

# **Town of Drumheller**

## **COUNCIL MEETING**

### **MINUTES**



**May 17, 2004** 5:30 PM Council Chambers, Town Hall  
703 - 2nd Ave. West, Drumheller, Alberta

#### **PRESENT:**

##### **MAYOR:**

Paul Ainscough

##### **COUNCIL:**

Karen Bertamini  
Don Cunningham  
Larry Davidson  
Brent Pedersen  
John Sparling  
Harry Stables

##### **CHIEF ADMINISTRATIVE OFFICER/ENGINEER:**

Ray Romanetz

##### **DIRECTOR OF INFRASTRUCTURE SERVICES:**

Wes Yeoman

##### **DIRECTOR OF CORPORATE SERVICES:**

Michael Minchin

##### **DIRECTOR OF COMMUNITY SERVICES:**

Diana Meller

##### **RECORDING SECRETARY:**

Linda Handy

#### **1.0 CALL TO ORDER**

#### **2.0 MAYOR AINSCOUGH'S OPENING REMARKS**

2.1 Mayor P. Ainscough presented a letter from Hon. Ed Stelmach, Minister of Transportation in response to the Mayors and Reeves Network concerns regarding highway maintenance and improvements. In his letter, Hon. Stelmach stated that over the last five years, the Alberta Government has invested over \$3 billion on provincial highways to improve the highway network and an additional \$1.7 billion will be invested in highways over the next three years.

2.2 Mayor P. Ainscough presented a letter from Hon. Gene Zwozdesky, Minister of Community Development in response to Town of Drumheller Council's concern on public

library funding. In his letter, Hon. Zwozdesky stated that the Province increased the maximum eligible operating grant by increasing the per capita rate for municipal library boards from \$4.03 to \$4.29, and from \$3.07 to \$3.22 for library system boards (these increases are a return to 1993 levels).

2.3 Mayor Ainscough presented a letter from Stu Becker, P. Eng. Regional Director, Alberta Transportation regarding Hwy 9 and 6<sup>th</sup> Avenue Intersection Improvements. He advised approval to award the tender to Brooks Asphalt and Aggregate Limited in the amount of \$467,520.00.

2.4 Mayor Ainscough presented a memorandum from Mayor Don Weisbeck which includes background information on the Friends Care Mission and news excerpts from Medicine Hat, which congratulates the County of Newell for their sustained and significant work on the BSE issue. The Federation of Canadian Municipalities has endorsed the "Friends Care Mission" initiative which was a direct result of the efforts of Mayor Weisbeck and Mayor Valley. The initiative involves restoring friendship with our US neighbours. In his memorandum, Mayor Weisbeck encourages municipalities to support and proclaim the BSE resolution and send a copy to the Brooks office who will forward it to the government.

2.5 Mayor Ainscough announced that the next Council Committee Meeting will be held on Tuesday, May 25<sup>th</sup> at 4:00 PM due to the Statutory Holiday on Monday, May 24<sup>th</sup>.

2.6 Mayor Ainscough advised that he and Councillor Larry Davidson attended the Economic Development Conference held in Rimbey on May 13<sup>th</sup> and 14<sup>th</sup>. He noted that one topic of discussion was the shortage of skilled workers in the trade industry. Grant McEwan College intends to offer more apprenticeship training programs. He further noted that Hon. Mark Norris, Minister of Economic Development and Tourism were in attendance.

2.7 Mayor Ainscough noted the following meetings: May 25<sup>th</sup> – 878947 Alberta Ltd. - Revitalization Corporation; May 29<sup>th</sup> - Hon. Shirley McClellan, Deputy Premier and MLA; and June 9<sup>th</sup> - RCMP interview for Staff Sgt.

### **3.0 PUBLIC HEARING**

#### **4.0 ADOPTION OF AGENDA**

Additions to Agenda: **8.2 Stettler Water Proposal 14.1 Councillor Davidson – Economic Development Conference; 14.2 Councillor Bertamini – Library Update and 15.5 SDAB Appeal Board**

**MO2004.111** Sparling, Pedersen moved the adoption of the agenda as amended. Cd.

#### **5.0 MINUTES**

5.1.1 ADOPTION OF REGULAR COUNCIL MEETING MINUTES – May 3, 2004  
ADOPTION OF SPECIAL COUNCIL MEETING MINUTES – May 10, 2004

**MO2004.112** Bertamini, Pedersen moved the adoption of the Regular Council Meeting Minutes of May 3, 2004 and the Special Council Meeting Minutes of May 10, 2004. Cd.

