

Town of Drumheller

COUNCIL MEETING

MINUTES



January 9, 2006 4:30 PM Council Chambers, Town Hall
703 - 2nd Ave. West, Drumheller, Alberta

PRESENT:

MAYOR:

Paul Ainscough

COUNCIL:

Karen Bertamini
Don Cunningham
Larry Davidson
Karen MacKinnon
Sharel Shoff
John Sparling

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF INFRASTRUCTURE SERVICES:

Wes Yeoman

DIRECTOR OF CORPORATE SERVICES:

Michael Minchin

DIRECTOR OF COMMUNITY SERVICES:

Scott Blevins

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 B. Funes, Executive Correspondence Officer, Office of the Right Honourable Paul Martin in response to the Town's letter regarding the Library Book Rate Program. In his letter, Mr. Funes stated that the Town's concerns will be forwarded to Hon. Liza Frulla, Minister of Canadian Heritage for her consideration.

2.2 Mayor P. Ainscough presented a letter from Hon. Yvonne Fritz, Minister of Seniors and Community Supports announcing that \$140 million in funding will be granted to address the

unique housing and supportive living needs of rural Alberta. The News Release issued on December 23rd, 2005 announced nearly \$4 million for supportive living in Cereal, Consort, Drumheller and Oyen.

2.3 Mayor P. Ainscough presented a letter from Hon. Clint Dunford, Minister of Economic Development in response to the Town's letter to Equus Consulting Group Inc. regarding the proposed South Saskatchewan River Water Management Plan. In his letter, Hon. Dunford advised that the Town's concern have been forwarded to Hon. Guy Boutilier, Minister of Environment.

2.4 Mayor P. Ainscough proclaimed January 15th to 21st 2006 as National Non Smoking Week

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

MO2006.01 Davidson, Sparling moved the adoption of the agenda as presented. Cd.

5.0 MINUTES

5.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES

5.1.1 Council Regular Meeting - December 12, 2005

MO2006.02 Davidson, Sparling moved the adoption of Council's Regular Meeting of December 12, 2005 as presented. Cd.

5.1.2 Council Special Meeting – January 3, 2006

MO2006.03 Davidson, Sparling moved the adoption of Council's Special Meeting of January 3, 2006 as presented. Cd.

5.2 MINUTES OF MEETINGS PRESENTED FOR INFORMATION

5.3 BUSINESS ARISING FROM THE MINUTES

6.0 DELEGATIONS

7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS

8.0 REQUEST FOR DECISION REPORTS

8.1 CAO

8.1.1 Bylaw 26.05 Disaster Services Bylaw – Three Readings

R. Romanetz advised that the Disaster Services Committee met prior to Christmas and proposed one change to the bylaw being with Clause 5(c) – "The Director of Disaster Services (Town Manager) shall appoint up to three deputies". The existing bylaw provided for only two. He further noted that based on workload of the June, 2005 flood, this

requirement should be increased to three being the Fire Chief, Director of Infrastructure and Director of Corporate Services.

MO2006.04 Davidson, Bertamini for first reading to Bylaw 26.05. Carried.

MO2006.05 Shoff, Sparling for second reading to Bylaw 26.05. Carried.

MO2006.06 Bertamini, Shoff no objection to third reading. Carried.

MO2006.07 Davidson, Cunningham for third reading to Bylaw 26.05. Carried.

8.1.2 Bylaw 02.06 Water Treatment Plant Upgrade Borrowing Bylaw – first reading

R. Romanetz recommended that Item 8.1.2 be deferred until Item 8.2.1 was been considered by Council.

8.1.3 Bylaw 03.06 Municipal Borrowing Bylaw – three readings

R. Romanetz presented Bylaw 03.06 for the purpose of borrowing monies in accordance with Section 256 of the Municipal Government Act. M. Minchin noted that the Town may borrow up to the principal sum of \$2m from ATB Financial. He further noted that the Bylaw is required as there is not a significant amount of revenue received prior to September when taxes are due. The bylaw authorizes short term borrowing to ensure cash flow to pay authorized expenditures.

