiple people achieving, and attempting to achieve, their own goals in a shared place. Drayton Valley's community is founded on hard work. The sense of community in Drayton Valley has been created by the positive connections that benefit the Town both socially and commercially.

OUR ESSENCE

SPIRITED & RESOURCEFUL

SPIRITED:
energy & hard work
boldness & courage
passion & fun

RESOURCEFUL:
capable & talented
enterprising & inventive
ambitious

OUR PROMISE

NURTURING SUCCESS

Drayton Valley's pride comes from building something together and achieving success. Drayton Valley encourages success not only as individuals but as a community, whether it relates to finances, infrastructure, business connections, friendships, family, or philanthropy

YOUR MUNICIPAL GOVERNMENT

A COUNCILLOR'S JOB IS TO WORK COLLABORATIVELY WITH OTHER MEMBERS OF COUNCIL IN SETTING THE OVERALL DIRECTION OF THE MUNICIPALITY THROUGH THEIR ROLE AS A POLICY MAKER.



COUNCIL ROLES AND RESPONSIBILITIES

The Council is the governing body of the municipal corporation and the custodian of its powers, both legislative and administrative. The *Municipal Government Act (MGA)* provides that Councils can only exercise the powers of the municipal corporation in the proper form, either by **bylaw or resolution**.

The policies that Council sets are the guidelines for Administration to follow as it does the job of running a municipality. A Councillor will spend a lot of time while on Council creating new policies and programs or reviewing the current ones to make sure they are working as they should.

THE COUNCILLORS

Under the *Municipal Government Act (MGA)*, Councillors have the following duties:

- to consider the welfare and interests of the municipality as a whole
- to bring to Council's attention anything that would promote the welfare or interests of the municipality;
- to participate generally in developing and evaluating the policies and programs of the municipality;
- to participate in Council meetings and Council committee meetings and meetings of other bodies to which they are appointed by the Council;
- to obtain information about the operation or administration of the municipality from the Chief Administrative Officer;
- to keep in confidence matters discussed in private at a Council committee meeting until discussed at a meeting held in public; and
- to perform any other duty or function imposed on Councillors by the MGA or any other enactment or by the Council.

THE CHIEF ELECTED OFFICIAL (CEO)/MAYOR

The CEO, in addition to performing a Councillor's duties, must preside when attending a Council meeting, unless a bylaw provides otherwise. The CEO must also perform any other duty imposed under the *MGA* or any other enactment. In practice, the CEO is also generally the main spokesperson for the municipality, unless that duty is delegated to another Councillor.

THE CEO/MAYOR ROLE INCLUDES:

- chairperson of Council;
- consensus seeker amongst members of Council;
- liaison with senior staff;
- advisor to Council;
- ex officio member on various boards and committees;
- key representative with regard to ceremonial responsibilities;
- liaison with other levels of government; and
- advice with regard to policy development.

A deputy CEO will assume this role if the CEO is not available.

THE ENTIRE MUNICIPALITY

A Councillor is elected to look after the interests of the entire municipality. Council's effectiveness depends on Councillors providing input on their priorities while thinking and voting for the whole municipality. Councillors also have to make certain that they do not put themselves in a conflict of interest situation. They must ensure that decisions made do not benefit them, their immediate family or their friends.



PROGRAM AND SERVICE REVIEW

In 2016, Administration was directed by Council to find in-year savings in response to the decline in revenue as a result of the downturn in the local and Provincial economies. An overarching effort to manage internal costs and provide strong stewardship of taxpayers' dollars resulted in a number of efficiencies being identified, resulting in overall cost savings to the Town.

During a 2016 program and efficiencies review, service levels and provision of services were analyzed from both a policy and service perspective. Decisions arising from the review, though difficult, resulted in deliberate efforts to decrease expenditures, improve efficiencies, and identify new ways of offering services to our residents.



POLICIES

Policies form a deliberate system of principles to guide decisions and are implemented to direct procedure or protocol. Policies are a guide to organizational operation and behaviour.

Some of the Policies adopted in 2016 include:

- Municipal Assets Naming Policy;
- Facility Rules of Conduct Policy;
- Arts and Culture Policy; and
- 60th Anniversary Grant Policy
- Sidewalk Inspection and Maintenance Policy.

BYLAWS

The MGA authorizes municipalities such as Drayton Valley to create and enforce bylaws to maintain the health, safety, and wellness of the community.

Some of the Bylaws adopted in 2016 include:

- Traffic Bylaw;
- Off-Highway Vehicle Bylaw;
- Heavy Vehicle Bylaw;
- Tax Installment Payment Plan Program Bylaw; and
- Tax Penalty Reduction Bylaw.



COST SAVING MEASURES:

Deliberate efforts were made to identify and manage costs, drive greater efficiencies, and provide strong stewardship of taxpayers' dollars. The combined efforts of Administration and Council resulted in improvements to:

CURBSIDE COLLECTION

The contract for curbside collection was renegotiated and a new service provider was selected which resulted in a **SAVINGS OF 54%**, while maintaining service levels for our residents.

UTILITIES

Utilization of third-party analysis of Town-owned infrastructure ensured that reserves were being accumulated for future asset rehabilitation and reconstruction to establish **BOTH FAIRNESS AND EQUITY**.

RENEGOTIATION OF SERVICE CONTRACTS

Administration continues to work with contracted service providers to ensure cost and time efficiencies are achieved. Re-tendering the resurfacing of the catch basin installation along MacKenzie Avenue resulted in a **SAVINGS OF 34%**.

SERVICE LEVELS

REDUCED EXPENDITURES on snow removal were achieved in 2016 through the evaluation of the levels of service with emphasis being placed on managing operational costs.

BRANDING

THE PURPOSE OF A RE-BRAND IS TO CREATE A STRONG IDENTITY

for the Town, one that will reflect our changing community and resilient population. The new brand will serve to differentiate Drayton Valley on a Provincial, Federal, and global scale as the Town strives for a diversified and sustainable future.

In 2015, Administration was asked to begin the process of re-branding for the Town of Drayton Valley. Following the tendering and selection process, Administration began working with Cossette, a Canadian communications agency, and established a Brand Working Group to help guide the development of the new brand.

Throughout the fall of 2015, three discovery sessions were held to provide perspective to inform the brand strategy and creative development processes. Two of these sessions were open to the general public and one was held with local grade six students. Public consultation provided valuable input to inform the strategy and substantiate the brand.

Five key brand attributes were identified following public discovery sessions held in 2015:

These attributes were used in the creative development of the brand and have been reflected in the logo.

CATALYTIC

We inspire and drive change in the community by bringing together the necessary people, ideas and infrastructure to make things happen. Through our actions we are creating an innovative and sustainable community. We do not sit back and wait for a shift to come our way, we anticipate and lead the evolution of Drayton Valley.

01

SUPPORTIVE

An interconnected network of people, businesses and organizations reside in Drayton Valley that collectively contribute to the vibrancy and prosperity of the community. We are welcoming to those who are new to the area and there is a spirit of generosity amongst those who live here. Through our operations, planning, and initiatives we focus on providing the services our residents need to be successful in business, as families, and as individuals.

02

SUSTAINABLE

Drayton Valley is dedicated to building a sustainable future for the community. From walking paths, to the Centre for Water Intelligence (CWI), to the Clean Energy Technology Centre (CETC) and Bio-Mile, Drayton Valley looks for emerging opportunities and constantly strives to improve the long-term viability of the Town. By challenging the norm and seeking new ways to build a stable future, Drayton Valley will be sustainable.

03

ENTERPRISING

We are energetic and passionate about getting things done and are not scared to get our hands dirty or work hard. We are eager to capitalize on the opportunities ahead of us, and have a clearly defined vision for the future. But we do not just talk about the future, we have a plan for getting there and put in the effort to make our aspirations a reality.

04

REWARDING

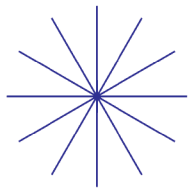
In Drayton Valley, the more you put into the Town, the community and the businesses that operate here, the more you get out of it. The Town and our residents gain satisfaction from contributing to make this a great place to live, work, and play. Whether it is a feeling of goodwill, financial gain, a successful event, or fundraising campaign, living and working in Drayton Valley is rewarding.

05

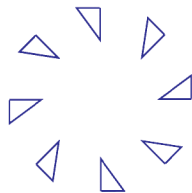
OUR BRAND...

We exist for people who believe in the power of hard work and we nurture success for our community whether it relates to infrastructure, business, friendship, family, or philanthropy. We are spirited and resourceful and as a result, we will be described as catalytic, supportive, sustainable, enterprising, and rewarding.

THIS FEEDBACK LEAD TO THE DEVELOPMENT AND CREATION OF THE BRAND AND LOGO...



The starburst form represents Drayton Valley's catalytic nature and enterprising energy.



We believe in hard work and, like a gear in a machine, work together for the betterment of our community.



Combining the starburst and gear creates a sun-like shape, which illustrates our sustainable future and resourceful outlook.



Adding a horizon line references the physical landscape as well as the new horizons that Drayton Valley is embarking on.

TAGLINE...

Our community is powered by each person in it. Our history is rooted in the power of oil and natural resources. Our future is powered by our collective entrepreneurial spirit. Our drive to succeed in everything we do – our innovative, sustainable future – is all powered by hard work, by who we are, and by each aspect of our lives. Drayton Valley is powered by our community and we are all powered by Drayton Valley.

POWERED BY

- COMMUNITY • DISCOVERY • TECHNOLOGY
- INNOVATION • SUSTAINABILITY • AMBITION
- OPPORTUNITY • ENERGY • CREATIVITY
- ENTREPRENEURS • HARD WORK
- OUR HISTORY

These taglines are used in the promotion of various Town initiatives and programs to capture the essence of what it means to be a part of Drayton Valley.



DID YOU KNOW

The project commenced in fiscal 2015 and concluded in fiscal 2016.

Total cost of the branding project: \$115,673.28 (\$57,446.88 in 2015 and \$58,226.40 in 2016) As Town-owned assets require replacement (e.g. signage), the new brand will be used. This is a deliberate approach to managing costs.

MESSAGE FROM THE CHIEF ADMINISTRATIVE OFFICER

DWIGHT DIBBEN

780.514.2202 • ddibben@draytonvalley.ca

In reporting to you on 2016, my first year as Drayton Valley's Chief Administrative Officer, I am very pleased to have the opportunity to reflect on a year of challenges and responsive changes in our Town and the broader community. It is my privilege to share with the community an overview of 2016 that touches on initiatives and activities undertaken by the Town.

The financial challenges faced by all in our area have also impacted the services and broader operations of the Town of Drayton Valley. Like many businesses and families, the Town had to adjust to these economic realities over the course of a year where revenues dropped sharply and those impacted had to respond to an economic slump unlike any other we had previously experienced. Municipal taxes were held with no general increase to residential and non-residential ratepayers in 2016. This approach, prudent and respectful of the financial state of our community, was funded by and deeply impacted the Town's financial reserves and, as a result, deliberate action going forward to rebuild these savings for future infrastructure and fiscal needs will be required.

In approving the 2016 Budget, Town Council directed Administration to undertake a comprehensive program and service review of all Town programs and spending in order to ensure that tax dollars were being spent in the most prudent manner. As we moved through 2016 and saw that our conservative financial expectations were not being realized, actions were undertaken to bring our expenditures back in line with sharply declining revenues. Facing this dramatic in-year revenue shortfall, the Town acted to curtail spending while still delivering services that residents rely upon and have come to expect. The outcome of these efforts was to overcome a projected revenue shortfall of approximately \$3 million to realize an operational deficit of under \$350,000. Every member of Town staff was involved in efforts to meet the competing service and financial expectations this past year brought to us all.

As a result, the timeliness and frequency of some Town services have been impacted; however, reviewing and rebalancing of services will continue to be contemplated as economic recovery returns to our area.

As is the case for all municipalities in Alberta, policy and fiscal decisions made by other levels of government have a massive impact on not only what we are required to do, but also to the activities that must be performed and the costs of these requirements. Continually changing and enhanced environmental, labour, and safety standards, as well as the imposition of tax and fee increases, most notably the new provincial Carbon Levy, result in significant cost increases to the Town. These factors impact our ability to maintain baseline operations and resulted in difficult choices on other expenditure areas.

Out of necessity, our capital program will be more modest going forward, and be even more dependent on securing external grant and funding support, most notably from the provincial and federal governments. Despite the financial challenges and the resultant reductions in spending in 2016, action to complete needed infrastructure improvements and requirements continued. These infrastructure improvements in 2016 included the extension of 43 Avenue to the Ring Road; water and sewer line/system replacement and upgrades; the completion of the Clean Energy Technology Centre (CETC); walking trail expansion and improvements; additional park and green space; and the purchase of a new pumper truck for the Fire Service. We will continue our deliberate approach to renew and replace our existing infrastructure while best positioning the Town for growth in the future.

While not a readily visible undertaking publicly, much effort was spent in 2016 in reviewing and updating our processes and practices within Town Administration. A new process for budgetary review was introduced resulting in quarterly budget updates being provided to Town Council and the public. Enhancements were made to provide communication to residents

about spending, services, programs and priorities. Town staff supported Council in their public engagement efforts on a number of topics including the Town Budget and spending priorities, services, planning and development, arts and culture, recreation, parks, community programming, economic development, and sustainability objectives for our community.

Town facilities and staff were called upon in response to the wildfires that ravaged the Fort McMurray area in 2016. As one of the small number of municipal reception centers that were established throughout the province, we were proud to play our part in supporting those who, in many cases, lost everything in this disaster. The response shown in supporting those affected was truly remarkable and clearly demonstrated the caring and supportive nature of our community throughout the country.

Over the past year I have seen, and come to appreciate, the great extent that many members of Town staff involve themselves in the broader community fabric, beyond their official duties as volunteers and leaders in many organizations and undertakings in Town and beyond. These efforts, as well as those of others I have witnessed throughout the broader community, are inspirational and make me proud to call Drayton Valley home. I would like to thank the Mayor and all Members of Council for their support and guidance this past year. Thank you to all members of Town staff for their efforts in a truly challenging year of change for us all. Finally a sincere thank you to this community for your welcome and assistance as we all work to build and grow our Town for today and into the future.

DEPARTMENT OVERVIEW

UNDER THE LEADERSHIP OF THE CHIEF ADMINISTRATIVE OFFICER, THE TOWN'S SIX DEPARTMENTS WORK COLLABORATIVELY TO PROVIDE IMPORTANT SERVICES AND PROGRAMS THAT ENHANCE THE QUALITY OF LIFE FOR THE RESIDENTS OF DRAYTON VALLEY AND ACHIEVE THE POLICY OBJECTIVES ESTABLISHED BY THE MAYOR AND COUNCIL

GENERAL ADMINISTRATION

- FINANCE • CORPORATE SERVICES
- COMMUNICATIONS & MARKETING
 - INFORMATION SERVICES
 - LEGISLATIVE SERVICES
- HUMAN RESOURCES • UTILITIES
- ECONOMIC DEVELOPMENT
 - SUSTAINABILITY
- GEOGRAPHIC INFORMATION SYSTEM

The Administration Department is comprised of the divisions which support the overall operations of the Town. Administration, with direction from Council, develops the programs, services and policies used organization wide to guide the community strategies on short and long-term projects. This Department works to ensure a cohesive, responsive and comprehensive focus for the residents of our community.