## 5.2 MINUTES OF MEETINGS PRESENTED FOR INFORMATION

### 5.2.1 Municipal Planning Commission – April 21, 2004

### 5.2.2 Management Meeting Minutes – May 11, 2004

## 5.3 BUSINESS ARISING FROM THE MINUTES

## 6.0 DELEGATIONS

6.1 Gregory, Harriman & Associates presentation of 2003 Audited Financial Statements  
Karen Gregory presented an overview of the 2003 audit:

- Page 2 – Financial Statements – overall summary of the income statement and balance sheet:
  - Cash and Temporary Investments – net cash and temporary investments declined from 2003 in the amount of \$103,175 as shown on Page 4 - Changes in Financial Position – M. Minchin explained that the short fall on cash and reserves is a result of front ending the Province on capital projects the Town has undertaken in 2003 – sometimes the grant dollars are not seen until the first quarter of 2004 as in the case with the Airport upgrade – this can create confusion with year end financial statements;
  - Trade Accounts Receivables decreased from previous year due to a significant amount of receivables being wrote off as outlined in Note 4 – M. Minchin explained \$58,000 of this amount is attributed to the HiHo Restaurant resulting from the removal of the underground tanks);
  - Goods and Services Tax recoverable has decreased from previous year – as explained in the Management Letter, GST for municipalities is 100% recoverable as of February 1, 2004;
  - Land inventory held for resale – consistent with last year;
  - Long Term Investment – Note 8 shows a list of the investments the Town holds;
  - Physical Assets - substantial increase on capital expenditures which included SIP, water filter upgrades; arena energy project; purchase of John Deer loader;
  - Total Assets \$84,778,048.
  - Liabilities – Bank indebtedness as shown in Note 11 – the Town accessed their line of credit in the amount of \$1,300,000 at prime plus 2% to cover the operating expenses
  - Deferred revenue represents municipal grants that the Town has received and has not spent the dollars yet;
  - Long Term Debt paid down as shown in Note 14;
  - Total Liability is \$4,926,837
  - Equity in Physical Assets over last year is approximately \$3M;
  - Total Municipal Equity \$79,851,211
  - Auditor noted that the total amount of cash and term investments should exceed reserves as they are used to rebuild infrastructure. If not, this could

be an indication of cash flow problems to meet reserve requirements.

- Page 3 - Consolidated Statement of Financial Activities and Change in Fund Balance; Total Revenue \$11,876,394 less Total Expenditures \$11,312,760 equals \$563,634 less Transfer to Reserves, Debt Repayment leaves a surplus of \$144,991; this amount will be transferred to reserves to replaced fixed assets.
- Auditor explained that the debt limit is calculated at 1.5 times revenue of the municipality. Total debt limit for the Town is \$15.6M and the current debt of the Town is \$2.8M. Debt servicing limit is \$2.6M and the Town is expending \$525,000 on debt; the Auditor noted that the Town is not over extended in debt – keeping well within the debt limit as governed by the MGA.
- K. Williams reviewed changes to the reporting requirements as outlined in the Communication Letter prepared by the Gregory, Harriman & Associates. She reviewed the methods used to conduct the audit, such as testing of information externally and internally.
- R. Romanetz provided information to the auditors on the landfill operations. He noted that an operations plan is being developed by UMA which will update the life expectancy of the landfill; this document is required for the audit. Members of the Association are responsible for the liability and recently a consultant inspected the landfill in order for the Association to renew their environmental impairment liability insurance. The new landfill approval took effect December 1<sup>st</sup>, 2003.
- K. Gregory noted that the Town adopted the method of amortizing premiums and discounts on bonds, which had not been utilized in the past. Based on this method being applied for 2003, the investment value increased by \$73,802.
- Management Letter to be reviewed by Administration and Council.

Mayor Ainscough thanked Karen Gregory and Kara Williams for their presentation of the 2003 audit. She said that Council or Administration may contact her firm at any time if they require clarification on any item.

## **7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS**

### **8.0 REQUEST FOR DECISION REPORTS**

#### **8.1 CAO**

##### **8.1.1 RFD – Friends Care Mission**

R. Romanetz advised that in addition to the Mayor's comments on the Friends Care Mission initiative to rebuild and strengthen relationships in the United States regarding the BSE issue, Drumheller is being asked to pass a resolution in support of the problems the beef industry is experiencing. The initiative would allow 50 ambassadors to travel to American cities armed with a message to work together to solve this issue. He further explained that if Drumheller chooses to participate, we would be asked to fund ¼ of the costs for travel to a community in the USA, the remaining costs for travel would be covered from the other contributing groups. Mayor Weisbeck is asking all municipalities to support the BSE resolution.

