



**Council of the Town of Fort Smith**  
**SP-03-25, April 29, 2025**

**MINUTES**

The Special Meeting of the Council 03-25 was held on Tuesday, April 29<sup>th</sup>, 2025 @ 6:30 pm within the Town Hall Council Chambers.

**Present:** Cr. Bathe, Cr. Benwell, Cr. Couvrette, Cr. Cox, Mayor Fergusson, Cr. Heaton, Cr. Karasiuk  
**Regrets:** D/M Keizer and Cr. Tuckey  
**Staff Present:** Tracy Thomas, Senior Administrative Officer  
Raveena Brown, Executive Secretary  
Jim Hood, Director of Corporate Services

**1. CALL TO ORDER**

Mayor Fergusson called the meeting to order at 6:32 pm.

Mayor Fergusson confirms quorum and reads the acknowledgment of First Nations.

**2. ADOPTION OF AGENDA**

**#25-105** **Moved by: Cr. Karasiuk**  
**Seconded by: Cr. Cox**

That the agenda be adopted as presented.

**PASSED**

**3. ADMINISTRATION**

**#25-106** **Moved by: Cr. Heaton**  
**Seconded by: Cr. Couvrette**

That Council accept the 2025 Mill Rate Bylaw as presented and recommended by the Corporate Services Standing Committee for its third and final reading.

**PASSED**

**#25-107** **Moved by: Cr. Bathe**  
**Seconded by: Cr. Cox**

That the Council approve the audited 2024 Financial Statements as presented by Avery Cooper & Co. Ltd., recognizing that the statements fairly represent the financial position of the Town of Fort Smith for the fiscal year ending December 31, 2024.

**PASSED**

**Audit Overview – William Senfuma (Avery Cooper)**

- Auditor for the municipality for four years.
- Presented audited financial statements for the year ending December 31, 2024.
- No significant changes in financial statement format from the previous year.
- Anticipated changes in 2025 due to revised financial reporting guidance for community departments.
- A major new accounting standard (PSAS Section 1202) takes effect April 1, 2026, expected to significantly change public sector financial statement presentation.
- Clean audit opinion issued again this year.

**Key Audit Report Sections**

- **Management responsibilities:** Preparing and presenting financial statements.
- **Council/governance responsibilities:** Oversight and accountability (mayor and council).
- **Auditor responsibilities:** Express an opinion and outline the audit process.



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### Statement of Financial Position Highlights

- **Financial assets increased** from \$16.8M (2023) to \$18.6M (2024) — a \$1.8M (10%) rise.
  - **Cash & cash equivalents:** \$13.2M in 2024 (up from \$12.8M).
  - Most cash is **restricted** for capital projects (CPI, gas tax funding, reserves).
- **Net financial assets** increased from \$5.4M (2023) to \$7.2M (2024).
  - Increase due to delayed capital spending; many projects were postponed.
- **Non-financial assets** (e.g., buildings, vehicles): \$51M — largely unchanged.
  - \$50.6M of this is in tangible capital assets.

### Statement of Operations Highlights

- **Total revenue:** \$14.2M (2024), slightly under the \$14.5M budget (98% of target).
  - Similar to 2023 performance (99% of budget).
  - **Capital revenue (gov't transfers)** down: \$2.3M actual vs. \$3.4M budget.
- **Total expenses:** \$12.3M (2024), over budget by ~\$800K (budget was \$11.5M).
  - Slightly lower than 2023 expenses (\$12.6M).
  - **Expense overages** mainly due to:
    - Increased **amortization** (~\$500K).
    - Higher **bad debt expense** (~\$300K) from overdue receivables (utilities, ambulance calls, etc.).
- **Miscellaneous expenses** were \$90K over budget — Schedule 8 on page 41 has a breakdown of expenses

### Surplus and Accumulated Surplus

- **2024 annual surplus:** \$1.9M (up from \$1.6M in 2023).
- **Accumulated surplus:** Increased from \$56.5M to \$58.4M.

### Water & Sewer Fund

- **2023 deficit:** ~\$673K (due to fire evacuation impacting revenue).
- **2024 deficit:** Reduced to under \$4K.
  - Revenue recovered significantly from increased water charges.

### Accounts Receivable Discussion

- Many receivables are **long overdue**, including:
  - Utility bills.
  - Ambulance services.
  - Old tax accounts.
- **Bad debt allowance** increased to reflect realistic recovery expectations.
- Discussion around **improved collection efforts:**
  - Disconnection notices for utilities.
  - Transferring utility arrears to **property taxes** when feasible.
  - Use of **collection agencies** to recover uncollectible debts.
  - Consideration for **writing off uncollectible** items (e.g., deceased account holders).

### Debt Recovery Options

- Willing to offer **payment plans** (e.g., 30-month plans for property tax arrears).
- Goal is to **convert receivables to cash** with minimal customer impact.
- Customers will be **notified before disconnection or collections** are initiated.



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**#25-108**

**Moved by: Cr. Cox**

**Seconded by: Cr. Bathe**

That the Council approve a budget increase of \$299,040 to the Raw Water Intake Rehabilitation Project, to be funded through:

- The deferral of the Town Hall Retrofit Project (\$250,000), and
- A reduction in the scope of the Arena Upgrade Project (\$49,040).

This recommendation ensures continued delivery of critical infrastructure aligned with the Town's strategic priorities while maintaining flexibility in the capital program.

**PASSED**

Cr. Heaton sought clarification as to why the \$600,000 in deferred funds can't be used to cover the deficit. SAO Thomas explained that the Town had fully utilized its capital budget for the year, which already included deferred revenues that were calculated into the available funds, represented by the \$18 million total at the top of the budget. These funds had been allocated across various capital projects based on priority and feasibility. However, an unplanned additional expense has arisen, which was not budgeted for and now requires the Town to reallocate funds from elsewhere.

To address this, the SAO recommended redirecting funds from the Town Hall retrofit and a recreational project, both of which are less likely to proceed this year, to prioritize a more critical infrastructure need. She emphasized that although there is cash on hand, much of it is restricted for specific projects and cannot be reallocated. If such funds are not used for their designated purposes, they must be returned to the original funding bodies. Thomas noted that some funding sources are strictly project-specific and cannot be diverted to other uses, underscoring the importance of careful capital planning and financial compliance.

Cr. Couvrette expressed a strong desire to see at least a portion of funding allocated to painting the Town Hall, describing its current appearance as an eyesore. He emphasized the importance of civic pride and the need for community leadership to set an example in maintaining public assets. Couvrette argued that leaving the building unpainted for another year sends the wrong message, particularly when the Town enforces property standards on residents. He suggested that even if full renovations are delayed, the Town should prioritize improving the front-facing portion of the building to enhance its visual impact and demonstrate accountability in upholding the same standards it expects from the community.

#### 4. EXCUSING OF COUNCILLORS

**# 25-109**

**Moved by: Cr. Karasiuk**

**Seconded by: Cr. Bathe**

That D/M Keizer and Cr. Tuckey be excused from the special meeting of the council on April 29<sup>th</sup>, 2025

**PASSED**

#### 5. PUBLIC COMMENT / QUESTION PERIOD

No public questions were asked.



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**6. ADJOURNMENT**

**# 25-110**

**Moved by: Cr. Karasiuk**

**Seconded by: Cr. Cox**

That the meeting be adjourned at 7:19 pm.

**PASSED**

Minutes adopted this 20<sup>th</sup> day of May 2025.

Dana Fergusson  
Mayor

Tracy Thomas  
Senior Administrative Officer