

Town of Drumheller

COUNCIL MEETING

MINUTES



April 14, 2008

Council Chamber, Town Hall

703 - 2nd Ave. West, Drumheller, Alberta

PRESENT:

MAYOR:

Bryce Nimmo

COUNCIL:

Andrew Berdahl

Karen Bertamini

Blaine McDonald

Don Guidolin

Sharel Shoff

Terry Yemen

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

ACTING DIRECTOR OF INFRASTRUCTURE SERVICES:

Steve Huculak

DIRECTOR OF CORPORATE SERVICES:

Michael Roy

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

RECORDING SECRETARY:

Linda Handy

1.0 CALL TO ORDER

2.0 MAYOR'S OPENING REMARKS

2.1 Mayor B. Nimmo proclaimed Earth Day as April 22nd, 2008 (Communities in Bloom are taking the lead in the events with various businesses providing donations and community groups, schools and residents cleaning up the neighbourhood from April 19th – 26th).

2.2 Mayor B. Nimmo proclaimed Volunteer Recognition Week as April 27th to May 3rd, 2008. He thanked Drumheller's many individuals who give their time to help others and who contribute many volunteer hours to the community.

2.3 Mayor B. Nimmo reviewed the Remuneration Guidelines for Policy C-01.08. He

advised that the guidelines allow up to five educational sessions per Councillor for 2008. These educational sessions could include the Assessment Review Board training, ATCO Symposium, etc. He explained that the guidelines will be reviewed during the 2009 budget deliberations.

2.4 Mayor B. Nimmo presented a letter from Merridy Martin, Chairman, Relay for Life requesting a relaxation to the Noise Bylaw. He advised their request will be addressed at Council's next regular meeting of April 28th.

2.5 Mayor B. Nimmo advised that he will arrange a meeting with Hon. Jack Hayden, MLA and he asked for a preferred timeframe suitable for all Councillors. The suggested timeframe was Friday at lunch or Monday in place of a COW meeting.

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

Addition: 15.1 Personnel Matter

MO2008.70 Bertamini, Shoff moved the adoption of the agenda as amended. Carried.

5.0 MINUTES

5.1 ADOPTION OF REGULAR COUNCIL MEETING MINUTES

5.1.1 Council Regular Meeting – March 31, 2008

MO2008.71 Shoff, Guidolin moved the adoption of the minutes of the regular Council meeting of March 31, 2008 as presented. Carried.

5.2 MINUTES OF MEETINGS PRESENTED FOR INFORMATION

5.2.1 Municipal Planning Commission Meeting Minutes – March 27, 2008

5.3 BUSINESS ARISING FROM THE MINUTES

6.0 DELEGATIONS

6.1 Eric Peterson, Gitzel Krefci Dand Peterson provided an overview of the 2007 Audit as follows:

Page 2 Assets – comparison of assets with December 31, 2007 – tax receivables down from 2007 with cash and temporary investments significantly higher than 2006 due to some grants being supplied in advance of project completion. The accumulated cost of land for resale does not include sewer, water installations, etc. Physical assets inventory includes parks, property and equipment. In the past, the government has recorded their physical assets with no depreciation however this will change in 2009 with the introduction of the Tangible Capital Assets Program. As of December 31, 2007, the Town has a preliminary listing and values for buildings, vehicles and machinery. Total assets \$112,847,522 (increase of about \$10 m over 2007).

Page 3 Liability / Equity - total \$112,847,522 (also increased about \$10 m over 2007). If the Town receives a grant and if not spent, the amount would stay in deferred

revenue until expensed. Employee benefits include accumulated vacation pay. Equity includes three fund balances – capital, operating and reserves. The capital fund shows a deficit of about \$1.2m because funding is not yet completed and this will fall into place in the next fiscal year. Operating fund includes the 2007 surplus of \$65,764 plus prior years. The reserve fund shows the dollars set aside for specific future spending. Equity in property and equipment shows the amount paid off for these assets.