ENGINEERING

- ENGINEERING • PUBLIC WORKS
- PLANNING & DEVELOPMENT
 - CENTRE FOR WATER INTELLIGENCE
 - LANDFILL

The Engineering Department encompasses Public Works, Planning & Development, and the CWI. This Department oversees the effective delivery of Town services through the planning, implementation, operation, and maintenance of the Town's roadways, sidewalks, storm and sanitary sewers, waste management, and water distribution. Long-term planning and land use responsibilities fall within the Engineering Department.

COMMUNITY SERVICES

- PARK VALLEY POOL • OMNIPLEX
- FAMILY & COMMUNITY SUPPORT SERVICES • EARLY CHILDHOOD DEVELOPMENT CENTRE
- MACKENZIE CONFERENCE CENTRE
 - TOTAL WORKS HEALTH & FITNESS CENTRE

Community Services offers a wide variety of services and programs that focus on enhancing the quality of life for the residents of Drayton Valley. Its goal is to provide efficient, responsive, and innovative community-based services that promote a healthy and safe community. The Department is comprised of recreational facilities, social programming, and a nationally-recognized childcare centre.

CLEAN ENERGY TECHNOLOGY CENTRE

The CETC opened in the spring of 2016. This 28,500 square foot facility has been created to serve as a central hub to support economic diversification. The CETC provides services in education and training, business incubation and development, research and development activities, and applied research to commercialization. The CETC is home to NorQuest College and Drayton Valley & District Community Learning Association. The Town of Drayton Valley and NorQuest College have a Joint Venture Partnership to ensure the education and training needs in our community are met, including credit and non-credit course delivery.

PROTECTIVE SERVICES

- FIRE SERVICES
- BYLAW ENFORCEMENT
- EMERGENCY MANAGEMENT
- COMMUNITY POLICING
- WORKPLACE SAFETY
- ANIMAL CONTROL

Protective Services is comprised of Bylaw Enforcement, emergency management, community policing, Fire Services, Animal Control, and workplace safety. Fire Services is a cost-shared agreement with Brazeau County. The Town contracts a Community Peace Officer from the County to assist with traffic safety, enforcement, and Bylaw related issues.

DRAYTON VALLEY MUNICIPAL LIBRARY

- DRAYTON VALLEY MUNICIPAL LIBRARY
 - ROTARY CHILDREN'S LIBRARY
- The Drayton Valley Municipal Library and their satellite branch, the Rotary Children's Library, offer a variety of services and programs to residents of all ages, reading levels, and abilities. Both Libraries run programs throughout the year and continue to serve our homebound and visually challenged population in Drayton Valley with the Words On Wheels (WOW) van to deliver DVDs, large print, and CNIB/CELA materials to seniors' facilities.

WATER TREATMENT FACILITY

THE NEW WATER TREATMENT FACILITY PROVIDES SERVICES TO THE TOWN AND SURROUNDING AREA AND ALLOWS FOR CONTINUED GROWTH IN THE COMMUNITY



Drayton Valley's new Water Treatment Facility, referred to as the Centre for Water Intelligence (CWI) is a state-of-the-art facility using new technology to provide for the water needs of the Town and surrounding area, while improving operational efficiencies. In addition to providing a sustainable working environment, the CWI offers learning opportunities for industry and the general population.

The CWI building incorporates sustainable and green initiatives in power, heating, and cooling which are both efficient and effective and have garnered interest and inspiration from others pursuing construction projects to adopt these practices and strategies.

Translucent panels maximize the use of natural lighting in the process areas and offices. A green

roof, which insulates the office area requires no maintenance and helps cool the building in the summer months; light coloured roof panels also assist in cooling the building in the summer months.

The southeast side of the building has a solar wall which draws air into its pores and recirculates it through the wall until it is heated to the desired temperature. The air is then supplied to the HVAC unit which helps it save energy and heating costs. The cooling is provided by a coil that is wrapped around the raw water line inside the plant. The air in the coil is cooled then sent to the HVAC unit to be dispersed into the vents. This method of air conditioning is highly efficient and uses no harmful chemicals. Additionally, solar panels covering the southwest

corner of the CWI produce energy for the building which is sourced first before drawing from the grid.

On-site storm management for the water and waste water treatment facilities provides a centralized detention pond to protect the natural watershed area with minimal underground infrastructure. As future development occurs, the pond will service the surrounding areas storm water management requirements.

Unlike most water treatment facilities which are separate from waste water treatment facilities (WWTF), the CWI directs any reject water directly back to the WWTF without having to utilize the main collection system. Having both facilities in the same location allows for increased efficiency and consistency of monitoring and operations.

The first of its kind in North America, the CWI uses waste water treatment membrane systems for potable water treatment. This initiative, , reduces capital and operational costs related to poor raw water quality and sedimentation, especially during spring runoff periods. The fibres of the waste water membranes trap the sediment so effectively that commonly used chemical treatments for this issue are seldom required. This allows for consistent quality of potable water production despite the raw water quality from the North Saskatchewan River.

On-line analyzers automatically adjust dosage for the treatment of water, making the possibility of human error a virtual impossibility, and ensuring the safest, cleanest water available to all customers.

The CWI also employs specialized software systems to allow remote operations. CWI operators are able to troubleshoot, maintain data, and measure operational efficiencies anywhere that internet service is available. Partner companies monitor the innovative technologies at the CWI to ensure the technologies are working as intended.

The CWI provides an additional 10,000 cubic metre treatment capacity than the previously existing water treatment plant. This allows the Town to provide a steady supply of safe, potable water which exceeds the capacity needs of the community; allowing for continued growth of the Town and surrounding community. The in-ground reservoir and backup power generator provide peace of mind knowing that the Town can maintain production throughout lengthy power outages, while providing high quality potable water and fire protection for our community.

By ensuring the involvement of those who would operate the CWI, in the design and construction process, the transition from the old facility was seamless. Upon full implementation, the facility received positive feedback from the community that the quality, taste, and odour of the water had vastly improved.

In direct response to the fact that educational opportunities for staff, other than through suppliers, are scarce, the vision of the CWI is to become a much-needed training centre. Our long-term vision is to provide our learnings to municipal partners.

Through its state-of-the-art practices, the CWI has become a showcase for the community, providing learning opportunities for residents, school children, and industry. By enhancing the level of education and accessibility through opening our doors to the community, increased awareness and appreciation of a once unrecognized but vital service is better understood. The operators are excited to pass on their passion for water and the learning space encourages people to ask questions and get involved in protecting water, our most precious resource.



DID YOU KNOW

The new Water Treatment Facility came online in September of 2015.

The Water Treatment Facility has the capacity to treat 18,000 m³ of water per day

Construction of the new Water Treatment Facility cost \$26,462,565 and was funded by the Town of Drayton Valley, Brazeau County, and grants from the Provincial and Federal Governments:

Town of Drayton Valley
\$6,470,052

Brazeau County
\$1,617,513

Provincial Government
Alberta Municipal Water/
Wastewater Partnership
\$18,375,000

Federal Government,
Federation of Canadian
Municipalities contributed
\$674,951, and the Green
Municipal Fund provided a
debenture of **\$6,749,515**

A grand opening ceremony was held on September 16, 2016, and was attended by Shaye Anderson, MLA, Leduc-Beaumont, Mark Smith, MLA, Drayton Valley-Devon, Drayton Valley Mayor Glenn McLean and Town Council and Brazeau County Reeve Bart Guyon.

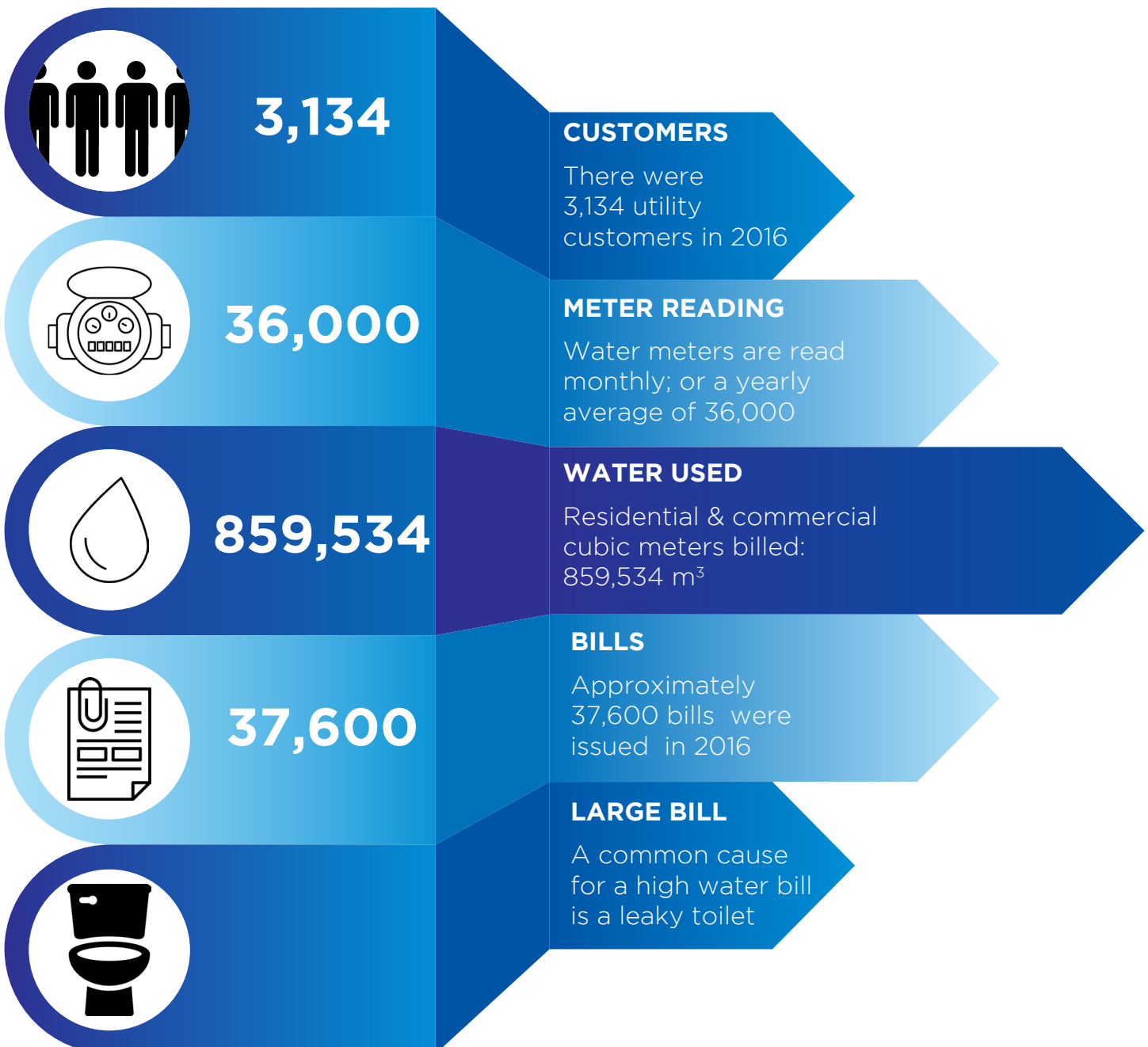


L to R: Shaye Anderson, MLA, Leduc-Beaumont, Drayton Valley Mayor Glenn McLean, Brazeau County Reeve Bart Guyon, Mark Smith, MLA, Drayton Valley-Devon

UTILITIES

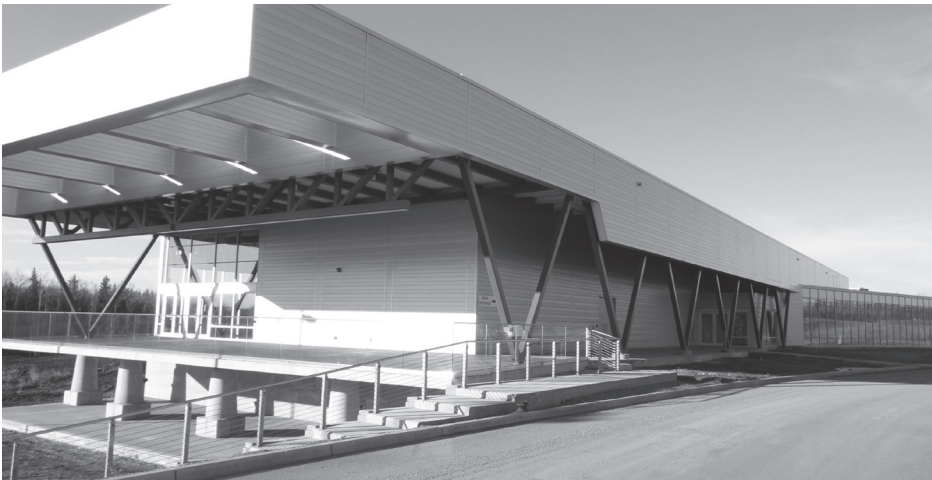
WATER AND SEWER SERVICES PROVIDED TO RESIDENTS

AND BUSINESSES INCLUDE WATER TREATMENT, DISTRIBUTION OF WATER THROUGH TRANSMISSION LINES AND A LOCAL DISTRIBUTION SYSTEM, FIRE PROTECTION OFFERED THROUGH THE LOCAL WATER DISTRIBUTION SYSTEM, COLLECTION AND TRANSMISSION OF WASTE WATER, AND WASTE WATER TREATMENT SERVICES.



CLEAN ENERGY TECHNOLOGY CENTRE

THE CLEAN ENERGY TECHNOLOGY CENTRE IS AN INNOVATIVE CENTRE, AND THE FIRST OF ITS KIND IN ALBERTA THAT PROVIDES A FOCUS OF SERVICES FOR EDUCATION AND TRAINING, BUSINESS DEVELOPMENT AND INCUBATION, AND APPLIED RESEARCH AND DEVELOPMENT.



The Town of Drayton Valley's Bio-Mile® is an area of industrial land located adjacent to the Weyerhaeuser sawmill. The Town of Drayton Valley established the Bio-Mile® in order to attract businesses from the emerging bio-economy. It is designed to provide a home to companies, organizations, and research partnerships focusing on creating new products from waste products including bio-mass from the forestry and agriculture industries. In support of the Bio-Mile® having successful business attraction and new startups setting their roots here, the Town of Drayton Valley recently opened the Clean Energy Technology Centre (CETC). The CETC is an education and training centre, a catalyst for business development and economic growth, and a hub for applied research and development to the community and beyond.

