

Town of Drumheller COUNCIL MEETING MINUTES

January 4, 2011 at 4:30 PM
Council Chamber, Town Hall
703-2nd Ave. West, Drumheller, Alberta



PRESENT:

MAYOR:

Terry Yemen

COUNCIL:

Andrew Berdahl

Jay Garbutt

Lisa Hansen-Zacharuk

Sharel Shoff

Tom Zariski

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF INFRASTRUCTURE SERVICES:

Allan Kendrick

DIRECTOR OF CORPORATE SERVICES:

Michael Roy

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

RECORDING SECRETARY:

Linda Handy

ABSENT: Doug Stanford

1.0 CALL TO ORDER

2.0 MAYOR'S OPENING REMARK

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

MO2011.01 Shoff, Hansen-Zacharuk moved to adopt the agenda as presented. Carried unanimously.

5.0 MINUTES

5.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES

5.1.1 Regular Council Meeting Minutes of December 20, 2010

MO2011.02 Berdahl, Garbutt moved to adopt the regular Council meeting minutes of December 20, 2010 as presented. Carried unanimously.

Councillor A. Berdahl requested Administration to communicate the audited 2009 financial statements to the public via several press releases including graphic versions.

5.2. MINUTES OF MEETING 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 RFD - Extension of Rosedale Industrial Land Contract

R. Romanetz advised that at a previous meeting, Council discussed the land prices assigned to the Rosedale Industrial Subdivision and the exclusive agreement that is in place with Bob Sheddy, Century 21. He stated that as a result of that discussion, Administration looked at the agreement and noted that it expires on December 31, 2010 unless otherwise extended by Council. He clarified that prior to 2009, the Town had attempted to attract realtors to be agents for the sale of industrial lots in the Rosedale Subdivision with only one realtor who had expressed an interest. He further advised that Bob Sheddy had proposed at that time that he become the exclusive agent for the Rosedale Industrial Subdivision for a commission of 10%, in return Bob Sheddy would promote the lots for sale at his expense. Administration is recommending that Council consider extending the contract for one year to December 31, 2011 based on same terms as outlined in the attached agreement.

MO2011.03 Berdahl, Shoff moved that Council direct Administration to extend the exclusive agreement dated September 10, 2009 with Bob Sheddy to act as the agent for the Rosedale Industrial Subdivision for a commission of 10% for a further one year term to expire on December 31, 2011.

Discussion on Motion:

In response to a question from Council, R. Romanetz advised that the 10% commission was agreed to because the realtor advised that any

lower commission rate would not be sufficient to cover the realtor's own cost of promoting the land nor splitting the commission should another realtor find a buyer. He further explained that the rate was justified based on past practice with Bob Sheddy doing work for the Town's Hygrade Industrial area. He further explained that Bob Sheddy has shared some information in confidence that there may be some pending sales that will bring in revenue to help offset our investment in the Rosedale Industrial Subdivision.

Vote on Motion:

In favour - Zariski, Yemen, Berdahl, Hansen-Zacharuk, Garbutt

Opposed - Shoff.

Motion carried.

8.1.2 RFD - Appointment of Development Officer

R. Romanetz advised that the Land Use Bylaw creates the position of Development Officer and Council by resolution may appoint a person to that position under Bylaw 32.08. Cindy Woods has been acting in this capacity and Administration recommends that she be appointed as Development Officer. He further stated that Cindy Woods was successful in being awarded the position and she has worked well with Brad Wiebe, Palliser Regional Municipal Services and Paul Salvatore, Director of Community Services and himself. He further explained that Cindy working directly under his general supervision will be given the authority to sign off on permits.

MO2011.04 Berdahl, Zariski moved that Council appoint Cindy Woods as the Development Officer for the Town of Drumheller. Carried unanimously.

Councillors Berdahl and Shoff (both members of the Municipal Planning Commission) stated that Cindy Woods is very effective at carrying out her responsibilities.

8.1.3 RFD - Appointments to the Policing Committee

R. Romanetz advised that two members' terms expired on October 31, 2010, resulting in two vacancies on the Policing Committee. Three applications were received from Mr. Colin Kloot, Mr. Zrinko Amerl and Mr. Mike Hansen. Administration is recommending that two members be appointed for a two year term by secret ballot.

MO2011.05 Shoff, Hansen-Zacharuk that Council approve the appointments Mr. Colin Kloot and Mr. Mike Hansen for a two year term expiring on the date of Council's 2012 Annual Organizational meeting. Carried unanimously.