Page 4 Change in Fund Balances – Revenue Total \$16,312,424 less Expenses Total \$16,841,993 resulting in a change in fund balance of \$1,317,029. Total balance for all funds at year end is \$7,512,787.

Page 5 Net cash increase during the year is \$5,973,849 plus cash and temporary Investments at the beginning of the year is \$5,434,339 with a total of cash and temporary investments at year end of \$11,408,188.

Page 6 Schedule 1 Capital Fund Activities - transfers to and from capital revenues at the end of the year resulted in an over expenditure of (\$1,211,244) which results from expenses yet to be funded.

Page 7 Schedule 2 Operating Fund Activities – transfers to and from operating revenues total \$2,112,654. Change in fund balance (operating surplus) total \$65,764 with a closing balance of \$1,682,185.

Page 8 Schedule 3 Reserve Fund Activities - allocations and transfer made to the reserves and put back in operations and capital. Opening balance of \$7,313,810 with a fund balance at year end of \$7,041,846.

Page 9 Schedule 4 Equity in Property and Equipment - assets purchased in amount of \$6,083,822 and disposal of \$82,813 which changes the equity by \$4,154,411 with an opening balance of \$88,987,273 and closing balance of \$93,141,684.

Page 10 Schedule 5 Property Taxes Levied – 2007 taxation totalled \$7,970,517 with requisitions removed in the amount of \$2,282,207 resulting in net municipal taxes of \$5,688,310 to pay for municipal services.

Page 11 Schedule 6 Government Transfers total \$3,625,807; Schedule 7 Expenditures by Object totalled \$16,841,995.

Page 12 Note 1 ensures the audit has been completed in accordance with the Public Sector Accounting and the Canadian Institute of Chartered Accountants.

Page 19 Note 8 required disclosure for Council and designated officers.

Page 20 Note 9 debt limits – total debt limit allowed by the Town is \$20,133,675; total current debt is \$3,037,135 and the amount of debt limit unused is \$17,096,540.

Page 23 - Note 17 requirement for Council's approval of the 2007 audited financial statements.

Eric Peterson concluded his report by stating that the Town is in a healthy financial position, with adequate cash flow, and low debt. He stated that the Town has absorbed the costs of the boil water incident and if any funds are forthcoming, these changes will be reflected in 2008 financial statements. He stated that the Town has received full reimbursement from the Province for the 2005 flood claims. He noted that the Province has distributed a large

amount of cash in grants in advance rather than after the project which has left the Town in a very good cash position. He stated that no corrections were required to the 2006 statements. He stated that the Town of Drumheller is well managed financially.

Councillor K. Bertamini congratulated Administration for an excellent job in recording the financial position of the Town.

Eric Peterson referred to two letters in agenda packages: Management Letter and an Oversight Letter. He stated it is an auditor's responsibility to bring to Council's attention any matter relating financial affairs of the municipality. He stated that the Management Letter indicates no significant recommendations for improvements. He explained that the second letter, although similar in nature to the first letter, lists two insignificant items: 1) Audited expense accrual was overstated by \$5,500 because part of the 2007 fees were paid before December 31, 2007, and 2) Accrued interest on debenture debt was understated by \$2,158. He explained that these items were immaterial and no adjustments were made.

Mayor Nimmo thanked E. Peterson for his presentation.

Mayor Nimmo recessed the meeting at 5:07 PM.
Mayor Nimmo reconvened the meeting at 5:10 PM.

7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS

8.0 REQUEST FOR DECISION REPORTS

7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS

8.0 REQUEST FOR DECISION REPORTS

8.1 CAO

8.1.1 RFD - 2007 Audit

MO2008.72 Bertamini, McDonald that Council approve the 2007 audited financial statements as presented. Carried.

8.1.2 Bylaw 09.08 being a bylaw to amend the Land Use Bylaw by redesignating the area in Lots 11 & 12 Block 3 Plan 5212JK from R2 Residential – R4 Residential (Sharafi) - first reading

R. Romanetz advised that the applicant wishes to convert the former Honeybee Day Care Facility into a fourplex. He advised that the proposal was discussed by the MPC and they have recommended that Council move forward with the application. In response to a question from Council, R. Romanetz advised that parking requirements would be a

condition of the development permit approval. He recommended that Council proceed with first reading to allow for the public hearing.