The CETC is a 28,500 square foot facility with a large multi-event space able to seat 350 guests. An on-site teaching kitchen is able to

provide catering and culinary classes for a variety of events, including conferences, trade shows, career fairs, lectures, workshops, and community events.

The CETC offers several classrooms, including video conferencing suites, computer stations, a health care lab, and modern learning spaces. The learning commons area provides students, researchers, and instructors the innovative space to collaborate in small working groups, along with a quiet study area. The administration space is designed as a central nucleus for the facility to inspire creative idea and knowledge sharing between NorQuest College instructors and staff, CETC administration, researchers, business incubators, entrepreneurs and clients.

The CETC will engage industry to address service gaps that currently exist in the region. Many local employers send employees out of town for educational and training

needs. With a the highly skilled oil and gas industry next door to the CETC, there are a variety of courses from credit programs, leadership and professional development programs, and continuing education courses that are needed. Furthermore, as the bio-industry advances, there is a growing need for skills training required for bio-manufacturing and alternative energy equipment and processes.



DID YOU KNOW

The construction of the CETC was fully funded by a \$10,600,000 grant from the province through the Minister of Environment & Sustainable Resources in 2012.

A 29 kWh solar panel system was installed on the roof of the CETC consisting of 131 panels and began operating in August 2016

In five months (August - December), the solar panels generated 5.64 MWh of power. In an average year, that is enough to power four average homes in Drayton Valley for one year.

BUDGET PROCESS

THROUGHOUT THE YEAR, TOWN COUNCIL ENGAGES WITH RESIDENTS TO UNDERSTAND ISSUES OF IMPORTANCE TO THE COMMUNITY. AS PART OF ONGOING BUDGET DELIBERATIONS, TOWN COUNCIL, WITH RECOMMENDATIONS FROM ADMINISTRATION, CONSIDER THE WELFARE AND INTERESTS OF THE TOWN AS A WHOLE AND WORK TO PROMOTE THE WELL-BEING OF THE COMMUNITY.

JUNE - AUGUST

June

- Council seeks public input through public input and surveys
- Department operational business planning and budget preparation modelling commences

July - August

- Finance reviews budget with Departments
- Survey results from public input are presented to Council
- Council and Administration collaborate on priority setting for the up-coming budget year

SEPTEMBER - NOVEMBER

September - November

- Ongoing review and analysis by Finance as part of budget preparations and finalization
- Continuation of collaborative efforts with stakeholders

DECEMBER - FEBRUARY

December

- Council passes interim budget

January - March

- Refinement of interim budget

MARCH - MAY

March

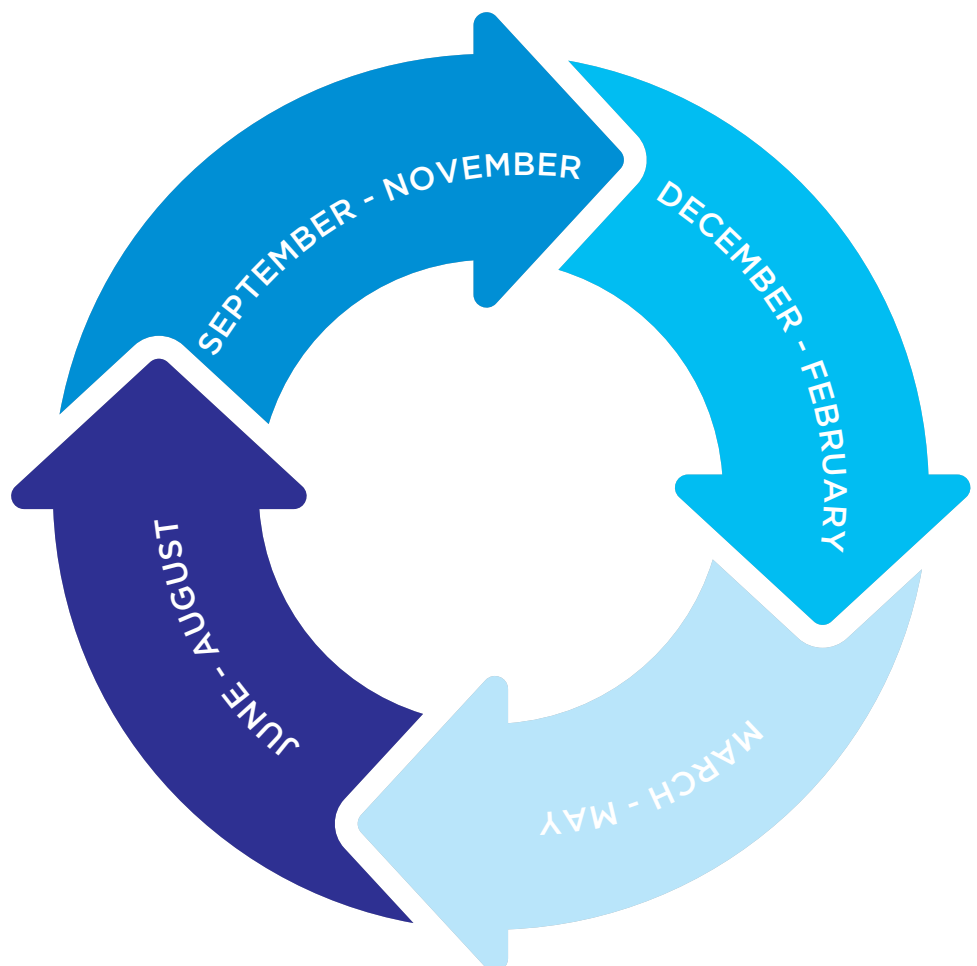
- Final adjustments made to the budget

April

- Council passes the final budget

May

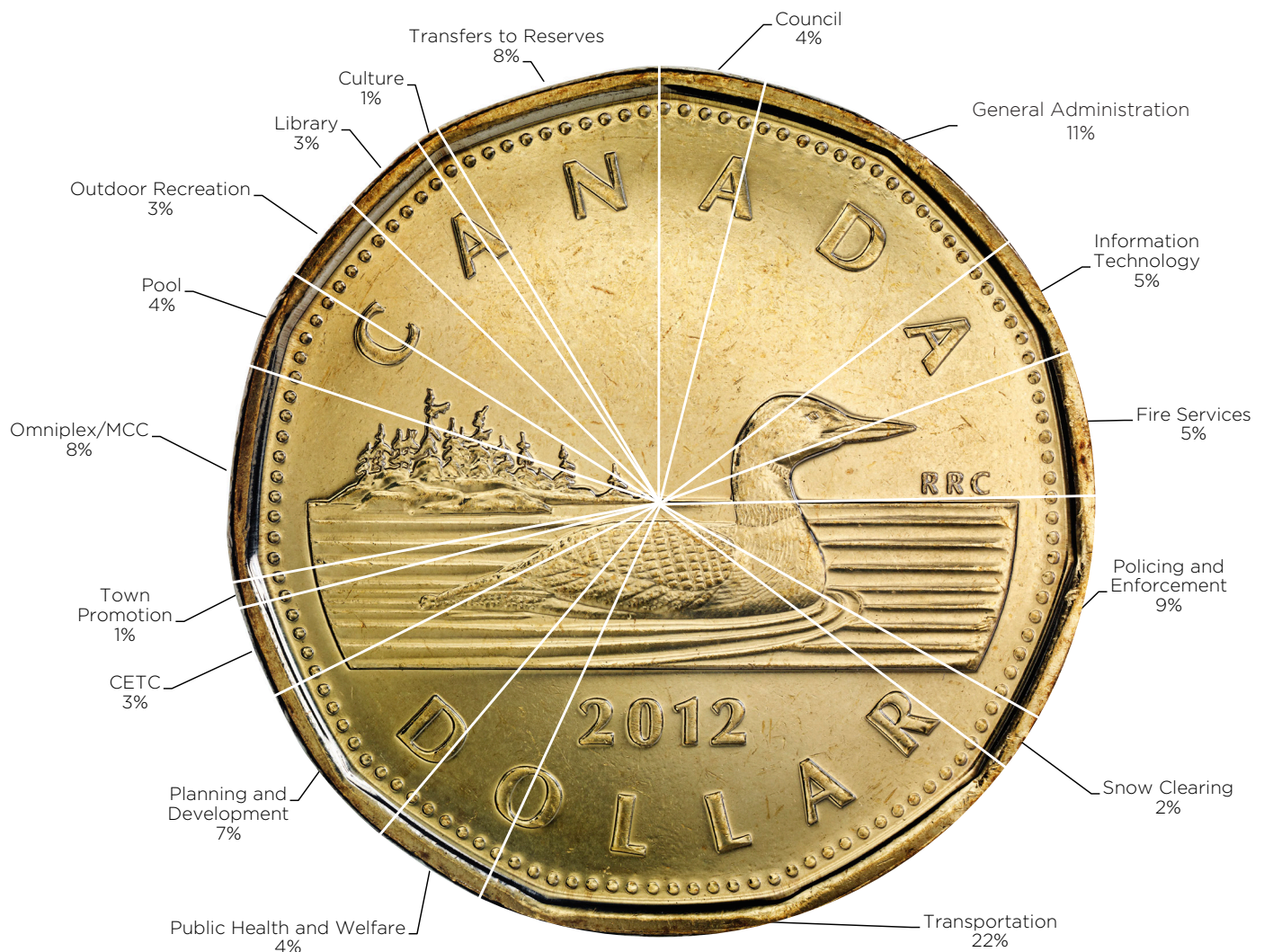
- Tax notices are sent out



Each year, extensive planning and public input take place to identify organizational and service needs for the following year.

WHERE DO YOUR MUNICIPAL TAX DOLLARS GO?

MUNICIPAL TAX RATES ARE DETERMINED BY THE PROGRAMS, SERVICES, AND INFRASTRUCTURE NEEDS OF RESIDENTS AND BUSINESSES. THESE SERVICES ENHANCE THE QUALITY OF LIFE IN OUR COMMUNITY.



Council (Honouraria and Expenses) ...	\$473,070.67
General Administration	\$1,302,928.84
Information Technology	\$561,435.83
Fire Services	\$665,642.04
Policing and Enforcement	\$1,050,359.73
Snow Clearing	\$237,636.36
Transportation	\$2,623,399.47
Public Health and Welfare	\$513,620.98
Planning and Development	\$815,811.59

CETC	\$411,552.91
Town Promotion	\$115,928.24
Omniplex/MCC	\$978,768.33
Pool	\$454,150.59
Outdoor Recreation	\$413,014.44
Library	\$395,801.69
Culture	\$119,472.30
Transfers to Reserves	\$1,029,185.00

TOTAL \$12,161,779.01

FINANCIAL INFORMATION

THIS SECTION OF THE 2016 ANNUAL REPORT AIMS TO PROVIDE A FINANCIAL UPDATE FOR THE TOWN OF DRAYTON VALLEY, AS WELL AS PROVIDING ADDITIONAL INFORMATION AND CONTEXT FOR THE READER.

On the whole, the Town's finances remain fundamentally sound with reserve and debt levels maintained at comfortable levels. This is not to say the impacts of the economic downturn are not being felt in the community. Most notably, evidence of the recession was realized in the usage and revenues of the utilities and the recreation facilities. This impact began in 2015 and was increasingly felt as 2016 progressed. To address these revenue shortfalls, the Town took immediate action to review expenditure levels and expenses were decreased to offset as much of the deficit as could be managed, while trying to maintain service levels as much as possible.

Capital expenditures were also highly curtailed in an effort to maintain cash flow and ensure fiscal stability was maintained. Grant funding opportunities were maximized and priority given to projects where external funding was obtained.

The most notable changes to Town operations in 2016 were the new CWI coming on-line, and the Clean Energy Technology Centre opening its doors. These new facilities expanded the Town's ability to provide water/sewer services effectively, and created entirely new service offerings by way of educational and economic development opportunities to Drayton Valley and surrounding area.

SIGNIFICANT VARIANCES

- User fee revenues came in significantly below expectations. With the continued downturn of the economy, demand for some revenue generating services was much lower than anticipated. The segments experiencing the largest decreases were recreation and utilities.
- Licensing and permit revenue was lower than anticipated, this being the result of development activity being at a historic low.
- Expenditures on roads/streets experienced a positive variance, thanks to low snowfall in the winter months not requiring as much snow clearing work, as well as expenditure reductions put in place during the year.
- Water and wastewater expenditures realized a significant negative variance as a result of increased work required to investigate and repair issues arising in the sewer system resulting from major rain events.
- Administration expenditures came in higher than budgeted as the result of expenditures relating to the Fort McMurray fire evacuations, and retirements.
- Waste management expenditures had a significant negative variance as a result of recognizing a \$700,000 adjustment to the estimated closure and post-closure liability for the Waste Management Facility. This does not represent an actual outlay of funds, but rather a further accruing of estimated future expenses to be incurred when the Facility is closed. More information can be found in Note 5 of the Financial Statements.

FINANCIAL POSITION

The Town maintains \$15.75M in Financial Assets as of the 2016 year-end, which is primarily held in cash and cash equivalents. This is a reduction of about \$4.5M from 2015, consisting of a \$1.5M reduction in cash, and \$3M reduction in trade receivables. Maintaining financial assets at this level is consistent with sound fiscal management given the highly seasonal nature of municipal cash flows.

Financial Liabilities were reduced by \$1.8M during 2016. This is the net result of a \$2.2M reduction of trade payables, nearly \$1M of retired long-term debt, and increases in deferred revenue and the post-closure liability for the Waste Management Facility. The increase in deferred revenue is directly tied to the curtailing of several capital projects during the year.

The Town maintains operating reserves of \$0.8M, capital reserves of \$3.98M, and an unrestricted surplus of \$2.2M. Combined with \$107.7M of equity in capital assets, that leaves \$114.7M of accumulated surplus as of December 31, 2016.

