

Town of Drumheller COUNCIL MEETING MINUTES

July 16, 2012 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

Doug Stanford

Tom Zariski

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF INFRASTRUCTURE SERVICES:

Allan Kendrick

ACTING DIRECTOR OF CORPORATE SERVICES:

Bill Wulff

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

RECORDING SECRETARY:

Linda Handy

1.0 CALL TO ORDER

Mayor Terry Yemen called the meeting to order at 4:30 PM.

Mayor Yemen announced Starland County's Grand Opening of their newly renovated office building in Morrin on August 2nd at 11:30 AM.

Mayor Yemen announced AUMA's Annual Convention to be held in Edmonton from September 26th – 28th.

MLA for Drumheller – Stettler Rick Strankman was in attendance to introduce himself. He stated that he looked forward to working with Council on provincial matters.

2.0 MAYOR'S OPENING REMARK

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

MO2012.100 Shoff Stanford 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 June 18, 2012

MO2012.101 Zariski, Hansen-Zacharuk moved to adopt the regular Council Meeting minutes of June 18, 2012 as presented. Carried unanimously.

5.2. MINUTES OF MEETING PRESENTED FOR INFORMATION

5.2.1 Municipal Planning Commission Minutes of June 14, 2012

5.2.1 Management Committee Meeting Minutes of May 15, 2012

In response to questions from Council, R. Romanetz provided the following updates:

- Town Hall Relocation – Due to changes at the Institution, they can not provide a supervisor for the inmate work however they have agreed to work with the Town if the Town provides the supervision. Administration will be meeting with the consultant this week and it is anticipated that the final design will ready within 60 days with the work to commence shortly thereafter.
- Internship Program – The Municipal Affairs website should be open for application submission by the end of July.
- Management Meetings were discontinued until the BCF was completed. Administration will now reinstate the management meetings on a regular basis.

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 10.12 Debenture Bylaw

R. Romanetz presented Bylaw 10.12 being a bylaw to borrow dollars in the amount of \$318,750 for the purpose of an implementation process / engineering upgrade at the East Coulee Waste Water Plant. He stated that the following comments were relevant to both 8.1.1 and 8.1.2 agenda items. First readings were given to both bylaws on June 18, 2012 and advertised for two consecutive weeks as a requirement under the MGA. Once the consecutive two week advertising period has been met, there is a 15 day period at which time residents can put forward a petition. To date Administration has taken one call from a resident on a matter of clarification. R. Romanetz further explained that Council may proceed to 2nd and 3rd readings if they wished. He further explained there is a period of 30 days after 3rd reading where residents can make an application before the Court of Queen's Bench based on an error of procedure. He

further explained that although a borrowing bylaw is in place, it may be that Council may wish to borrow all or none of the dollars – an adopted bylaw does not require Council to move forward with borrowing. R. Romanetz referred to the Town's Capital Financing Strategy which puts balancing between reserves and actual borrowing in context. He explained that the financial notes shows that based on 2010 tangible capital assets costs being \$186,479,322 the current restricted fund target is \$18,647,932. This is a total comprising both tax supported target of \$7,521,910 and utility rate supported target of \$11,126,022. He stated that the strategy outlines a preferred target on the utility end - water \$149,488 and sewer \$895,042 for a total of \$1,044,530 dollars for 2012. Administration's best guess based on B. Wulff's numbers shows an operating surplus for combined water and sewer of \$715,002 (water \$329,190; sewer \$385,812) which will be added onto that amount for a total of \$1,759,532 sitting in the utility reserve.

R. Romanetz explained that a future project includes upgrades to the Water Treatment Plant which must proceed based on approval requirements with a total project cost of \$4M dollars. The grant obtained for this project will be in the order of 37% to 55% with the remainder of dollars being expensed from reserves or borrowing of about \$2M in 2013. He recommended that Council proceed with 2nd and 3rd readings. He further stated that Administration will bring forward a list of projects for directions on whether the projects are funded by reserves, borrowing or a combination of the two.

MO2012.102 Shoff, Hansen-Zacharuk moved second reading of Bylaw 10.12.

Discussion on Motion:

Councillor J. Garbutt asked what the \$11M target for utility reserves is based on. R. Romanetz explained that the \$11M target is based on 10% of the tangible capital assets replacement based on book value. He stated that in light of the 2013 / 14 project borrowing requirements, no borrowing should be done on the East Coulee projects. In response to a question on the annual payments, B. Wulff provided the following: East Coulee Waste Water Treatment Upgrade is \$20,624.00 and Cambria / East Coulee Water Transmission Line is \$28,200.00.

Vote on Motion:

In favor – Stanford, Hansen-Zacharuk, Shoff, Zariski, Berdahl, Yemen

Against – Garbutt

Carried.

MO2012.103 Shoff, Hansen-Zacharuk moved third reading of Bylaw 10.12.

Vote on Motion:

In favor – Stanford, Hansen-Zacharuk, Shoff, Zariski, Berdahl, Yemen

Against – Garbutt

Carried.

8.1.2 Bylaw 11.12 Debenture Bylaw

R. Romanetz presented Bylaw 11.12 being a bylaw to borrow dollars in the amount of \$435,800 for the purpose of extending the water transmission line from Cambria to East Coulee.