MO2008.73 Shoff, Guidolin moved first reading of Bylaw 09.08. Carried.

8.1.3 Overview of Public Information Meetings held regarding the draft Land Use Bylaw and Municipal Development Plan

David Amos, Director, Palliser Regional Municipal Services advised that two open houses were held for the Land Use Bylaw and Municipal Development Plan. He reported that the first open house was not well attended however the second open was well attended. Both open houses included a presentation explaining the purpose and requirements of a LUB and MDP and the specific areas of the documents. He advised that there were many questions regarding specific development opportunities and specific parcels of land. Some of the comments were regarding issues that have already been addressed in the new documents such as tourist dwellings.

He stated that there are other issues discussed in recent months that have not been addressed and that may require considerations are as follows:

- 1) Currently there are no advertising requirements of discretionary uses prior to a decision by the Municipal Planning Commission. He explained that if discretionary uses were advertised prior to the MPC meeting it may allow for issues to be resolved prior to a decision rather than relying on the appeal process for adjacent landowner concerns to be addressed. R. Romanetz advised that advertising could delay the process and that it may be better for the MPC to use their own discretion.
- 2) Land Use Map Revisions:
 - The former consortium location that recently was destroyed by fire may be changed from "P" Community Service District to another land use district that allows for compatible development opportunities with the surrounding area. Currently the surrounding land uses include "DT" – Downtown Transitional District to the west and "R1-A" Residential District to the north, "R-3" Residential District to the east and the railway and 'HWY-C Highway Commercial District to the south. It appears that "DT" Downtown Transitional District would be a compatible land use district as it allows for a mix of land uses in close proximity to the Central Business District.
 - A subdivision was recently approved near the regional waste management facility with two potential "HWY-C" Highway Commercial properties. Rather than applying for a separate land use amendment it would be prudent to allow the land use change to occur at the same time as the approval of the new Land Use Bylaw.

Council agreed to include the changes for the land use map revisions and that a discussion on the advertising process for discretionary use as presented by PRMS be held during the public hearing process. R. Romanetz stated that it may be more appropriate for the Council to give first reading to Bylaw 10.08 and Bylaw 11.08 then allow a 30 day period for

further public comments. He stated that in accordance with the Municipal Government Act, the public hearing must be advertised for two consecutive weeks. Council concurred with the CAO's recommendation.

8.1.4 Bylaw 10.08 being the Land Use Bylaw – first reading

MO2008.74 Guidolin, Shoff moved first reading of Bylaw 10.08. Carried.

8.1.5 Bylaw 11.08 being the Municipal Development Plan – first reading

MO2008.75 McDonald, Berdahl moved first reading of Bylaw 11.08. Carried.

8.1.6 RFD – Cast Iron Replacement Budget (\$25,000)

R. Romanetz advised that replacement of the remaining cast iron water lines was identified as a priority at Council's Strategic Business Workshop. It is anticipated that this program would take five years to complete. The 2008 Budget did not include funds to finance preliminary engineering work on this project. He asked Michael Roy, Director of Corporate Service to speak to the matter. M. Roy advised that the cast iron replacement program has been included in the Town's Multi-year Capital Plan with anticipated replacement beginning in 2009. The Capital Financing Strategy has targeted funding for the project to come from the Municipal Sustainability Initiative (MSI) grant program. He explained that Administration is requesting that the \$25,000 required in 2008 be funded from water reserves. He further explained that annual costs for this program are anticipated to be from \$810,000 to \$915,000 per year, based on a 3% inflation factor. He stated that Administration would recommend that \$1,000,000 per year of the MSI funding be committed towards the completion of this project.

MO2008.76 Bertamini, Yemen authorize Administration to utilize \$25,000 from water reserves towards preliminary engineering work for the replacement of cast iron water lines in the Town of Drumheller, further that the funding for the construction beginning in 2009 be committed from the Municipal Sustainability Initiative grant over the next five years at \$1,000,000 per year.