REVENUES

Revenues by Function	2012	2013	2014	2015	2016
General Administration	915,345	970,342	1,499,090	1,684,410	2,179,895
Protective Services	2,656,032	2,873,711	3,249,350	3,330,539	3,583,521
Water, Wastewater and Waste Management	7,684,130	6,758,399	6,890,051	6,392,296	5,612,978
Recreation and Culture	4,218,013	4,488,851	4,033,077	4,659,812	4,653,452
Roads, Streets, Walks and Lighting	2,948,828	3,290,915	2,649,391	2,618,849	1,916,511
Public Health and Welfare	2,044,145	2,104,796	2,265,262	2,317,883	2,406,966
All Other	4,090,135	4,169,858	4,437,509	4,866,677	5,171,770
	24,556,628	24,656,872	25,023,730	25,870,466	25,525,093

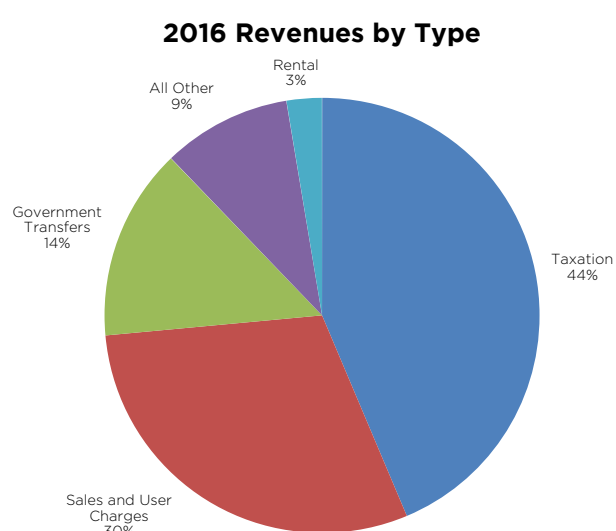
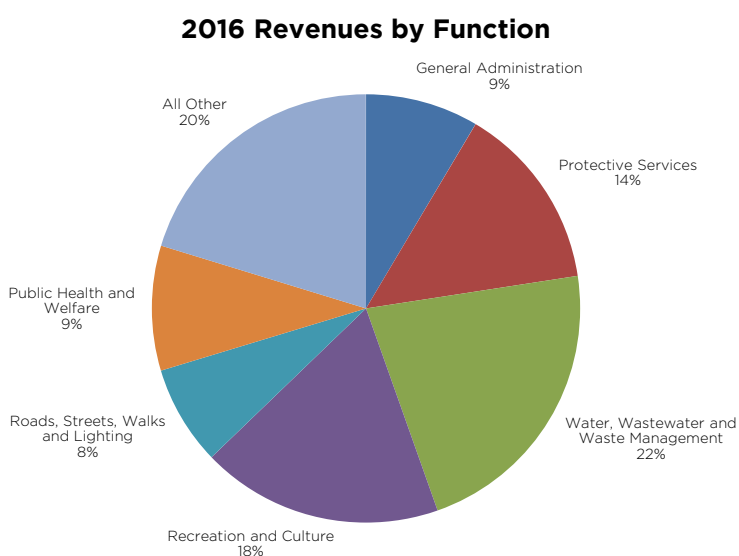
Revenues by Type	2012	2013	2014	2015	2016
Taxation	\$8,763,068	\$9,136,603	\$9,907,642	\$11,550,846	\$11,140,301
Sales and User Charges	\$9,516,748	\$8,592,800	\$8,636,377	\$7,873,820	\$7,630,371
Government Transfers	\$3,915,673	\$3,512,276	\$3,472,189	\$3,290,402	\$3,642,526
All Other	\$1,615,719	\$2,681,119	\$2,271,181	\$2,485,315	\$2,440,929
Rental	\$745,420	\$734,074	\$736,341	\$670,083	\$670,966
	\$24,556,628	\$24,656,872	\$25,023,730	\$25,870,466	\$25,525,093

Revenue sources are the income-generating tools that a municipality uses to finance its daily operations, pay debts, and undertake capital projects. Accessible and reasonable revenue sources are needed to ensure municipal viability today and into the future.

Revenue sources can be reflected in two ways, by function and by object.

REVENUES BY FUNCTION are monies brought in through various municipal activities such as facility fees, fines, and provincial and federal funding.

REVENUES BY TYPE are monies collected through taxation, sales and user charges, provincial and federal grants, and rental properties.



EXPENSES

Expenses by Function	2012	2013	2014	2015	2016
General Administration	\$915,345	\$970,342	\$1,499,090	\$1,684,410	\$2,179,895
Protective Services	\$2,656,032	\$2,873,711	\$3,249,350	\$3,330,539	\$3,583,521
Water, Wastewater and Waste Management	\$5,188,133	\$4,551,695	\$5,312,045	\$5,611,030	\$6,770,998
Recreation and Culture	\$4,218,013	\$4,488,851	\$4,033,077	\$4,659,812	\$4,653,452
Roads, Streets, Walks and Lighting	\$2,948,828	\$3,142,862	\$2,649,391	\$2,618,849	\$1,916,511
Public Health and Welfare	\$2,044,145	\$2,104,796	\$2,265,262	\$2,317,883	\$2,406,966
All Other	\$2,228,353	\$2,640,914	\$2,555,790	\$2,985,858	\$4,086,580
	\$20,198,849	\$20,773,171	\$21,564,005	\$23,208,381	\$25,597,923

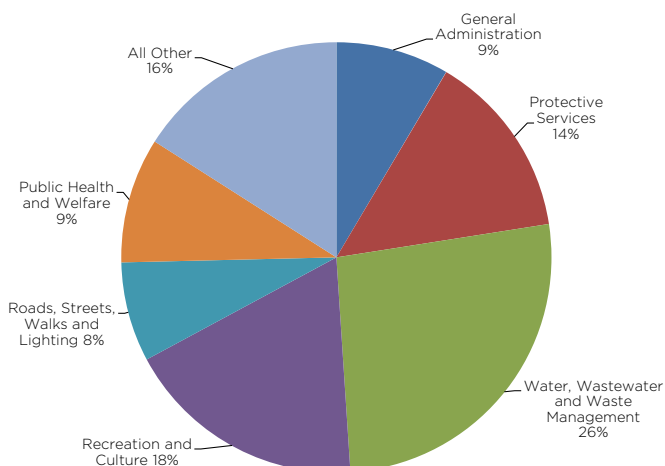
Expenses by Type	2012	2013	2014	2015	2016
Wages and Benefits	\$6,493,644	\$7,265,521	\$7,523,712	\$8,550,887	\$9,897,491
Materials, Goods, and Contracted and General Services	\$4,823,380	\$4,957,261	\$5,019,273	\$5,115,066	\$5,714,116
Professional Fees	\$3,407,689	\$3,921,873	\$4,565,126	\$4,600,882	\$4,665,808
Repairs and Maintenance	\$3,078,695	\$2,287,456	\$2,405,827	\$2,606,536	\$2,810,348
Utilities	\$1,768,139	\$1,702,744	\$1,423,031	\$1,557,797	\$1,647,632
Interest on Long-Term Debt	\$441,614	\$455,064	\$432,388	\$526,329	\$544,876
Insurance	\$185,688	\$183,252	\$194,648	\$250,884	\$317,652
	\$20,198,849	\$20,773,171	\$21,564,005	\$23,208,381	\$25,597,923

Expenses refer to monies the municipality spends on its daily operations, debt repayment, and various other services, programs, and initiatives the Town provides to its residents. Maintaining fiscal responsibility while providing quality services to residents ensures the sustainability of the Town.

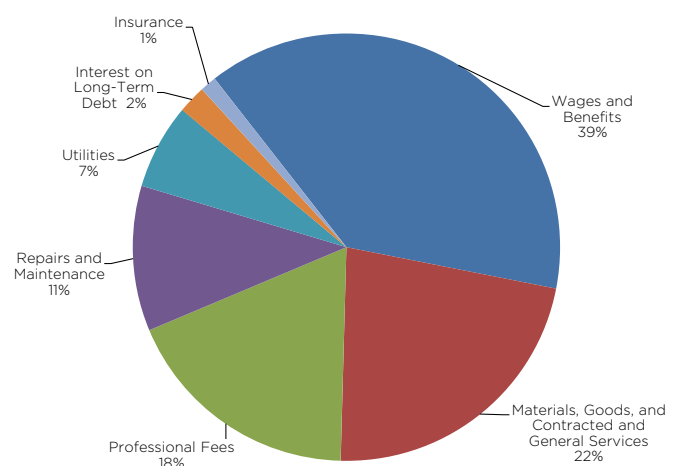
EXPENSES BY FUNCTION are monies spent according to the activity for which the expenses were incurred, such as day to day operations of the Town and event programming including such things as Protective Services, Water, Waste Water and Waste Water Management, and Recreation and Culture.

EXPENSES BY TYPE are monies spent on general maintenance and repair of Town assets, debt repayment, contracted services, and staff wages.

2016 Expenses by Function



2016 Expenses by Type



TANGIBLE CAPITAL ASSETS

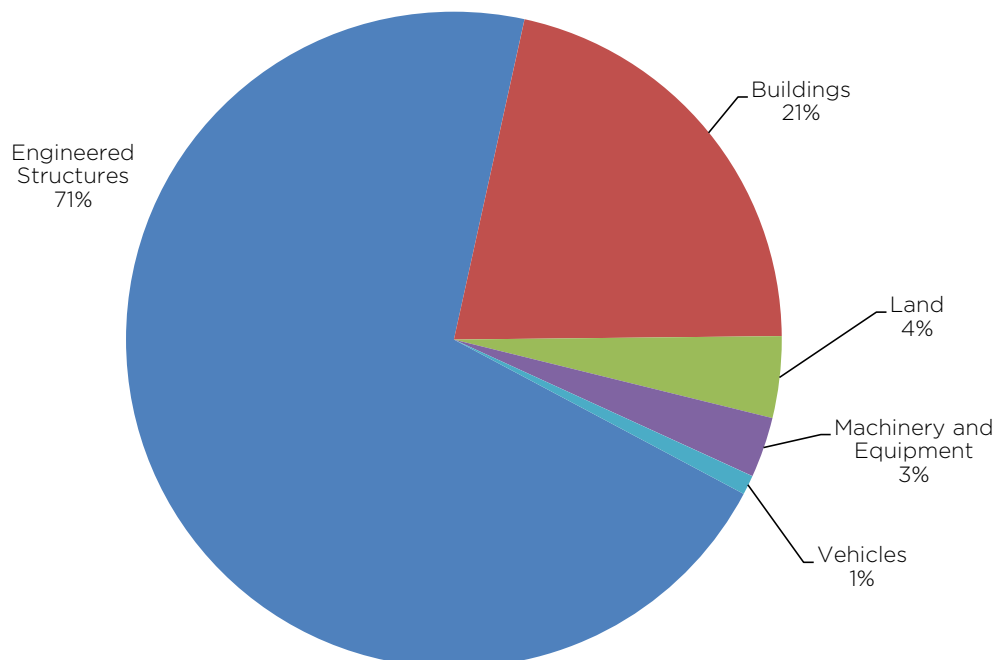
	2012	2013	2014	2015	2016
Cost					
Engineered Structures	\$98,982,626	\$105,610,311	\$119,645,888	\$133,607,388	\$136,167,549
Buildings	\$28,593,519	\$29,317,401	\$32,132,441	\$38,816,708	\$41,215,408
Land	\$4,283,681	\$4,996,219	\$7,112,382	\$7,540,424	\$7,716,194
Machinery and Equipment	\$3,227,476	\$6,191,163	\$4,690,261	\$5,385,535	\$5,756,707
Vehicles	\$1,418,814	\$1,418,814	\$1,665,982	\$1,665,982	\$1,818,570
Total Cost	\$136,506,116	\$147,533,908	\$165,246,954	\$187,016,037	\$192,674,428
Accumulated Amortization	\$53,041,050	\$56,984,312	\$60,532,598	\$65,235,557	\$71,178,503
Net Book Value	\$83,465,066	\$90,549,596	\$104,714,356	\$121,780,480	\$121,495,925

Tangible Capital Assets (TCAs) are a significant economic resource managed by the Town of Drayton Valley and a key component in the delivery of many programs and services. TCAs include such diverse items as roads, buildings, vehicles, equipment, land, computer systems and water systems.

Capitalizing and amortizing TCAs results in a more accurate picture of the true annual costs of municipal programs and services. This helps Council and Administration decide how best to spend revenues, determine taxes, set user charges, and manage cost sharing arrangements.

Capitalizing assets helps maintain accurate records and effective management of assets by allowing the Town of Drayton Valley to measure departmental asset maintenance and rehabilitation.

2016 Tangible Capital Assets





DID YOU KNOW

These capital projects were made possible by funds procured from the Alberta Community Partnership Program which promotes strong working relationships between communities and regional approaches to municipal service and delivery.

2016 CAPITAL PROJECTS



New Fire/Rescue Pumper Truck for the Drayton Valley/ Brazeau County Fire Services Department



Ring Road Realignment Project



North West Quadrant Trail System Project

The Town has more than **10 KM OF ITS OWN FIBRE OPTIC CABLE** that is used to directly connect the CWI, Park Valley Pool, ECDC, Public Works, Omniplex and MacKenzie Conference Centre facilities to the Civic Centre

66,500 In-person visits to the Library in 2016

Circulation was **UP 5%** from 2015

29,665 ITEMS are in the Library's collection

Library card holders: **3,423**

Attendance at the Park Valley Pool was **71,097**; an **INCREASE OF OVER 10%** from 2015

Over **1,750 ELEMENTARY SCHOOL AGED CHILDREN** were taught water safety skills

Almost **400 EVENTS** were held at the Omniplex which brought in **43,000 PEOPLE**

Total Works Health and Fitness Centre offered **OVER 15 DIFFERENT FITNESS PROGRAMS** including **FREE YOUTH FITNESS PROGRAMS** for youth aged 12 - 18

Town employees worked a total of approximately **225,700 REGULAR HOURS**

22,138 TONNES of material was accepted at the Waste Management Facility; **2,850 TONNES** of material was diverted from the Waste Management Facility

946 CALLS WERE RECEIVED FOR BYLAW SERVICES; these included complaints, permit and event licenses, and general information inquiries