MO2012.104 Berdahl, Hansen-Zacharuk moved second reading of Bylaw 11.12.

Vote on Motion:

In favor – Stanford, Hansen-Zacharuk, Shoff, Zariski, Berdahl, Yemen

Against – Garbutt

Carried.

MO2012.105 Shoff, Hansen-Zacharuk moved third reading of Bylaw 11.12.

Discussion on Motion:

Councilor J. Garbutt stated that he believes both the Cambria/East Coulee transmission line project and the upgrades to the East Coulee Wastewater Treatment Plant are the right thing to do but he objects to the borrowing of the projects. He further stated that this was not how the transmission line project was presented to the affected property owners at the East Coulee information meeting. R. Romanetz stated that the local improvement was always intended to be through borrowing especially in light of the low interest rates.

Vote on Motion:

In favor – Stanford, Hansen-Zacharuk, Shoff, Zariski, Berdahl, Yemen

Against – Garbutt

Carried.

8.1.3 RFD – Palliser Regional Municipal Services (PRMS)

R. Romanetz advised that PRMS is proposing to implement a web based Geographical Information System (GIS) system usable by not only employees but to the public at large. The purpose is to provide a means for PRMS to integrate parcel information with municipal databases such as assessment and taxation systems and laying them out visually over a map. Secondly, residents will be able to access a map that showcases the regional recreation and tourism options. The application submission will be under the Town of Hanna on behalf of PRSM however the strength of the application is based on the number of municipalities showing an interest. The proposal will improve services in the member communities, upgrade the systems and share information among the municipalities.

MO2012.106 Shoff, Hansen-Zacharuk be it resolved that Council authorizes the Town of Drumheller to participate in an application for the PRMS Development Strategy Implementation submitted by the Town of Hanna with Palliser Regional Municipal Services as Primary Contractor under the Regional Collaboration component of the Alberta Municipal Affairs Regional Collaboration Program; further that the Town of Drumheller if the applicant, agrees to enter into, or as a participant, agrees to abide by the terms of a Conditional Grant Agreement governing the purpose and use of the grant funds. Carried unanimously.

8.1.4 RFD – Kiosk

R. Romanetz advised that the original call for proposal indicated no interest however once the BCF opened the call went forward again and there were eight interested parties in the Kiosk. Based on the latest information submitted, our consultant Gord

Bertie put together an Offer to Lease between the Town of Drumheller and Sree Rameshwari & Jayalakshmi Ltd. The Offer to Lease and a formal Lease will include performance requirements to ensure service levels are clearly outlined. The term proposed is ten (10) years with an option to renew the term of the lease for two (2) further periods of five (5) years each. It is Administration's view that a 10 year term without options to renew would be preferred.

MO2012.107 Zariski, Hansen-Zacharuk moved that Council approve the Offer to Lease for the BCF Kiosk between the Town of Drumheller and Sree Rameshwari & Jayalakshmi Ltd. for a term of 10 years without the option of renewal.

Discussion on Motion:

Councillor J. Garbutt questioned the need for Clauses 17 (free rent period) and 18 (free memberships). R. Romanetz stated that he asked the same question of Gord Bertie and his response was this is how it is structured in all leases for municipal facilities. He further explained that the rent free period would allow the tenant to build cash flow to start the business which was a standard practice in the industry and negotiated in other facilities, such as Leduc. Councillor J. Garbutt stated that Clause 18 is precedent setting and the facility needs to maintain a standard level of service with no freebies. Councillor L. Hansen-Zacharuk asked Administration to consider a cap on utility usage as these costs may surpass the rental charge if the tenant is not responsible for these charges. R. Romanetz explained that Clause 5 states that after Year One (1) the tenant will pay its proportionate share of increases in common area maintenance, utilities and taxes over the costs in Year One (1), if any. Councillor L. Hansen-Zacharuk disagreed with the term of the lease set at ten (10) years and suggested that it be reduced to a five (5) year lease as this is the standard in her industry. In response to questions on evaluation of performance, R. Romanetz stated that the Town's Solicitor feels that the wording of the lease gives the control needed to ensure performance.

Councillor J. Garbutt asked for a friendly amendment to the motion to remove Clause 18. Councillors Zariski and Hansen-Zacharuk agreed to the friendly amendment.

MO2012.107A Zariski, Hansen-Zacharuk moved that Council approve the Offer to Lease for the BCF Kiosk between the Town of Drumheller and Sree Rameshwari & Jayalakshmi Ltd. for a term of 10 years without the option of renewal and for removal of Clause 18. Carried unanimously.

8.2. Director of Infrastructure Services

8.3. Director of Corporate Services

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

MO2012.108 Shoff, Zariski moved to go in camera at 5:40 PM. Carried unanimously.

14.1 Land Matter - Hygrade Industrial Park

MO2012.109 Stanford, Shoff to revert to regular Council meeting at 6:17 PM. Carried unanimously.

There being no further business, the Mayor declared the meeting adjourned at 6:17 PM.

Mayor

Chief Administrative Officer