Discussion on Motion:

Councillor A. Berdahl asked the amount of the MSI grant. R. Romanetz advised that the Town anticipates a maximum of \$2.4 m annually over a ten (10) year period. Councillor K. Bertamini stated that Council did identify this upgrade as the highest priority at their retreat.

She further stated that the purpose of the MSI grant is for infrastructure replacement. Councillor B. McDonald asked if the motion could be amended by removing the portion dealing with the MSI funding to allow for Council to discuss the matter in more detail. He further explained that the motion specifically allots funding from the MSI funding for next year and this should be an item for 2009 budget rather than committing these dollars now. R. Romanetz stated that the commitment sets a guideline and Council may review the matter at a later date. R. Romanetz stated that providing this direction at this point would assist the Director of Corporate Services in finalizing the MSI funding strategy. He further

explained that the Town can not raise the water pressure without replacing these lines – increased pressure will be required to supply water to other areas. He further explained that the motion provides direction to Administration at this time and allows Administration to develop a strategy based on the timelines. He further explained that the Capital Financing Strategy identifies the need for this funding as well. In response to a question on whether the project should move forward quicker than the timeframe identified, R. Romanetz explained that the engineering report which is not available as of yet will confirm whether the five year timeframe is a reasonable project schedule although recommendations from Administration are based on preliminary projections from MPE Engineering.

Vote on Motion Carried.

8.1.7 RFD – Award of Affordable Housing Project

R. Romanetz advised that changes were made to the Affordable Housing Project as recommended by various contractors and retendered. He asked Steve Huculak, Director of Infrastructure Services to provide an overview of the tender award. S. Huculak advised that bids were received from eight (8) contractors with the low base bid submitted from Keller Construction Ltd., Calgary in the amount of \$2,721,404. He explained that the base tender included an alternative clause that allows for the Drumheller Institution inmate labour to be used for the framing construction. He explained that if contractors do the framing, the amount would be \$270,000. Additional costs such as metal clad windows, site work, underground power, engineering and contingency bring the project total cost to \$3,798,639. The Town has budgeted \$3.8 million.

MO2008.77 Bertamini, Council award the project as recommended to Keller Construction Ltd., Calgary, Alberta as per the proposal included in their request for dated April 4, 2008.

Discussion on Motion:

In response to a question from Council regarding the \$75,000 grant from the Realtor Board, R. Romanetz explained that Administration will look at ways to restructure the Town's application so that these dollars can be accessed from the Realtor Board. He explained that one possible option that may fit the grant criteria would be to assist the framing component by the Institution. He thanked Steve Huculak for his hard work and efforts to make the overall project more affordable.

Vote on Motion: Carried.

8.2 Acting Director of Infrastructure Services

8.3 Director of Corporate Services

8.4 Director of Community Services

**9.0 PRESENTATION OF QUARTERLY AND ANNUAL REPORTS BY
ADMINISTRATION (presented April 14, 2008)**

9.1 CAO

9.2 Acting Director of Infrastructure Services

Councillor Terry Yemen left the meeting at 5:58 PM and returned at 6:00 PM.

9.3 Director of Corporate Services

9.4 Director of Community Services

Councillor Blaine McDonald left the meeting at 6:10 PM and returned at 6:12 PM.

10.0 PUBLIC HEARING DECISIONS

11.0 DELEGATION DECISIONS

12.0 UNFINISHED BUSINESS

13.0 NOTICES OF MOTIONS

14.0 COUNCILLOR REPORTS

15.0 IN-CAMERA MATTERS MO2008.78 Bertamini, Shoff to go in camera at 6:20 PM.
Carried.

15.1 Personnel Matter

MO2008.79 Shoff, Berdahl that Council revert to regular meeting at 6:50 PM. Carried.

There being no further business the Mayor declared the meeting adjourned at 6:50 PM.

MAYOR

CHIEF ADMINISTRATIVE OFFICER