82.85 KM OF PAVED ROADS

2 OUTDOOR SKATING RINKS

17 ANIMALS WERE CAPTURED & returned or re-homed by Animal Control

24.88 KM OF TRAILS
55.73 KM OF SIDEWALKS

1,144 sewer man-hole covers

Drayton Valley is comprised of **48 QUARTER SECTIONS** of land

15 PONDS (natural and man-made) and **3 POND SKATING RINKS**

25 - 40 SENIORS participate in the Alive 55 Program each week



LONG-TERM DEBT

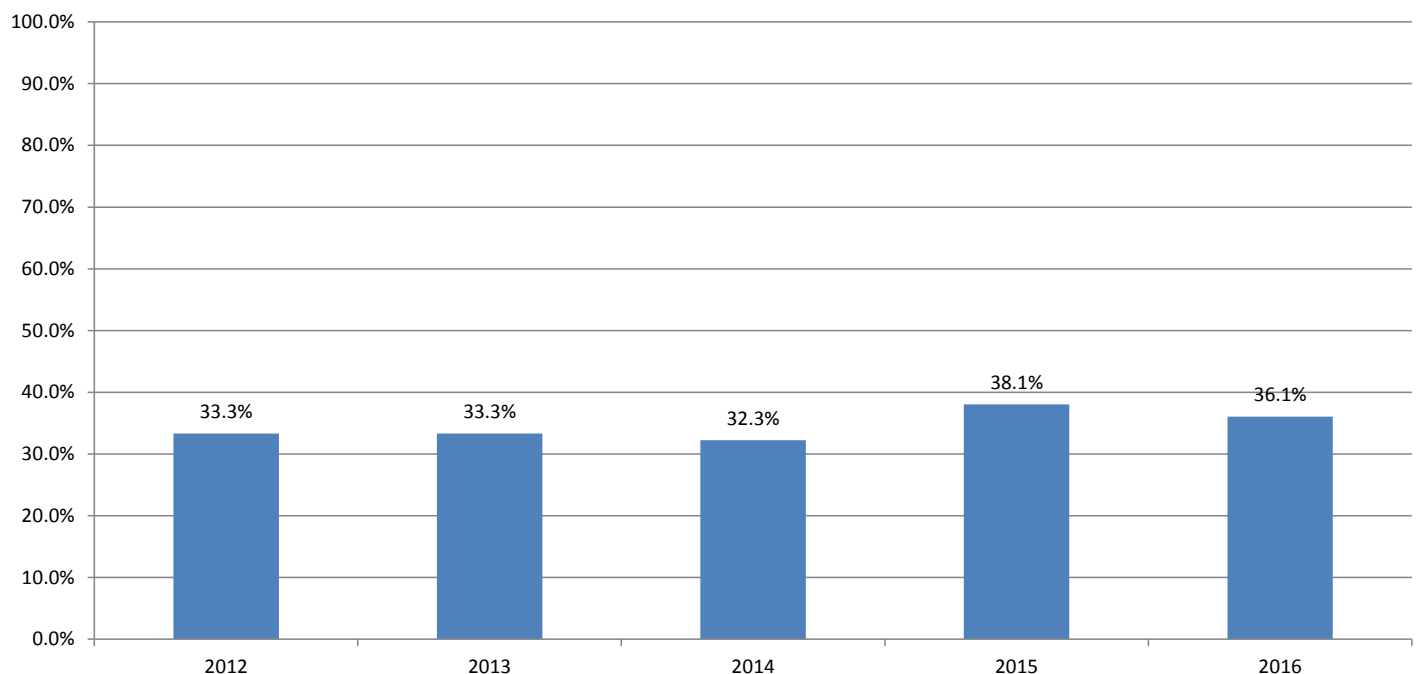
	2012	2013	2014	2015	2016
Total Debt	\$12,316,782	\$12,316,782	\$12,108,035	\$14,771,731	\$13,811,360
Debt Limit	\$36,985,308	\$36,985,308	\$37,535,595	\$38,805,699	\$38,287,640
Unused Debt Limit	\$24,668,526	\$24,668,526	\$25,427,560	\$24,033,968	\$24,476,280
Amount of Debt Limit Used	33.3%	33.3%	32.3%	38.1%	36.1%
Debt Servicing	\$1,396,663	\$1,333,736	\$1,332,771	\$1,508,385	\$1,471,235
Debt Servicing Limit	\$6,139,157	\$6,164,218	\$6,255,933	\$6,467,617	\$6,381,273
Unused Debt Servicing Limit	\$4,742,494	\$4,830,482	\$4,923,162	\$4,959,232	\$4,910,038

Municipal debt is an important capital financing tool. Long-term debt can be used to fund capital projects (e.g. road rehabilitation, local improvements, or construction of major infrastructure, such as the CWI).

Municipalities can only incur long-term debt for capital projects. They must balance their budgets in accordance with legislation and generally cannot borrow money over the long-term to fund operating expenses. However, a municipality may temporarily borrow money to pay for operating expenses while they are waiting to receive taxes and other revenues for the year. This framework assists municipalities by maintaining their long-term financial health while maintaining public services.

	2012	2013	2014	2015	2016
Amount of Debt Limit Used	33.3%	33.3%	32.3%	38.1%	36.1%

Amount of Debt Limit Used



RESERVES

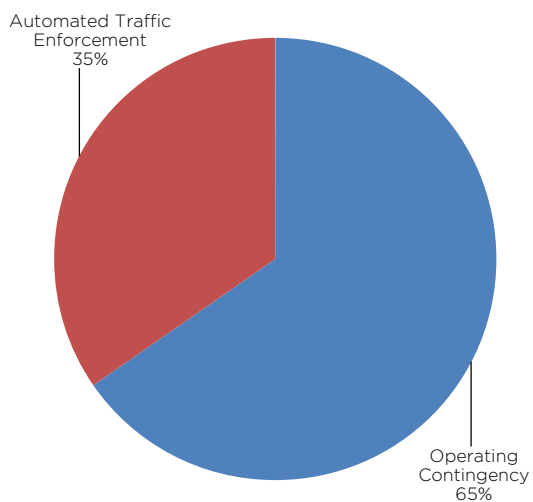
	2012	2013	2014	2015	2016
Operating					
Operating Contingency	\$525,000	\$525,000	\$525,000	\$525,000	\$525,000
Automated Traffic Enforcement	-	-	-	\$120,180	\$278,328
	\$525,000	\$525,000	\$525,000	\$645,180	\$803,328
Capital					
Pool	-	\$30,830	\$60,251	\$640,284	\$1,169,827
General	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
Sewer	\$103,616	\$327,198	\$400,515	\$599,007	\$601,638
Landfill Airspace Depletion	\$438,903	\$365,006	\$658,693	\$207,586	\$474,313
Water	\$314,301	\$703,417	\$810,138	\$967,318	\$439,915
Parkland	\$229,472	\$229,472	\$229,472	\$229,472	\$229,472
Affordable Housing	\$33,400	\$57,889	\$112,615	\$109,278	\$109,444
Storm	\$91,400	\$93,511	\$95,351	\$95,351	\$95,351
Landfill Equipment	\$47,904	\$88,110	\$100,449	\$-167,497	\$-144,284
	\$2,258,996	\$2,895,433	\$3,467,484	\$3,680,799	\$3,975,676
Total Reserves	\$2,783,996	\$3,420,433	\$3,992,484	\$4,325,979	\$4,779,004

Reserves are established by Council to assist with long-term financial stability and financial planning.

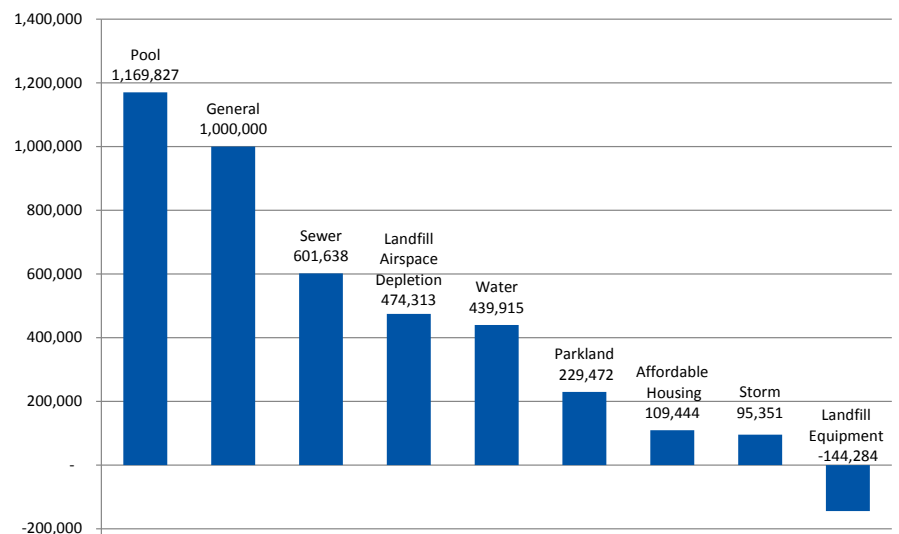
These funds are set aside to help off-set future capital needs, obligations, pressures, and costs. They are drawn upon to finance specific capital and operating expenditures as designated by Council, to minimize tax rate fluctuations due to variable expenditure levels and grant availability, and to fund ongoing projects and programs.

A reserve, is generally used either to mitigate the impact of fluctuations in operating costs and revenue or to accumulate funds for future projects and contingent liabilities.

2016 Operating Reserves

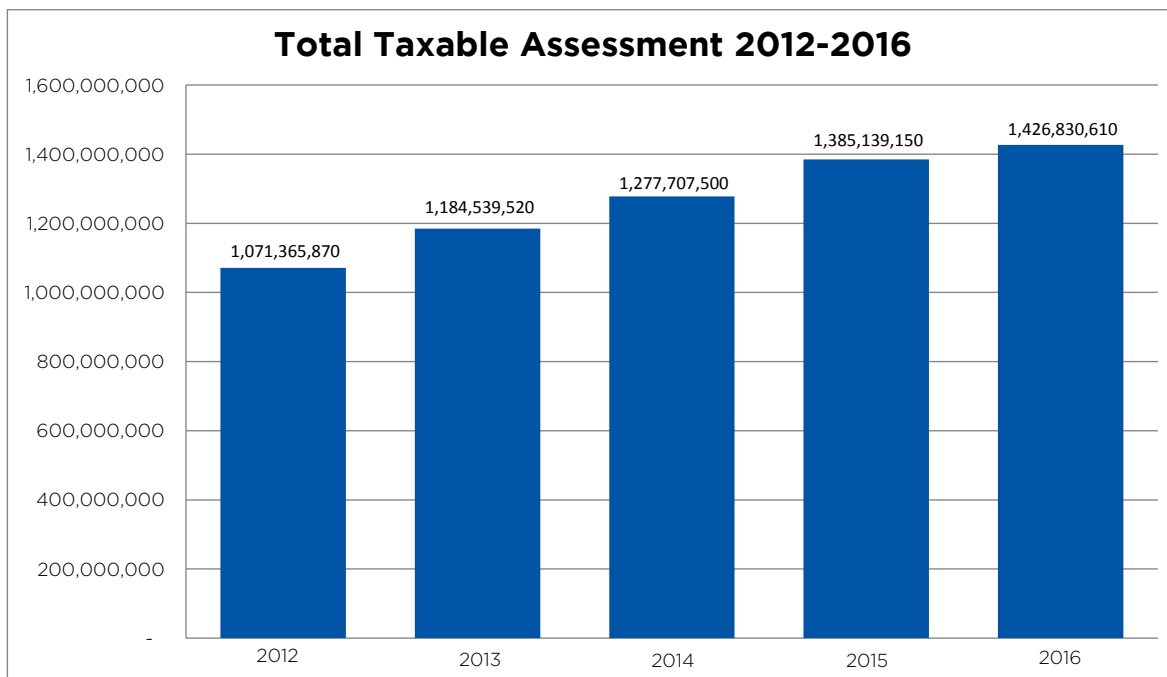


2016 Capital Reserves



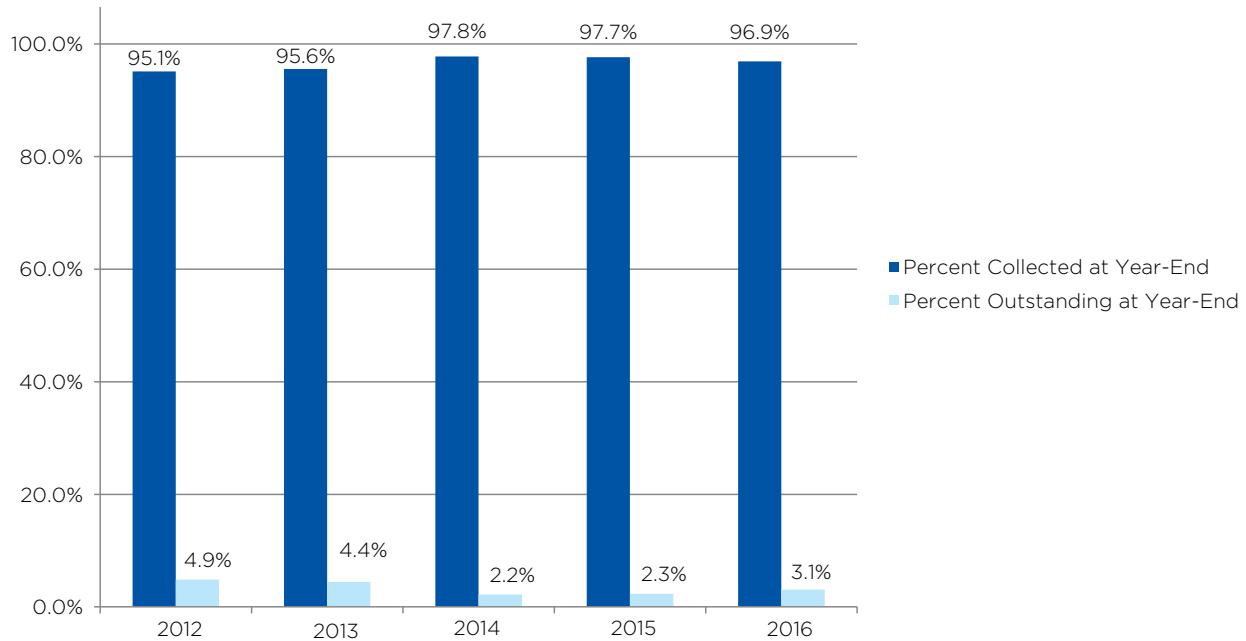
TAXES AND ASSESSMENT

Property Taxes Levied	2012	2013	2014	2015	2016
Real Property Taxes	\$11,264,749	\$11,867,090	\$12,814,538	\$13,990,977	\$14,545,106
Linear Property Taxes	\$721,880	\$730,022	\$728,942	\$766,300	\$790,825
Special Assessments and Local Improvement Taxes	\$93,615	\$91,769	\$25,454	\$731,652	\$35,300
Government Grants in Lieu of Property Taxes	\$73,072	\$27,563	\$92,630	\$58,282	\$36,851
	\$12,153,316	\$12,716,444	\$13,661,564	\$15,547,211	\$15,408,082
Requisitions					
Education Property Tax	\$3,065,515	\$3,254,565	\$3,427,575	\$3,678,135	\$4,025,845
Brazeau Seniors Foundation	\$324,733	\$325,276	\$326,347	\$318,230	\$241,936
	\$3,390,248	\$3,579,841	\$3,753,922	\$3,996,365	\$4,267,781
Net Municipal Taxes	\$8,763,068	\$9,136,603	\$9,907,642	\$11,550,846	\$11,140,301
Mill Rate	2012	2013	2014	2015	2016
Residential and Farmland	8.3694	7.9726	7.9175	8.0041	7.7045
Non-Residential	16.3598	15.6837	15.3218	15.0183	16.1267
Machinery and Equipment	12.6830	12.1939	11.8949	12.0594	12.2705
Assessments	2012	2013	2014	2015	2016
Residential and Farmland	\$647,897,650	\$719,729,010	765,416,090	\$807,380,950	\$858,866,510
Non-Residential	\$382,472,760	\$422,237,580	466,845,080	\$526,565,040	\$514,424,460
Machinery and Equipment	\$28,889,200	\$30,565,750	33,123,870	\$38,645,510	\$38,441,170
Linear	\$12,106,260	\$12,007,180	12,322,460	\$12,547,650	\$15,098,470
	\$1,071,365,870	\$1,184,539,520	1,277,707,500	\$1,385,139,150	\$1,426,830,610