- 8.1.4 RFD - Badlands Community Facility Terms of Reference / Appointments
R. Romanetz advised that the former Council at their meeting of September 29, 2008 approved the Drumheller Community Facility Terms of Reference. With the newly elected Council, changes to the Steering Committee (SC) have been recommended by the membership which includes that the Co-Chairs be any two members from the SC (Hansine Kostelecky and Tony Lacher) and that Mayor Yemen and Councillors Andrew Berdahl and Jay Garbutt remain as members on the SC. He further explained that under the Terms of Reference, one Council member should be appointed to the Design Committee. Mayor Yemen advised that Councillor Tom Zariski wished to let his name stand.

MO2011.06 Shoff, Garbutt that Council approve the Drumheller Community Facility Terms of Reference as amended, and further that Hansine Kostelecky and Tony Lacher serve as Co-Chairs on the Badlands Community Facility Steering Committee with Mayor Yemen and Councillors Andrew Berdahl and Jay Garbutt to remain on the Steering Committee and further that Councillor Tom Zariski be appointed to the Design Committee.

Discussion on the Motion:

Councillor A. Berdahl requested that with Councillor Jay Garbutt now serving in the capacity as a Councillor on the SC, Administration should advertise for up to two public at large members on the Badlands Community Facility Steering Committee. He stated the addition of two new members would meet the requirements under the Terms of Reference.

Vote on Motion:

Carried unanimously.

- 8.1.5 RFD (Direction) - Ski Hill Land
R. Romanetz advised that Administration is requesting Council's direction on whether the ski hill land owned by the Town (1/4 section) should be sold. He explained that the December 15th, 2010 proposal which Council rejected at their Council Meeting of December 20th included a clause for the sale of the ski hill. He further explained that a new proposal was received from Drumheller Valley Ski Club (1997) signed by Zrinko Amerl, General Manager dated December 23, 2010 including a payment of \$32,632.58 for outstanding debts however Solicitor, Sharon Clark provided a letter to (1997) indicating that the Town has no agreement in place with (1997) and the cheque was returned.

Mayor Yemen asked Council for their comments on whether the ski hill land should be sold:

Councillor J. Garbutt stated that Council should facilitate a way to ensure that the ski hill can have a 2011 winter season however Council should not include any option for the sale of the ski hill land.

Councillor L. Hansen-Zacharuk agreed that Council should enter into short term lease agreement that does not include the sale of the land.

Councillor A. Berdahl stated that the land should be sold under the right circumstances.

Councillor S. Shoff agreed that the Town should enter into a short term lease that does not include the sale of the land.

Councillor T. Zariski stated that there may be a problem with the price of the land, however it may be an appropriate price for a non profit society but not for a private individual.

Mayor T. Yemen stated that the Town should offer a lease agreement similar to the December 15th proposal but remove the option to purchase with the other conditions to remain such as the proof of insurance for the entire lease period and debts to be paid in full.

Discussion held on whether the short term lease should be contingent on the payment of the outstanding water bill and whether some relaxation should be offered. Councillor A. Berdahl stated that in the past Council has forgiven non payment of water bills. Councillor T. Zariski explained that if the ski hill cannot operate due to the outstanding debt, the Town should be lenient on the water bill. R. Romanetz stated that the only reduction that the proposal offered was at reduction of the cost for the damaged meter. M. Roy reviewed the invoices dating back to 2002 in the amount of \$35,342.78 which includes a deposit of \$3600.00 for the upcoming ski season. Councillor T. Zariski suggested a 50% reduction.

MO2011.07 Zariski, Berdahl that the Town of Drumheller enter into a lease agreement with Drumheller Valley Ski Club (1997) to expire on April 30, 2011 with no option to purchase the Town owned land and further that all conditions in the proposal prepared by the Town Solicitor dated December 15th, 2010 (regarding the lease of the land) remain with the exception of a 50% reduction on the water amount owing.

Discussion on the Motion:

Councillor Jay Garbutt stated that Council needs to demonstrate leadership and should not set precedent by offering a reduction on the water bill. He further explained that if the ski hill cannot afford the water, it does not make financial sense for the Town to continue to support the ski hill. He stated that the outstanding water bill should remain a condition of the lease agreement. Councillor T. Zariski stated that he sees the ski hill as a good thing for Drumheller as it offers benefits for our community such as tourism and youth activities. He stated that the Town should view it as a good investment in the community rather than

an expense. Councillor J. Garbutt stated that just as the ski hill has worthiness within the community so do all other commercial water users and he is not prepared to open the flood gate of requests that others may not be able to pay their water bill.

Vote on Motion

In Favour - Zariski, Berdahl

Opposed - Shoff, Yemen, Hansen-Zacharuk, Garbutt

Motion Defeated.