MO2006.08 Sparling, Bertamini for first reading to Bylaw 03.06. Carried.

MO2006.09 Shoff, Sparling second reading to Bylaw 03.06 Carried..

MO2006.10 Bertamini, Shoff no objection to third reading. Carried.

MO2006.11 Cunningham, Shoff for third reading to Bylaw 03.06. Carried.

8.1.4 RFD – Kneehill Water Commission Service Agreement

R. Romanetz advised that Kneehill Regional Water Services Commission has requested that the Town of Drumheller provide services to meet the conditions of its approval from Alberta Environment. Kneehill has experienced difficulty in providing this service from Three Hills and also due to the shortage of qualified water / wastewater operators. He noted that the Town has similar agreements for the provision of service with Churchill, CVL and Munson pump stations. By entering into this agreement, the Town will be provided with additional finances which can be used to hire one additional water / wastewater operator. This proposed agreement outlines the operation and maintenance services to be provided by the Town of Drumheller at the Kirkpatrick Water Reservoir pump station. The basic rate would be \$45.00 per hour and it is estimated that the Town would provide ten (10) hours per week for this service. He further noted that the service would be made available to Kneehill Water Commission as long as the Town's resources are available. R. Romanetz advised that the proposed rates would cover Town costs including an administrative allowance. The terms of the agreement outline that either party can opt out of the agreement within sixty (60) days written notice. This clause would allow the Town to terminate the agreement in the event of resource problems that could possibly arise. The agreement has been reviewed by the Town's Solicitor and minor changes were proposed

as outlined by W. Yeoman. In the event of a dispute, the proposal would be for the appointment of an arbitrator to work with both sides.

Discussion held on whether the rate was sufficient to cover both travel time and vehicle allowance. R. Romanetz stated the rates outlined in the agreement would apply for this year and there is allowance in the contract for adjustments. He further noted that the vehicle rates are established in accordance with Alberta Road Builder Rates. In response to a question on liability, R. Romanetz stated that the Town has competent operators that perform their duties to the best of their abilities and follow due diligence. W. Yeoman stated that as there is a commitment to supply the water, there is also an obligation to do some periodic testing at the reservoir to ensure minimum disinfection levels are maintained. This agreement would be in extension of that testing requirement.

MO2006.12 Bertamini, Davidson that Council approve the signing of the Service Agreement between the Town of Drumheller and the Kneehill Regional Water Services Commission and further that Council approve the posting of one additional Water / Wastewater Operator position.

Discussion on Motion.

In response to a question from Council, R. Romanetz stated that if Council does not approve the hiring of a new operator, the Town would not enter into the Service Agreement with Kneehill. Council requested that the rates be revisited in more detail to ensure costs plus some return are recouped. W. Yeoman stated that the rates will be reviewed in three months however if the rates are increased for Kneehill, the rates will be increased for the other three water co-ops as well.

Vote on Motion: Carried.

8.2 Director of Infrastructure Services

8.2.1 RFD – Water Treatment Plant Upgrade Tender Award

W. Yeoman advised that signed agreements are now in place between the Town of Drumheller and Alberta Infrastructure and Transportation (AIT) under the Alberta Municipal Water Wastewater Partnership (AMWWP). Under this program, the Town has been approved for funding at 37.85% of the total eligible project costs. On December 20th, five contractors submitted tenders with the lowest received from Suer & Pollon Mechanical Partnership of Saskatoon, SK in the amount of \$1,132,000 (Contract #1) and \$1,305,000 (Contract #2) for a total bid price of \$2,437,000.