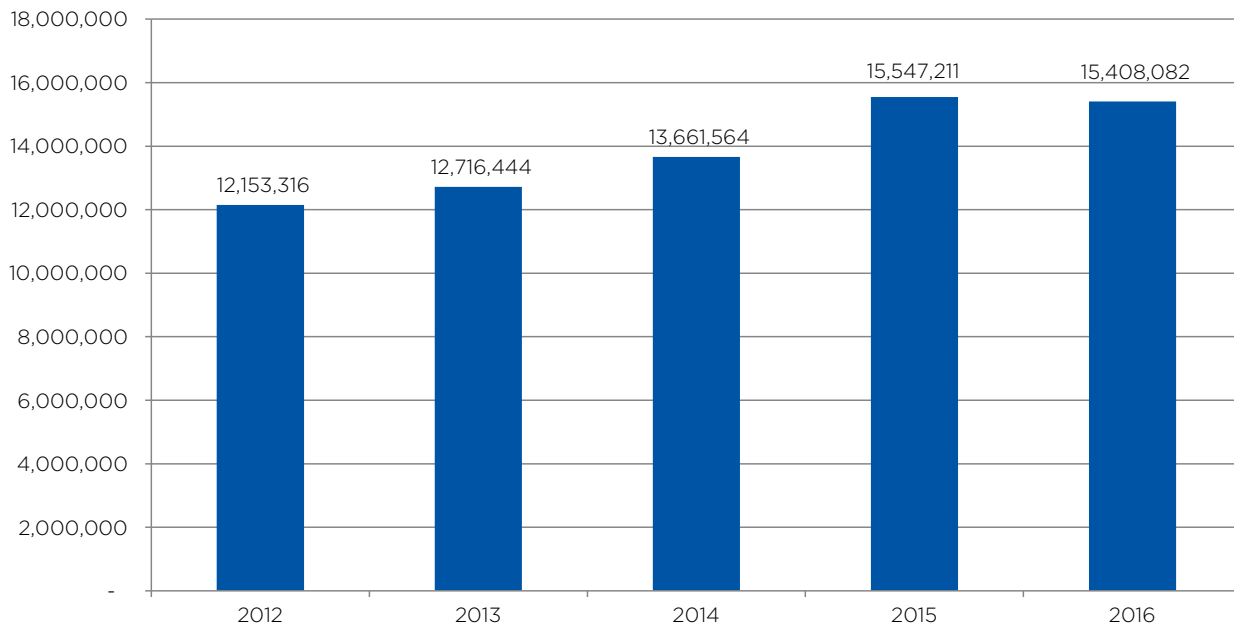


TAX COLLECTION

	2012	2013	2014	2015	2016
Taxes Levied	12,153,316	12,716,444	13,661,564	15,547,211	15,408,082
Year-End Receivables	591,897	562,783	300,421	364,447	471,824
Percent Collected at Year-End	95.1%	95.6%	97.8%	97.7%	96.9%
Percent Outstanding at Year-End	4.9%	4.4%	2.2%	2.3%	3.1%



Taxes Levied and Collected 2012-2016





DID YOU KNOW

Property tax rates are based on the previous year's property assessment values.

Property taxes in 2016 are based on the 2015 assessment values.

The municipality is responsible for setting the tax rate but does not establish the assessment values.

The tax rate is further impacted by the Educational Requisition (Alberta School Foundation Fund ASFF and separate schools requisition) and Brazeau Seniors' Foundation.

33%

33 per cent of your municipal tax bill goes directly to other agencies

TAX REVENUE

Category	Amount	%
Municipal Taxes (based on assessed property value of \$350,000)	\$1,806.60	67%
Educational Requisition Government of Alberta (public/ASFF and separate schools)	\$830.83	30.8%
Brazeau Seniors' Foundation	\$59.19	2.2%
TOTAL	\$2,696.61	100%

The municipal portion of property taxes collected goes toward funding the services and amenities that help make Drayton Valley a great place to live, work, and play. Approximately 33 per cent of the average Drayton Valley property tax bill goes to other agencies.

Municipal taxes are calculated based on property assessment and the mill rate. Property assessment is the determination of the market value of a property. As per the requirements of the Government of Alberta, the Town of Drayton Valley has no role in the process of determining the assessment value of a property. An independent, registered, and impartial firm determines the value of a property. The mill rate is the amount of tax owed per thousand dollars of assessed value and the rate differs for residential and non-residential property. The mill rate is made up of three components. The first is the municipal mill rate,

set by Council, and calculated through the budgetary process. The other two components of the mill rate are for Brazeau Seniors' Foundation and the Educational Requisition; these mill rates are not set by the Town and are mandated by these agencies.

In 2016, the mill rate for residential properties was 7.7046 per thousand dollars of assessed value. If your property had an assessed value of \$350,000, your property taxes would have been \$2,696.61. This would be calculated as follows:

$$(\text{assessed property value} \times \text{mill rate}) / 1,000 = (\$350,000 \times 7.7046) / 1,000 = \$2,696.61$$

Of the \$2,696.61 in property taxes, \$1,806.60 would go to the municipality, \$59.19 would be for the Brazeau Seniors Foundation and \$830.83 would be for the Educational Requisition.

REGIONAL COST SHARING

WORKING COLLABORATIVELY WITH OUR REGIONAL PARTNERS, BRAZEAU COUNTY AND PARKLAND COUNTY, AND LEVERAGING GRANT FUNDING ALLOWS TOWN COUNCIL AND ADMINISTRATION TO SEIZE OPPORTUNITIES AND IMPLEMENT INITIATIVES THAT LEAD TO A HIGHER QUALITY OF LIFE FOR OUR RESIDENTS.

A NUMBER OF INITIATIVES RELY ON GRANT FUNDING AND REGIONAL PARTNER SUPPORT TO ENSURE THAT BOTH LOCAL AND REGIONAL RESIDENTS HAVE ACCESS TO RECREATIONAL AND ESSENTIAL FACILITIES AND SERVICES.

EXAMPLES OF HOW WORKING COLLABORATIVELY HAS BEEN BENEFICIAL TO DRAYTON VALLEY, BRAZEAU COUNTY AND OTHER NEARBY MUNICIPALITIES AND RESIDENTS IN 2016:

PROJECTS COMPLETED IN 2016	TOWN OF DRAYTON VALLEY	BRAZEAU COUNTY
Water Treatment Facility	\$6,460,052	\$ 1,617,513
Bus Transfer Station	\$ 745,413	-
TOTAL	\$7,205,465	\$ 1,617,513

OPERATIONAL	TOWN OF DRAYTON VALLEY	BRAZEAU COUNTY***
Airport	\$ 54,920	\$ 49,941
Community School Resource Officer (CSRO)	\$ 27,432	\$ 27,432
Culture/Events	\$ 269,472	\$ 5,000
Early Childhood Development Centre (ECDC) and Family Day Homes	\$ 230,685 (Operational Deficit)	-
Family and Community (80% provincially funded / 20% municipally funded)	\$ 186,390	\$ 163,279
Drayton Valley Municipal Library	\$ 395,802	\$ 244,829
Fire Services	\$ 608,166	\$ 571,372
Police Protection The Town of Drayton Valley pays 70% for community policing which is provided by the RCMP	\$1,096,759	\$ 37,123
Recreation and Parks	\$1,845,933	\$ 883,705
Community Peace Officers**	\$ 144,675	-
Snow Removal**	\$ 16,413	-
Weed Inspection**	\$ 12,090	-
TOTAL	\$4,888,737	\$1,982,681

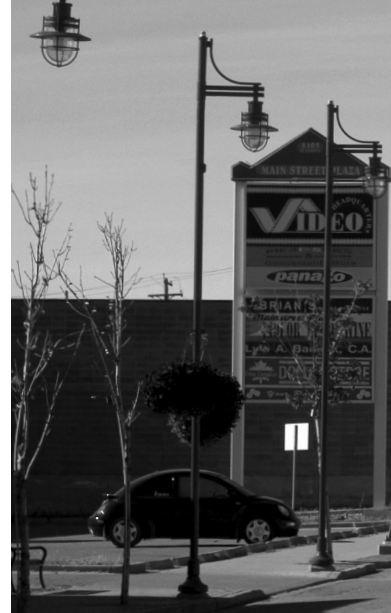
*Estimated amounts

**Contracted services from Brazeau County

***Brazeau County 2016 Annual Report

COMMUNITY SUSTAINABILITY PLAN

THE COMMUNITY SUSTAINABILITY PLAN (CSP) TAKES AN INTEGRATED APPROACH TO CURRENT AND FUTURE COMMUNITY PLANNING INITIATIVES. The CSP addresses all components of our community network. The strength of the CSP is in how we understand each of the main systems and the manner in which they operate in Drayton Valley.



SOME OF THE ACHIEVEMENTS OF 2016:

HEALTH AND SOCIAL

A healthy community includes strong social networks, recreational and leisure opportunities, and access to programs and services that meet people's needs.

- Participation in the Traffic Advisory Committee
- Participation in the Injury Prevention subcommittee of the Healthy Community Coalition
- Community Safety Programs
- Healthy food options provided at the Park Valley Pool
- CETC opened, NorQuest College and Drayton Valley & District Community Learning Association offering programs on-site
- Professional Development courses offered regularly at the CETC
- Several workshops offered at the CETC with focus on renewable energy and clean technologies
- Partnership building with NorQuest College and organizations such as WestJet seeking to diversify
- The Town's new Geographic Information System was used to provide new maps on the Town's website. This includes new maps identifying the Town's many walking trails and parks, as well as a visitor map. There are also a few interactive maps, including an Arts and Culture map, Historical Walking map, and a Pokémon "Pokéstops" map for kids

ARTS, CULTURE, AND HERITAGE

We value and respect our culture, multiculturalism, and heritage through community participation in cultural and heritage events, and through the preservation of historical sites.

- Working in partnership with the Drayton Valley Museum to showcase the history of the Fire Department, pumper trucks, antique fire siren, and other firefighting paraphernalia have been provided to the Museum
- Council approved the Arts and Culture Policy A-05-16 in November 2016
- Council provided grants through the Youth Arts, Heritage and Culture Grant A-16-15
- The Museum is going through the process of becoming a designated museum
- Historical Walking Tour maps have been created by GIS/ Communications Department and are accessible on the Town's website and through the Town's app. Historical plaques were placed on historical buildings
- The Library and Community Services offer various programs on arts (e.g. in winter 2016 Live Wire Drama, Art Journaling, Arts in Action, Muck & Mess, Still Painting, etc.)

GOVERNANCE AND PARTNERSHIPS

Engaged citizens and inter-agency collaboration in a small community can lead to many innovative initiatives that contribute to positive change.

- The Regional Agreement Municipal Preparedness Plan (RAMP) is a partnership between the Town of Drayton Valley, the Village of Breton, and Brazeau County to enable the three municipalities to work and train together in the event of, or in preparation for, a large scale emergency
- Cost sharing with the Province of Alberta and Brazeau County to acquire a new pumper truck to service the Town of Drayton Valley and Brazeau County
- CETC & NorQuest College Joint Venture Agreement
- The Utilities Department has partnered with Holy Trinity Academy and NAIT to employ and train youth that are interested in the water and waste water fields
- Women in Leadership Program is a Council initiative that provides mentorship opportunities for young women in municipal government, non-profit and the business sector



SUSTAINABLE ECONOMIC DEVELOPMENT

Sustainable communities foster economic development and growth, leading to a diverse and prosperous community.

- Promotion and brand building of CETC is ongoing
- The Town hosted a Small Business Week Luncheon in partnership with, Brazeau County and the Chamber of Commerce
- The Wastewater Treatment Facility hosted a Nitrification Pilot which is directly tied to the CSP's goal of developing markets that use current waste as a future resource
- Attraction, facilitation, and promotion of business development is a constant effort of the Town. In 2016, Economic Development provided consulting services to 38 entrepreneurs and hosted several industry-specific roundtables
- Tourism is a key factor of economic development – the Tour of Alberta is an example of a world-class event that was hosted by the Town of Drayton Valley
- The 'Powered By Entrepreneurs' Economic Development Strategy was developed and approved by Council

BUILT ENVIRONMENT

How we plan and design our built environment can have a profound impact on the ability of our community to be sustainable.

- CETC installed 131 solar panels on the rooftop. 90% of capital costs were by donation and grant funding (cost of \$7,415.40 to Town for the \$78k project). Solar energy is subsidizing facility power usage. Excess power generation is fed into power grid and credited back to CETC's utility bill
- LED lighting replacement ongoing through maintenance cycles of the CETC. Lighting is also on a scheduled program to increase energy efficiency
- New connector trails are being constructed with Brazeau County (contract awarded in 2016) to link residential areas with commercial areas
- A number of crosswalks were adjusted to meet ADA standards to help with a barrier-free community
- Information Services converted to a new GIS solution that will enable Planning and Development, Public Works, and the CWI Departments to work more collaboratively in defining, growing, and maintaining the Town's infrastructure.

NATURAL ENVIRONMENT

Protection of biodiversity, natural areas, riparian spaces, water courses, and clean air sources is fundamental to our community's sustainability.