**MO2004.113** Bertamini, Sparling whereas we recognize the importance of, and desire, a strong and cordial relationship with the United States, we recognize our interdependence on many and various issues, we recognize that we do not agree on all issues of national interest and government policies, we, though two nations, need to work together to solve problems, our Canada is America's Friend. We hereby proclaim: We support such initiatives as would strengthen the ties between Canada and the United States. That we will work towards a more friendly relationship with the United States. We will work towards encouraging the United States to build a better relationship with Canada. We will work to solve our inter-national trade difficulties as friends. We support the FCM "Friends Care Mission", and such initiatives designed to strengthen our ties to the United States. We will actively convey this proclamation to other order of government. Cd.

## 8.2 Stettler Interbasin Transfer Meeting

R. Romanetz advised that Council and Administration attended the public meeting held on May 11<sup>th</sup> regarding County of Stettler's proposal to withdraw approximately 3,000,000 cubic metres to supply water to their adjacent communities, including summer villages. Since the public meeting, the Town has received additional information relating to the proposal as well as a letter from Stettler's Administration advising of a further meeting to be held on May 25<sup>th</sup>. They are requesting that a representative from Drumheller's Council and Administration attend this meeting however this is the date of Council's next Committee meeting. R. Romanetz noted that a number of concerns have been raised by Council and Administration. The Town's questions were put forward at the meeting however the majority of them remain unaddressed, such as, should the supply of water more appropriately come from the north as our municipality is concerned that there will not enough water in the Red Deer River to meet the needs of municipalities and maintain in-stream needs. As well, the Town has future concerns with reduced flows as it relates to treated effluent from our wastewater plant. He explained that the purpose of a meeting would be to promote discussions on a regional level on more appropriate options. Council agreed that if the meeting date can not be rearranged, that the Town would provide their comments to the Province within the 30 day timeframe.

## 8.2 Director of Infrastructure Services

### 8.2 RFD – Tender Close – Riverside Dr. Sanitary Sewer Forcemain

W. Yeoman advised that on April 29<sup>th</sup>, tenders closed for the Riverside Drive Sanitary Sewer Forcemain Project. Three tenders were received for Option A "Open Cut Excavation"; and one was received for Option B – "Directional Drill Method". All three tenders received exceeded the consulting engineers' construction estimate. He explained that on the basis of the bids received, Option A "Open Cut Excavation" is the lowest cost with Knibb having the low bid. This project is the first of two phases – the first phase will reduce the risk to flooding basements along Riverside Drive East during heavy rain. The Town's consulting engineers, MPE Engineering have negotiated with the low bidder to reduce the scope of the project and change the pipe material from HDPE to PVC. The

revised project will include using a narrower trench and thus reduce the asphalt, sub base and base costs. Implementing these revisions equates to a savings of over \$64,000 and reduces the total contract price to \$424,937.

**MO2004.114** Stables, Cunningham that Council reject all tenders as they all exceed the budgeted amount; and that Council approve the awarding of the Riverside Drive Sanitary Sewer Forcemain Stage 1 contract to Knibb Developments Ltd. at the renegotiated contract amount of \$424,937.13 which includes 7% GST.

Discussion on the Motion:

Councillor Stables asked for the project start date. W. Yeoman advised that the project should commence within the next two weeks. Councillor Davidson asked why there is a recent trend with consulting engineers under-estimating the costs for projects and the reason for bidding on two options. W. Yeoman explained that the tender outlines specifications for both options. He further noted that an open cut with PVC pipe is just as effective thus reducing the cost of the project. R. Romanetz concurred that Administration is frustrated with the engineering estimates as well but costs will vary depending on the current price of materials, especially in light of the recent oil and gas volatility and as in the case of directional drill, there is so much demand in oil industry now contractor availability is a problem. He further explained that under grant funding criteria, it is mandatory that municipalities hire a consultant for engineering services as in-house staff time would not be eligible for cost sharing.

Vote on Motion: Cd.