MO2006.13 Bertamini, Davidson that Council authorizes Administration to award the tenders for the Water Treatment Plant Upgrades to Suer & Pollon Mechanical Partnership of Saskatoon, SK in the amount of \$1,132,000 (Contract #1) and \$1,305,000 (Contract #2) for a total bid price of \$2,437,000 and increase the total budget amount to \$3,562,191 and for further that this amount be included in the 2006 capital budget.

Discussion on motion:

In response to a question on how this new debt impacts the Town's debt load, R. Romanetz stated that the current utility debt for the 1984 Water Plant will disappear in 2007 and the first payment on the new debt will be required in 2007. Councillor L. Davidson asked if there will be any disruptions in service to residents. R. Romanetz stated that the filters upgrade at the WTP are designed so that there are never more than two filters out at a time. Service will not be disrupted. The improvements will be installed prior to the end of April before water demand increases.

Vote on Motion: Carried.

R. Romanetz presented Bylaw 02.06 Water Treatment Plant Upgrade Borrowing Bylaw for first reading. He noted that the total cost is \$3,202,740 of which approximately 38% will be funded by the Province. The remaining \$2,213,902 will be the Town's responsibility and it is proposed that this amount be borrowed to finance the project. The Town is still trying to get the Province to consider the regional cost sharing formula for this upgrade - the MLA indicated strong support for our position. If successful for approval of the additional funding, the Town would borrow a reduced amount. The bylaw must be advertised for two consecutive weeks. In response to a question from Councillor K. Bertamini, R. Romanetz advised that other communities have written letters in support of the Town's request for regional cost sharing. The Town has not received anything official in writing other than verbally being told that the Province is looking at other funding options for water and wastewater upgrades. M. Minchin indicated that the current borrowing rate is under 5%

MO2006.14 Sparling, Davidson for first reading to Bylaw 02.06. Carried.

8.2.2 RFD – Aquaplex Hot Tub Tender Award

W. Yeoman advised that the Town's application under the Community Facility Enhancement Program (CFEP) for a hot tub replacement was approved on August 16th, 2005. The funding available for this project is \$57,603 (50% of the original estimated construction cost). These funds are to be used as matching funds toward the Aquaplex hot tub replacement project. Two tenders were received for this project with the lower one from Master Pools in the amount of \$108,350 plus GST. Additional costs will include final hook-ups by an electrician and a gas fitter. Master Pool's proposal also included a drawing to be on display so the patrons can see the design for the new tub which is scheduled for the fall, 2006.

MO2006.15 Shoff, Bertamini that Council approve awarding the contract for the Aquaplex Hot Tub Replacement Project to Master Pools in the amount of \$108,350 plus GST. Carried.

8.2.3 RFD - Soft Drink Vendor Franchise Agreement

W. Yeoman advised that the current agreement with Pepsi Bottling Group for exclusive supply of soft drinks to the Arena & Aquaplex signed December 4, 2000 has now expired. The Town has received two 10 year term proposals from both Pepsi Bottling Group and from Red Deer Bottling Co. Ltd. (authorized bottler of Coca-Cola). Upon review of the two proposals it is recommended that the new franchise agreement be awarded to the Red Deer Bottling Co. Ltd. as product pricing is lower in all categories and the added benefits are valued at \$45,000 over 10 years compared to Pepsi's proposal of \$29,000 over 10 years. S. Blevins stated that the message board will be controlled from a computer and can be used to advertise other events within the community. The arena is a high traffic facility and was determined to be the best location for messages to be advertised. In the event that the lights are damaged each individual light can be replaced at the Town's cost.

MO2006.16 Davidson, Sparling that Council approve awarding the new franchise agreement for the sale of soft drinks to the Red Deer Bottling Co. Ltd. for a ten year term starting January 2006 ending January 2016.

Discussion on motion:

Councillor L. Davidson asked who receives revenue for the sign message board. R. Romanetz stated that any revenue from the message board previously went to the Dragons Hockey Club but they have since waived this clause with their negotiations with the Bottling Company.

Vote on Motion: Carried.