- 80% of trees and shrubs at Discovery Park are native species
- CETC hosted a Methane Emissions Reduction Roundtable in November 2016
- Pilot project for erosion and grass seed fibremats installed at the CETC greenspace in October 2016
- CETC hosted an Agri-Food Workshop for farmers and entrepreneurs
- Information Services reduced the Town's energy footprint through the improvement in virtualization technologies. This allowed for the decommission of several older inefficient and underutilized systems
- The new state-of-the-art CWI was officially opened in 2016
- New bike racks, designed by a local artist, were installed in order to encourage bike commuting
- Continual improvements to walkways and cycling paths are being made
- Public Works is using native plants in its work, as per the Landscape Management Plan adopted by Council

AUDITED FINANCIAL STATEMENTS

THE FINANCIAL STATEMENTS REPORT IS PREPARED BY AN INDEPENDENT AUDITOR AND REFLECTS ON THE FINANCIAL CONDITION OF THE TOWN AS OF DECEMBER 31 OF EACH YEAR

THE FOLLOWING PAGES ARE EXCERPTS, FULL FINANCIAL STATEMENTS CAN BE FOUND ON THE TOWN’S WEBSITE:
draytonvalley.ca/financial-statements/

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HAWKINGS EPP DUMONT LLP
CHARTERED ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Mayor and Council of the Town of Drayton Valley

We have audited the accompanying consolidated financial statements of the Town of Drayton Valley, which comprise the consolidated statement of financial position as at December 31, 2016, and the consolidated statements of operations and accumulated surplus, changes in net debt, and changes in financial position for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Town of Drayton Valley as at December 31, 2016, and the consolidated results of its operations, changes in its net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

Hawkings Epp Dumont LLP

Hawkings Epp Dumont LLP
Chartered Accountants

Edmonton, Alberta
April 26, 2017

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TOWN OF DRAYTON VALLEY
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
FINANCIAL ASSETS		
Cash and cash equivalents (Note 2)	\$ 11,649,222	\$ 13,166,754
Receivables (Note 3)	3,815,075	6,809,011
Land inventory held for resale	<u>286,274</u>	<u>286,274</u>
	<u>15,750,571</u>	<u>20,262,039</u>
LIABILITIES		
Accounts payable and accrued liabilities	2,772,180	4,959,626
Deposits	292,521	283,739
Deferred revenue (Note 4)	2,562,549	1,933,660
Landfill closure and post-closure (Note 5)	3,200,000	2,500,000
Long-term debt (Note 6)	<u>13,811,360</u>	<u>14,771,831</u>
	<u>22,638,610</u>	<u>24,448,856</u>
NET DEBT	<u>(6,888,039)</u>	<u>(4,186,817)</u>
NON-FINANCIAL ASSETS		
Tangible capital assets (Note 8)	121,495,925	121,780,480
Inventory for consumption	58,041	42,603
Prepaid expenses and other assets	<u>-</u>	<u>54,652</u>
	<u>121,553,966</u>	<u>121,877,735</u>
ACCUMULATED SURPLUS (Note 9)	<u>\$114,665,927</u>	<u>\$117,690,918</u>
Contingencies (Note 14)		

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

TOWN OF DRAYTON VALLEY

CONSOLIDATED STATEMENT OF OPERATIONS AND ACCUMULATED SURPLUS

FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> (Budget) (Note)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
REVENUE			
Net taxation (Schedule 2)	\$ 11,211,764	\$ 11,140,301	\$ 11,550,846
Sales and user charges (Schedule 4)	9,428,032	7,630,371	7,873,820
Government transfers for operating (Schedule 3)	2,983,328	3,642,526	3,290,402
Franchise and concession contracts (Note 11)	1,049,034	1,134,238	936,779
Fines	572,755	793,625	449,652
Rentals	760,423	670,966	670,083
Penalties and costs on taxes	228,861	152,339	163,411
Licenses and permits	280,401	141,807	364,688
Investment income	169,693	112,204	164,834
Other	10,000	100,670	50,279
Development levies	<u>-</u>	<u>6,046</u>	<u>355,672</u>
	<u>26,694,291</u>	<u>25,525,093</u>	<u>25,870,466</u>
EXPENSES			
Recreation and culture	4,895,249	4,653,452	4,659,812
Water and wastewater	3,637,514	4,363,385	3,824,342
Subdivision land and development	2,292,406	2,421,545	1,449,580
Public health and welfare	2,534,401	2,406,966	2,317,884
Administration	1,737,781	2,179,895	1,684,410
Police	2,342,342	2,164,028	1,952,802
Roads, streets, walks, and lighting	2,774,889	1,916,512	2,618,849
Waste management	1,853,441	2,407,613	1,786,688
Fire and disaster services	1,217,685	1,253,994	1,181,284
Common and equipment pool	822,545	827,258	784,683
Council	620,497	473,071	600,077
Other	112,550	252,573	(7,141)
Bylaws enforcement	178,861	165,500	196,452
Airport	179,618	112,131	158,660
Amortization of tangible capital assets	<u>-</u>	<u>6,081,619</u>	<u>4,801,342</u>
	<u>25,199,779</u>	<u>31,679,542</u>	<u>28,009,724</u>
ANNUAL SURPLUS (DEFICIT) BEFORE OTHER REVENUE	<u>1,494,512</u>	<u>(6,154,449)</u>	<u>(2,139,258)</u>
OTHER REVENUE (EXPENSE)			
Government transfers for capital (Schedule 3)	-	2,793,485	15,903,466
Donations for tangible capital assets	-	307,783	208,089
Gain (loss) on disposal of tangible capital assets	<u>-</u>	<u>28,190</u>	<u>(225,486)</u>
	<u>-</u>	<u>3,129,458</u>	<u>15,886,069</u>
ANNUAL SURPLUS (DEFICIT)	1,494,512	(3,024,991)	13,746,811
ACCUMULATED SURPLUS, BEGINNING OF YEAR	<u>117,690,918</u>	<u>117,690,918</u>	<u>103,944,107</u>
ACCUMULATED SURPLUS, END OF YEAR (Note 7)	<u>\$ 119,185,430</u>	<u>\$ 114,665,927</u>	<u>\$ 117,690,918</u>

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

TOWN OF DRAYTON VALLEY
CONSOLIDATED STATEMENT OF CHANGES IN NET DEBT
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u> (Budget) (Note)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
ANNUAL SURPLUS (DEFICIT)	\$ <u>1,494,512</u>	\$ <u>(3,024,991)</u>	\$ <u>13,746,811</u>
Acquisition of tangible capital assets	(49,932,458)	(5,807,374)	(22,865,153)
Proceeds on disposal of tangible capital assets	-	38,500	772,201
Amortization of tangible capital assets	-	6,081,619	4,801,342
Loss (gain) on disposal of tangible capital assets	<u>-</u>	<u>(28,190)</u>	<u>225,486</u>
	<u>(49,932,458)</u>	<u>284,555</u>	<u>(17,066,124)</u>
Use (acquisition) of prepaid expenses	-	54,652	57,707
Use (acquisition) of inventory for consumption	<u>-</u>	<u>(15,438)</u>	<u>4,189</u>
	<u>-</u>	<u>39,214</u>	<u>61,896</u>
INCREASE IN NET DEBT	(48,437,946)	(2,701,222)	(3,257,417)
NET DEBT, BEGINNING OF YEAR	<u>(4,186,817)</u>	<u>(4,186,817)</u>	<u>(929,400)</u>
NET DEBT, END OF YEAR	\$ <u>(52,624,763)</u>	\$ <u>(6,888,039)</u>	\$ <u>(4,186,817)</u>

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

TOWN OF DRAYTON VALLEY
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2016

	<u>2016</u>	<u>2015</u>
OPERATING ACTIVITIES		
Cash from operations		
Annual surplus (deficit)	\$ (3,024,991)	\$ 13,746,811
Non-cash items included in annual surplus		
Amortization of tangible capital assets	6,081,619	4,801,342
Provision for landfill closure and post-closure (recovery)	700,000	35,009
Loss (gain) on disposal of tangible capital assets	(28,190)	225,486
Change in non-cash working capital		
balances related to operations:		
Receivables	2,993,936	4,379,180
Inventory for consumption	(15,438)	4,189
Accounts payable and accrued liabilities	(2,187,446)	(1,213,700)
Deposits	8,782	3,886
Prepaid expenses	54,652	57,706
Deferred revenue	<u>628,889</u>	<u>(5,115,440)</u>
	<u>5,211,813</u>	<u>16,924,469</u>
FINANCING ACTIVITIES		
Long-term debt advances	-	4,387,185
Repayment of long-term debt	<u>(960,471)</u>	<u>(939,889)</u>
	<u>(960,471)</u>	<u>3,447,296</u>
CAPITAL ACTIVITIES		
Proceeds on disposal of tangible capital assets	38,500	772,201
Purchase of tangible capital assets	<u>(5,807,374)</u>	<u>(22,865,153)</u>
DECREASE IN CASH AND CASH EQUIVALENTS DURING THE YEAR	(1,517,532)	(1,721,187)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>13,166,754</u>	<u>14,887,941</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 11,649,222</u>	<u>\$ 13,166,754</u>

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

TOWN OF DRAYTON VALLEY
SCHEDULE OF EQUITY IN TANGIBLE CAPITAL ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 1

	<u>2016</u>	<u>2015</u>
BALANCE, BEGINNING OF YEAR	\$107,008,649	\$ 93,389,821
Acquisition of tangible capital assets	5,807,374	22,865,153
Amortization of tangible capital assets	(6,081,619)	(4,801,342)
Net book value of tangible capital assets disposed of	(10,310)	(997,687)
Long-term debt advances	-	(4,387,185)
Long-term capital debt repayments	<u>960,471</u>	<u>939,889</u>
BALANCE, END OF YEAR	<u>\$107,684,565</u>	<u>\$107,008,649</u>
Equity in Tangible Capital Assets is Comprised of the Following:		
Tangible capital assets net book value	\$121,495,925	\$121,780,480
Long-term capital debt	<u>(13,811,360)</u>	<u>(14,771,831)</u>
	<u>\$107,684,565</u>	<u>\$107,008,649</u>

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

TOWN OF DRAYTON VALLEY
SCHEDULE OF PROPERTY TAXES
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 2

	<u>2016</u> (Budget) (Note)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
TAXATION			
Real property taxes	\$ 14,574,014	\$ 14,545,106	\$ 13,990,977
Linear property taxes	840,217	790,825	766,300
Special assessments and local improvement taxes	25,500	35,300	731,652
Government grants in place of property taxes	<u>35,328</u>	<u>36,851</u>	<u>58,282</u>
	<u>15,475,059</u>	<u>15,408,082</u>	<u>15,547,211</u>
REQUISITIONS			
Alberta School Foundation Fund	4,022,063	4,025,845	3,678,135
Brazeau Foundation	<u>241,232</u>	<u>241,936</u>	<u>318,230</u>
	<u>4,263,295</u>	<u>4,267,781</u>	<u>3,996,365</u>
NET MUNICIPAL TAXES	<u>\$ 11,211,764</u>	<u>\$ 11,140,301</u>	<u>\$ 11,550,846</u>

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

TOWN OF DRAYTON VALLEY
SCHEDULE OF GOVERNMENT TRANSFERS
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 3

	<u>2016</u> (Budget) (Note)	<u>2016</u> (Actual)	<u>2015</u> (Actual)
TRANSFERS FOR OPERATING			
Local governments	\$ 1,887,251	\$ 1,869,120	\$ 1,788,430
Provincial government	<u>1,096,077</u>	<u>1,773,406</u>	<u>1,501,972</u>
	<u>2,983,328</u>	<u>3,642,526</u>	<u>3,290,402</u>
TRANSFERS FOR CAPITAL			
Provincial government	-	2,488,929	15,098,716
Local governments	-	207,970	721,747
Federal government	<u>-</u>	<u>96,586</u>	<u>83,003</u>
	<u>-</u>	<u>2,793,485</u>	<u>15,903,466</u>
TOTAL GOVERNMENT TRANSFERS	<u>\$ 2,983,328</u>	<u>\$ 6,436,011</u>	<u>\$ 19,193,868</u>

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

TOWN OF DRAYTON VALLEY
SCHEDULE OF SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2016

Schedule 4

	General Administration	Protective Services	Water, Wastewater and Waste Management	Recreation and Culture	Roads, Streets, Walks and Lighting	Public Health and Welfare	All Other	Total
REVENUE								
Taxation	\$ 1,906,742	\$ 1,716,000	\$ -	\$ 2,361,207	\$ 1,849,078	\$ 380,377	\$ 2,926,897	\$ 11,140,301
Sales and user charges	41,134	49,343	5,573,745	772,741	4,553	822,181	366,674	7,630,371
Government transfers	151,478	1,006,688	-	1,058,573	55,610	1,020,177	350,000	3,642,526
All other	80,541	807,890	39,233	1,500	-	88,754	1,423,011	2,440,929
Rentals	-	3,600	-	459,431	7,270	95,477	105,188	670,966
	<u>2,179,895</u>	<u>3,583,521</u>	<u>5,612,978</u>	<u>4,653,452</u>	<u>1,916,511</u>	<u>2,406,966</u>	<u>5,171,770</u>	<u>25,525,093</u>
EXPENSES								
Wages and benefits	1,302,185	1,171,860	1,124,613	2,308,404	659,975	1,639,299	1,691,155	9,897,491
Contracted and general services	140,889	1,423,538	2,072,464	692,178	64,810	321,829	998,408	5,714,116
Professional fees	702,386	721,397	1,050,483	484,115	241,289	323,126	1,143,012	4,665,808
Repairs and maintenance	7,890	167,485	1,581,916	553,462	415,480	8,260	75,855	2,810,348
Utilities	17,346	71,501	586,582	421,257	453,591	21,440	75,915	1,647,632
Interest on long-term debt	85	-	257,485	81,640	81,366	81,191	43,109	544,876
Insurance	9,114	27,740	97,455	112,396	-	11,821	59,126	317,652
	<u>2,179,895</u>	<u>3,583,521</u>	<u>6,770,998</u>	<u>4,653,452</u>	<u>1,916,511</u>	<u>2,406,966</u>	<u>4,086,580</u>	<u>25,597,923</u>
NET REVENUE, BEFORE AMORTIZATION	-	-	(1,158,020)	-	-	-	1,085,190	(72,830)
Amortization	<u>276,033</u>	<u>10,339</u>	<u>2,263,764</u>	<u>581,522</u>	<u>2,154,528</u>	<u>280,225</u>	<u>515,208</u>	<u>6,081,619</u>
NET REVENUE (DEFICIT)	<u>\$ (276,033)</u>	<u>\$ (10,339)</u>	<u>\$ (3,421,784)</u>	<u>\$ (581,522)</u>	<u>\$ (2,154,528)</u>	<u>\$ (280,225)</u>	<u>\$ 569,982</u>	<u>\$ (6,154,449)</u>

TOWN OF DRAYTON VALLEY
SCHEDULE OF SEGMENT DISCLOSURE
FOR THE YEAR ENDED DECEMBER 31, 2015

Schedule 4 (CONT'D)

	General Administration	Protective Services	Water, Wastewater and Waste Management	Recreation and Culture	Roads, Streets, Walks and Lighting	Public Health and Welfare	All Other	Total
REVENUE								
Taxation	\$ 1,538,307	\$ 1,942,929	\$ -	\$ 2,240,678	\$ 2,487,022	\$ 511,190	\$ 2,830,720	\$ 11,550,846
Sales and user charges	44,296	50,676	5,998,242	855,878	17,895	656,111	250,722	7,873,820
Government transfers	25,565	878,797	(10,311)	1,004,856	106,728	1,000,523	284,244	3,290,402
All other	76,242	458,137	404,365	4,700	-	40,880	1,500,991	2,485,315
Rentals	-	-	-	553,700	7,204	109,179	-	670,083
	<u>1,684,410</u>	<u>3,330,539</u>	<u>6,392,296</u>	<u>4,659,812</u>	<u>2,618,849</u>	<u>2,317,883</u>	<u>4,866,677</u>	<u>25,870,466</u>
EXPENSES								
Wages and benefits	993,049	1,043,333	1,074,242	2,161,608	691,285	1,540,108	1,047,262	8,550,887
Professional fees	498,784	578,414	1,408,863	599,301	617,108	374,288	1,038,308	5,115,066
Contracted and general services	86,880	1,550,565	1,265,242	731,154	77,265	252,434	637,342	4,600,882
Repairs and maintenance	75,445	72,656	1,066,449	542,621	685,316	32,766	131,283	2,606,536
Utilities	17,770	53,806	523,900	440,341	462,246	20,237	39,497	1,557,797
Interest on long-term debt	3,598	-	216,641	86,483	85,629	86,551	47,427	526,329
Insurance	8,884	31,765	55,693	98,304	-	11,499	44,739	250,884
	<u>1,684,410</u>	<u>3,330,539</u>	<u>5,611,030</u>	<u>4,659,812</u>	<u>2,618,849</u>	<u>2,317,883</u>	<u>2,985,858</u>	<u>23,208,381</u>
NET REVENUE, BEFORE AMORTIZATION	-	-	781,266	-	-	-	1,880,819	2,662,085
Amortization	<u>249,674</u>	<u>5,438</u>	<u>1,481,775</u>	<u>530,661</u>	<u>2,061,850</u>	<u>279,521</u>	<u>192,424</u>	<u>4,801,343</u>
NET REVENUE (DEFICIT)	<u>\$ (249,674)</u>	<u>\$ (5,438)</u>	<u>\$ (700,509)</u>	<u>\$ (530,661)</u>	<u>\$ (2,061,850)</u>	<u>\$ (279,521)</u>	<u>\$ 1,688,395</u>	<u>\$ (2,139,258)</u>

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

GRANTS

THE TOWN OF DRAYTON VALLEY IS PROUD TO OFFER MULTIPLE GRANTS THAT SUPPORT LOCAL ORGANIZATIONS, YOUTH, SPORTS, AND ARTS AND CULTURE IN THE COMMUNITY. HAVING FUNDING AVAILABLE ALLOWS GROUPS TO HOST COMMUNITY EVENTS THAT BENEFIT THE RESIDENTS OF DRAYTON VALLEY, AND PROVIDES ASSISTANCE TO YOUNG LOCAL ATHLETES AT VARYING LEVELS OF COMPETITION.