### **8.3 Director of Corporate Services**

#### **8.3.1 RFD – 2003 Audited Financial Statements**

M. Minchin advised that the firm of Gregory, Harriman & Associates presented the 2003 audited financial statements to Council this evening for Council's approval. He noted that there is one change in the RFD – the surplus should read \$144,991 as opposed to \$136,983.

**MO2004.115** Bertamini, Davidson that Council approve the 2003 Audited Financial Statements for the Town of Drumheller as presented. Cd.

Councillor L. Davidson thanked Administration for their efforts in this regard. R. Romanetz congratulated M. Minchin and B. Wulff for the strict measures used in keeping the Town's budget on target at year end.

### **8.4 Director of Community Services**

#### **8.4.1 RFD – Vending Services – Centennial Park**

D. Meller advised that annually the Town approves the vendors for Centennial Park. The 2004 season has two spaces set aside for food vendors. Two applications were received

from Pringle and Burke. She reviewed the items each vendor would sell. She noted that Council approved Mr. Pringle's first submission at their meeting of May 3<sup>rd</sup>. She asked Council to choose a second vendor for the Centennial Park. Administration has confirmed that both vendors hold valid business licenses with the Town.

**MO2004.116** Davidson, Bertamini that Council approve Theme Park Carts – Mr. Jim Pringle as the second vendor for Centennial Park. Cd.

8.4.2 D. Meller reminded Council that the Downtown Revitalization Open House will be held on May 18<sup>th</sup> @ 5:00 PM at the Civic Centre. She noted that 572 invites have been sent out.

## **9.0 PRESENTATION OF QUARTERLY REPORTS BY ADMINISTRATION**

### **(Quarterly Reports due July 26, 2004)**

- 9.1 CAO
- 9.2 Director of Infrastructure Services
- 9.3 Director of Corporate Services
- 9.4 Director of Community Services

## **10.0 PUBLIC HEARING DECISIONS**

## **11.0 DELEGATION DECISIONS**

## **12.0 UNFINISHED BUSINESS**

## **13.0 NOTICES OF MOTIONS**

## **14.0 COUNCILLOR REPORTS**

14.1 Councillor Davidson presented an update on his attendance at the Economic Development Conference. He noted that both Hon. Mark Norris and Hon. Shirley McClellan highlighted the benefits of economic development with regional approaches and rural initiatives. He further noted that Ast. Deputy Minister indicated that glaciers were shrinking, which results in reduced water flows – the question was put forward on whether the Province would consider the diversion of water from north to south – the response was that the Province is not interested at this time. He further noted that in 2002, 42 boil water advisers were issued due to treatment system problems. There are currently 600,000 wells in Alberta and the Province is encouraging 30% water consumption reduction by 2015. Other topics included: Internal Trade Canada – updating website grant may be available; Maxus Technology recycling efforts and new recycling fees the province is implementing for electronics. The next conference will be held in Hinton in September.

14.2 Councillor Bertamini announced that the Drumheller Public Library received a

donation of gardening books from the Hole Family of St. Albert (written by Alberta's Lieutenant Governor). A similar donation has been made by the Hole Family to each Alberta public library, for a total donation of over 5,400 books. As well, she noted that the library is pleased to announce for the 4<sup>th</sup> year running, RBC Financial Group is the major sponsor of the Summer Reading Program with a donation of \$7,200.00. This sponsorship continues because of the proven worth of the Library's Program – 80% of summer reading students retained or improved their reading skills. She noted that other recent library donors are Farm Credit Canada and EnCana, whose funds are used to buy books to support the Summer Reading Program.

She announced that the Library is sponsoring a gala on October 2<sup>nd</sup>, 2004 at the Stampede Barn to be used as a fundraiser.

On behalf of the Library Board, she extended thanks to Council for their support.

**15.0 IN-CAMERA MATTERS MO2004.117** Stables, Pedersen to go in camera at 7:00 PM.

15.1 Gordon Taylor Bridge

15.2 Bulk Water Sales

15.3 Land Matter – Plan 9710916, Block 11, Lots 6-10

15.4 Vending Services

**MO2004.118** Sparling, Pedersen that Council revert to regular Council meeting at 8:45 PM. Cd.

15.2 Bulk Water Sales

**MO2004.119** Sparling, Pedersen that the Town grant an exclusive bulk water sales franchise to A.J. McKinnon General Services Ltd.

Motion Defeated.

There being no further business the Mayor declared the meeting adjourned at 8:53 PM.

---

MAYOR

---

CHIEF ADMINISTRATIVE OFFICER