8.3 Director of Corporate Services

8.3.1 RFD – Website Request for Proposal Award

M. Minchin advised that the Town issued the RFP prior to the Christmas break with a total of 18 received, of which 10 were considered based on the evaluation criteria established in the RFP. Of the ten (10) proposals, Administration is recommending the proposal from Optamedia Inc. from Edmonton, Alberta. The proposed price is \$36,655 plus GST, which is significantly over the 2005 budget of \$15,000. Administration is recommending that the difference be paid from the 2005 operating surplus. In addition to the initial website cost, the Town will incur annual hosting and support costs in the amount of \$7,432.80 and provisions have been made in the 2006 operating budget. The new website is expected to be launched by April 1, 2006. There is some opportunity to reduce the contract but has not been discussed in detail with the contractor.

MO2006.17 Bertamini, Shoff that Council award the Town's website redesign contract and annual website hosting and support contract to Optamedia Inc. of Edmonton, Alberta at the submitted prices of \$36,665 plus GST and \$7,432.80 GST, respectively. Carried.

8.3.2 RFD – Human Resources Policy Amendment

M. Minchin advised that as part of provincial legislation, employers of the Local Authorities

Pension Plan must have a written policy outlining who is eligible for participating in the LAPP. The Town's policy will be rewritten to state that "Every full time permanent employee of the Town shall join the Local Authorities Pension Plan".

MO2006.18 Sparling, Shoff that Council amend the Town's Human Resource Policy #4.02.10.01, paragraph 1.06 as recommended by Administration. Carried.

8.3.3 RFD – Transfer of 2004 Surplus

M. Minchin advised that as part of the 2005 Corporate Plan adopted by Council on March 14, 2005, Administration recommended transfers from the 2004 surplus to various reserve accounts. As part of the year end process, Administration is recommending that Council formally approve these transfers by resolution. The transfers are from the 2004 surplus and would be allocated as follows: (1) \$80,000 to Water Reserve, (2) \$40,000 to Sewer Reserve, (3) \$180,000 to Transportation Capital Reserve (4) \$80,000 to Legacy Capital Reserve.

MO2006.19 Bertamini, MacKinnon that Council authorize Administration to transfer \$380,000 from the operating surplus to the capital reserves in accordance with the 2005 Corporate Plan. Carried.

8.3.4 RFD – Authorization for 2006 Expenditures

M. Minchin advised that pursuant to subsection 248(2) of the Municipal Government Act, Council must approve a procedure for authorizing and verifying expenditures not included in the current year's budget. Since the 2006 operating has not yet been approved, a resolution from Council is required to authorize the CAO, or his delegate, to pay all current accounts, which are a proper charge of the Town, until the 2006 Operating and Capital budgets are approved.

MO2006.20 Davidson, Shoff that Council, in accordance with Section 248(2) of the Municipal Government Act authorize the CAO or his delegate, to pay all current accounts, which are properly charged to the Town, until the 2006 Operating and Capital Budgets are approved by Council. Carried.

8.3.5 Financial Statements for the period ending November 30, 2005

M. Minchin presented the November financial statements and Administration is not expecting any major adjustments for the end of the year. The 2005 surplus is expected to be \$500,000 due to unfinished projects.

8.4 Director of Community Services

8.4.1 RFD – Columbarium Inscriptions

Tabled to Council's meeting of January 23rd.

9.0 PRESENTATION OF QUARTERLY REPORTS BY ADMINISTRATION

(Quarterly Reports to be presented January, 2006)

- 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

- 12.1 Discussion - definitions for minor and major animal services
Tabled to Council's meeting of January 23rd.

13.0 NOTICES OF MOTIONS

14.0 COUNCILLOR REPORTS

15.0 IN-CAMERA MATTERS

There being no further business the Mayor declared the meeting adjourned at 6:00 PM.

MAYOR

CHIEF ADMINISTRATIVE OFFICER