COMMUNITY EVENT GRANT

\$17,499.00

Allocated annually for events which are hosted by non-profit organizations to raise funds or donations for worthwhile projects, programs, or services.

2016 RECIPIENTS:

- Drayton Valley Minor Hockey
- Aim for Success
- Healthy Communities Coalition
- Brazeau Gymnastics Club
- Pembina Nordic Ski Club
- DV Figure Skating Club
- Rotary Club of Drayton Valley
- Cause for Critters
- Safari Club International Drayton Valley Chapter
- Drayton Valley Pro Rodeo Society
- Northern Thunder Classic Auto Club
- Steelers Slo-Pitch
- Drayton Valley Community Foundation
- Eleanor Pickup Arts Centre
- Drayton Valley Health Services Foundation

ROGER COLES MEMORIAL YOUTH SPORT GRANT

\$3,560.00

Allocated annually for athletes of 18 years or younger who will be competing in a championship competition at the Western Canadian, National, or International levels.

2016 RECIPIENTS WERE INDIVIDUALS PARTICIPATING IN:

- Last Line of Defence Goal Keeper Camp
- Canadian National Swim Meet
- National Rugby Championship

YOUTH ARTS, HERITAGE AND CULTURE GRANT

\$1,775.00

This is allocated to provide financial assistance to local youth with expenses associated with different levels of study, competition, or participation in an event or program.

2016 RECIPIENTS WERE INDIVIDUALS PARTICIPATING IN:

- Frames Film Festival
- River Valley Players Summer Drama Camp

TOUR OF ALBERTA

THE TOUR OF ALBERTA PROVIDED DRAYTON VALLEY WITH A UNIQUE OPPORTUNITY TO SHOWCASE THE COMMUNITY ON AN INTERNATIONAL LEVEL AND HELP BOOST THE LOCAL ECONOMY

The Tour of Alberta is Canada's first and highest ranked professional road cycling stage race. With an international audience of over 40+ million viewers, the Tour was an opportunity for Drayton Valley to be showcased to an international audience, promote tourism in the community and provide a much needed boost to the local economy. Recognizing the impact this would have in the community, the Town of Drayton Valley and the Drayton Valley Hospitality and Tourism Authority (DVHTA) partnered to bring the Tour through Drayton Valley.

Drayton Valley was selected as a Finishing Stage community for Leg 3 of the Tour. The event was coordinated through the dedication of two community members and a local organizing committee who put in a tremendous amount of time and effort to plan, prepare, and coordinate an event of this magnitude.

Several hundred people were anticipated to visit the community, this included athletes and their entourages, Tour staff, and visitors. The Town saw this as an opportunity for businesses to benefit from the event and received strong support from over 60 local businesses.

"The best thing the Town of Drayton Valley did was host a leg of the Tour of Alberta because it brought people into the downtown core."

- Terri Shimenosky,
local business owner

To promote tourism in the area, three commercials, each one depicting a different theme, were produced for Drayton Valley. These commercials were broadcasted to an international audience during the Stage 3 leg of the Tour. They will also be used in future promotional opportunities for the Town.

Many free, family-friendly events were held over a two-day period including a BBQ, drive-in movie, a festival packed with live entertainment, local vendors and businesses, food trucks, and fun activities.

A requirement of a Finishing Stage community is to present the winner with a unique gift from the community. Committee members collaborated with local artist and

business owner Adam Schwengler of Paintdruid Airbrushing Studio to design and airbrush a customized hard hat. Mayor Glenn McLean presented the hard hat and a "Key to the Town" to Evan Huffman, winner of the Stage 3 Leg of the Tour, as part of the ceremony to cap off the day.

**"I'M SO PROUD OF
OUR COMMUNITY!"**
- MAYOR GLENN MCLEAN

Overall, the Tour highlighted the Town's ability to host a high-calibre event with international athletes. The Town also saw an increase in volunteerism, with many first time volunteers.



Mayor Glenn McLean presents the Stage 3 winner, Evan Huffman, with a customized hard hat depicting scenes of the Drayton Valley area and a "Key to the Town."

2016 PROGRAMS AND EVENTS

A NUMBER OF TOWN SPONSORED PROGRAMS AND EVENTS ARE HELD IN DRAYTON VALLEY THROUGHOUT THE YEAR. MANY PROGRAMS AND EVENTS ARE FAMILY FRIENDLY AND ARE OFFERED FOR FREE OR AT A MINIMAL CHARGE. KIDS, PARENTS, BUSINESS OWNERS, YOUTH, AND SENIORS ARE WELCOME TO PARTICIPATE AND GET INVOLVED IN THESE EXCITING OPPORTUNITIES

150



PROGRAMS

The Town of Drayton Valley's six departments offered over 150 programs to kids, youth, parents, business owners and seniors in 2016.

Many of these programs were offered at a minimal charge or for free.

Providing opportunities for local and surrounding area residents to become involved or active in the community builds resiliency in the Town and in its people.



465

EVENTS

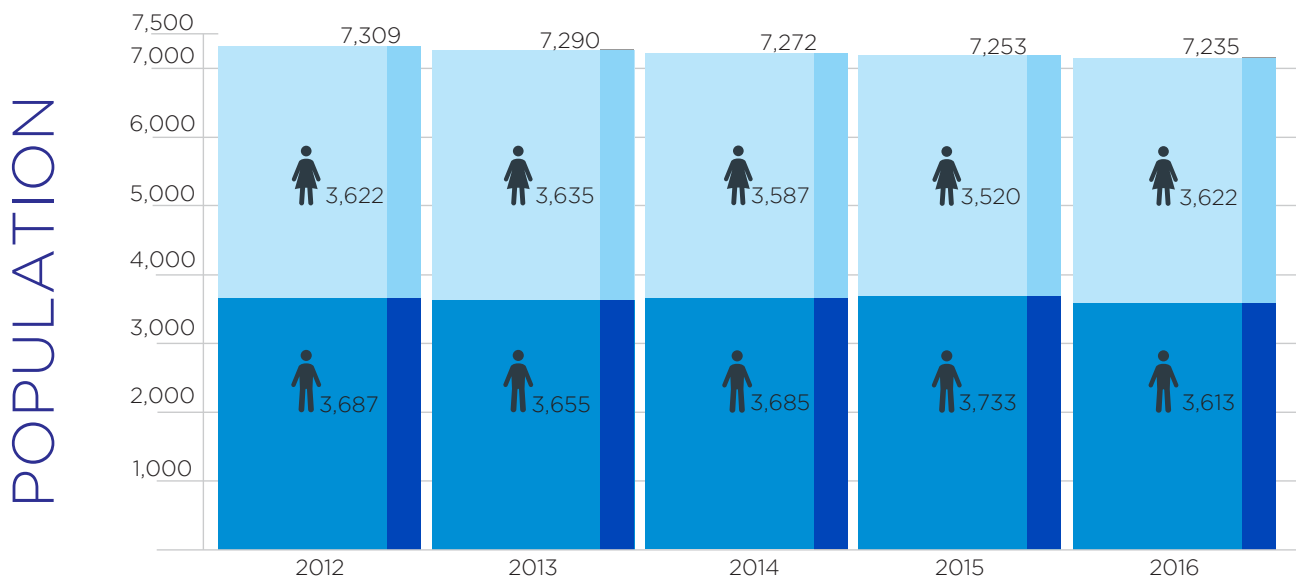
Over 465 events were initiated, sponsored, hosted, or run by the Town and dedicated staff.

The Town is proud to have an enthusiastic group of staff, service clubs, organizations, and volunteers to ensure the success of the many local events.

These events also support our local business community and contribute to our quality of life.

5 YEAR TREND

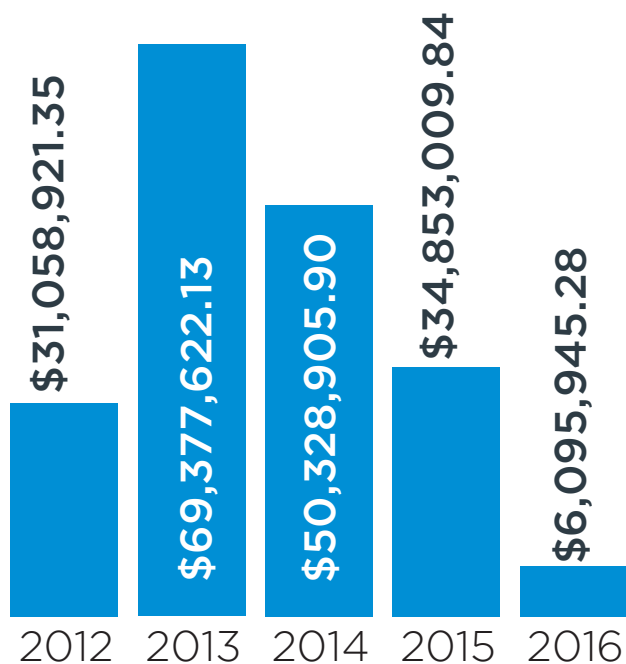
2012-2016



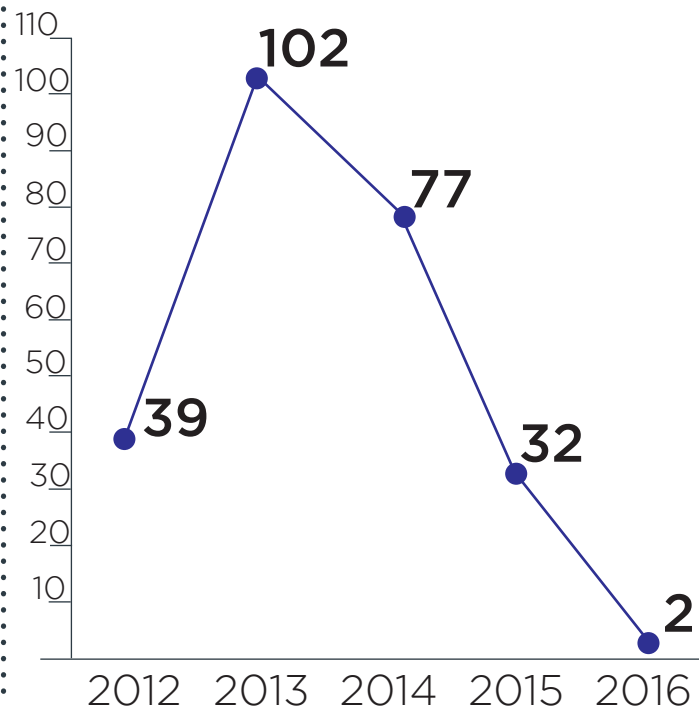
Statistical data was collected from the Government of Alberta website <http://regionaldashboard.alberta.ca/region/drayton-valley/#/>

DEVELOPMENT PERMIT VALUES

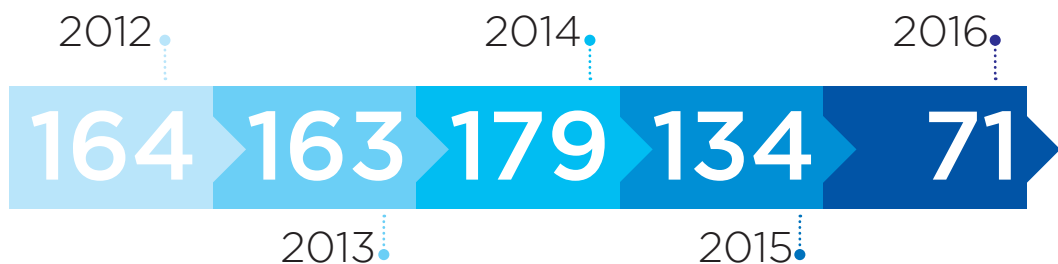
Includes residential, commercial & industrial developments



NEW HOUSING STARTS



DEVELOPMENT & BUILDING PERMITS ISSUED



Town of Drayton Valley

5120-52nd Street
Box 6837,
Drayton Valley AB, T7A 1A1
Open Monday - Friday
8:30 a.m. - 4:30 p.m.
Stat Holidays: Closed

Tel. 780-514-2200
Fax 780-542-5753
Email. info@draytonvalley.ca
www.draytonvalley.ca

DRAYTON VALLEY IS RESILIENT,
WE ARE PASSIONATE PEOPLE
DRIVEN TO ACHIEVE. OUR
ENTREPRENEURIAL SPIRIT KEEPS
US MOTIVATED - ALWAYS FUTURE-
FACING, STRIVING FOR WAYS TO
INNOVATE AND IMPROVE.
DRAYTON VALLEY WELCOMES YOU
WITH ENDLESS OPPORTUNITIES.

Aspen Waste Management Facility.....	780-514-5919
Chief Administrative Officer.....	780-514-2202
Community Services	780-514-2223
Clean Energy Technology Centre.....	780-514-2562
Drayton Valley Municipal Library.....	780-514-2228
Early Childhood Development Centre.....	780-514-2248
Emergency Police/Fire/Ambulance.....	911
Family & Community Support Services.....	780-514-2204
Fire Department Administration.....	780-514-2216

Omniplex.....	780-514-2234
MacKenzie Conference Centre.....	780-514-2233
Park Valley Pool.....	780-514-2225
Public Works	780-514-2240
RCMP.....	780-542-4457
Rotary Children's Library	780-514-2530
Total Works Health & Fitness Centre.....	780-514-4336
Centre for Water Intelligence	780-514-2249

draytonvalley.ca