MO2011.08 Garbutt, Hansen-Zacharuk moved that the Town of Drumheller enter into a lease agreement with the Drumheller Valley Ski Club (1997) to expire on April 30, 2011 with no option to purchase the Town owned land and further that all conditions in the proposal prepared by the Town Solicitor dated December 15th, 2010 (regarding the lease of the land) remain with the water bill owing to be paid in full.

Discussion on Motion:

Councillor A. Berdahl stated that the lease agreement is clearly with a non for profit society running the ski shill for the benefit of the community. He further stated that the amount being charged for producing water is outrageous. R. Romanetz clarified that over the past 10 years the cost of producing the water has increased from \$4.00 to \$7.00 per 1000 gallons. Councillor S. Shoff asked the cost of the lease. R. Romanetz stated that the cost would be as stated in the proposal dated December 15th, 2010, at a nominal amount of \$1.00.

Vote on Motion:

In favour - Shoff, Yemen, Hansen-Zacharuk, Garbutt

Opposed - Zariski, Berdahl.

Motion carried.

8.2. Director of Infrastructure Services

8.3. Director of Corporate Services

8.3.1 Local Improvement Bylaw Amendment - Bylaw 24.10 (second and third readings)

M. Roy advised that Council gave first reading to Bylaw 24.10 at their meeting of December 20, 2010. He explained that under the Municipal Government Act, a local improvement tax bylaw must be amended if there are subdivisions of properties that have a local improvement tax assessment on them.

MO2011.09 Shoff, Berdahl for second reading of Bylaw 24.10.

Clarification on Motion:

In response to a question from Council, M. Roy clarified that all affected residents are already paying this amount and are aware of the amendment. R. Romanetz explained that although the amounts were original set in 2006, the amounts must be recalculated if the number of properties changes from 2006. He further explained that the net change is zero but could have been a different matter if, for instance, 10 lots were newly created, the rates would go down accordingly. M. Roy explained that the bylaw is sensitive to the density of the area.

Vote on Motion:
Carried unanimously.

MO2011.10 Shoff, Hansen-Zacharuk for third reading to Bylaw 24.10.
Carried unanimously.

8.3.2 Borrowing Bylaw 01.11 (all three readings)

M. Roy stated that Bylaw 01.11 is an annual bylaw for borrowing purposes. He further explained that under Section 256 of the Municipal Government Act allows Council to authorize borrowings for operating expenditures, as long as the amount borrowed does not exceed the amount of taxes the municipality estimates will be raised in the year of borrowing. The Town estimates that tax revenue will be in excess of \$6M for 2011; this bylaw authorizes a line of credit of \$2,020,000.

MO2011.11 Zariski, Garbutt for first reading to Bylaw 01.11.

Clarification on Motion:

In response to Council's questions, M. Roy explained that although the funds have not been drawn on in the last three years due to the reserve levels being sufficient, there may be a need to utilize these funds should there be a short fall. He explained that the interest rate floats with the prime rate as negotiated with the bank.

Vote on Motion:
Carried unanimously.

MO2011.12 Berdahl, Hansen-Zacharuk moved second reading of Bylaw 01.11. Carried unanimously.

MO2011.13 Berdahl, Hansen-Zacharuk moved no objection to third reading of Bylaw 01.11. Carried unanimously.

MO2011.14 Hansen-Zacharuk, Shoff moved third reading of Bylaw 01.11. Carried unanimously.

8.3.3 Utility Rates - Information

M. Roy advised that the utility rates will be reviewed at the Committee meeting of January 10th. He stated that Administration is working through the numbers that includes the new meters fixed charge. He stated that the accounts must show the proper revenue generated in the right category. R. Romanetz advised that Administration may ask, if Council so wished, that the consultant provide an overview on why the rates must be calculated as such. Councillor A. Berdahl requested that in future years, the utility rates be set prior to December so they can be approved prior to January. R. Romanetz agreed and noted that if Council reviews this matter at their meeting of January 10th, the bylaw can be advertised with first reading given on January 17th and second and third readings on January 31st.

8.4. Director of Community Services

9.0 PRESENTATION OF QUARTERLY REPORTS BY ADMINISTRATION

10.0 PUBLIC HEARING DECISIONS

11.0 UNFINISHED BUSINESS

12.0 NOTICES OF MOTIONS

13.0 COUNCILLOR REPORTS

14.0 IN-CAMERA MATTERS

MO2011.15 Garbutt, Hansen-Zacharuk moved to go in camera at 5:33 PM. Carried [unanimously](#).

14.1 Personnel Matter

MO2011.16 Garbutt, Berdahl moved to revert to regular Council meeting at 6:25 PM. Carried unanimously.

There being no further business, the Mayor declared the meeting adjourned at 6:25 PM.

Mayor

Chief Administrative Officer