

Town of Drumheller COUNCIL MEETING MINUTES

July 2, 2013 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

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF INFRASTRUCTURE SERVICES:

Allan Kendrick

DIRECTOR OF CORPORATE SERVICES:

Byron Nagazina

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

RECORDING SECRETARY:

Linda Handy

ABSENT: Councillor Tom Zariski

1.0 CALL TO ORDER

Mayor Terry Yemen congratulated the Town of Drumheller Staff for hosting an awesome July 1st. He extended kudos to staff who were able to switch from their hip waders to July 1st gear.

2.0 MAYOR'S OPENING REMARK

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA MO2013.100 Shoff, Garbutt 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 17, 2013

MO2013.101 Berdahl, Stanford moved to adopt the Regular Council

Meeting Minutes of June 17, 2013 as presented. Carried unanimously.

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

8.2. Director of Infrastructure Services

8.2.1 RFD - East Coulee Water Transmission Line

A. Kendrick advised that tenders for the 2013 East Coulee Water Transmission Line closed on June 18th, 2013 with thirteen tenders received. The project was approved in the 2013 Capital budget financed through an Alberta Transportation grant (90%), a debenture of \$435,800 (already secured) and possible MSI if more than 67% of the contingency amount is actually used. Administration recommends that the tender be awarded to the low bidder Knibb Developments Ltd. in the amount of \$3,489,593 including a contingency amount of \$317,235.75. R. Romanetz explained that the 10% contingency is only paid for approved change orders and is not a guaranteed payment to the contractor. He further explained that contingency allowances are normally outside of the contract price however contingency was built into the tender package.

MO2013.102 Garbutt, Shoff moved that the contract for the 2013 East Coulee Water Transmission Line be awarded to Knibb Developments Ltd. in the amount of \$3,489,593, excluding GST.

Discussion on Motion:

Councillor J. Garbutt asked why MSI dollars are being used for this project? R. Romanetz explained that if project costs exceed the funding available, the Town will be able to make an application for additional funding through MSI dollars. He further explained that the Town has received notice that because of tight funding, the Province will insist on max grant funding as identified in the initial funding agreement. In the worst case scenario using the 10% contingency would require MSI funding as identified. Councillor J. Garbutt asked if the engineering cost is a budgeted or contracted price. R. Romanetz explained that the proposal from Stantec was a fixed fee at 7% for the engineering design and an estimated cost of 3.5% for tendering and construction services for a total of 10.5%. He further explained that the project was delayed because of the difficulty in find a suitable pipeline crossing locator. These costs were initially thought to be \$60,000 however the actual cost is estimated at \$110,000 to be paid to Parkland Geotechnical Services for geotechnical investigations including ground penetrating radar to confirm a suitable crossing location. This cost came in higher than

estimated due to major difficulties in finding a suitable location for the river crossing. R. Romanetz noted one additional change in the contract that includes a site occupancy clause should the contractor exceed the number of days bid for site occupancy, then a charge of \$2,000 per day will be applied for every site occupancy day over the number allotted for in the contract and these dollars will go to offset engineering costs. The engineering cost estimate of \$500,000 includes design engineering, construction engineering geotechnical investigations and survey work.

Councillor S. Shoff asked that messaging to the public be clear that this is a transmission line to the end of East Coulee with a truck fill to be located at the main entrance of East Coulee.

R. Romanetz further advised that easement has been negotiated with residents along the route. About a dozen property owners have indicated an interest for a connection brought to their property line.

Councillor L. Hansen-Zacharuk asked if Knibb has done a project of this size. R. Romanetz advised that Knibb installed the water line to from Rosedale to Cambria and they have the related expertise needed for this project. It was noted that Knibb is also the contractor on the cast iron water line replacement project and his time might in short supply for both projects. R. Romanetz advised that he does not foresee any issue with completing the two projects however the Town is protected with the site occupancy clause should any delays occur. If there are delay issues beyond Knibb's control, extension will be granted without penalty. The pre construction meeting to move the project forward will be held on July 30th.

Vote on Motion: Carried unanimously.

8.3. Director of Corporate Services

8.3.1 RFD - Benefits Provider

B. Nagazina presented the proposal from Industrial Alliance as the new benefit provider for the Town of Drumheller. There will be cost savings to the Town and the employees by moving to Industrial Alliance - \$21,816 per year savings to the Town and \$73,809 per year savings for the employees (\$100 per month per employee). The term of agreement is 40 months for Life/Disability and 16 months for Health/Dental. Individual employees will save up to \$100 per month on their pay cheque. There are currently seven (7) retirees that have taken advantage of retiree death benefits. The new plan with Industrial Alliance is unable to match the rate or the benefit term of this \$5,000 benefit. It is recommended that the Town try to leave the retirees in the existing plan and subsidize if necessary the monthly payments. Going forward, the remainder of the retiree employees will not receive this benefit.

MO2013.103 Shoff, Berdahl moved that Council authorize Administration to enter into an employee benefits agreement with Industrial Alliance as the new provider for a 40 month term.

Discussion on Motion:

Councillor J. Garbutt stated he has no conflict of interest on this matter and cautioned Administration that the 40 month guarantee is the end of the scale and is likely to drive the cost. He stated that it is not likely that Industrial Alliance will commit themselves on these rates for an extended time and the Town should do a renewal on an annual basis. He stated that AMSC costs are shared with other municipalities for more secure rates.

Councillor A. Berdhal asked how the Town staff feels on the matter. R. Romanetz advised that Administration intends to meet with the staff and discuss the options.

Vote on Motion:

5 – Shoff, Stanford, Yemen, Garbutt, Hansen-Zacharuk

1 - Opposed Berdahl

Carried.

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 MO2013.104 Hansen-Zacharuk, Stanford moved to go in camera at 5:00 PM. Carried unanimously.

14.1 Personnel Matter

MO2013.105 Hansen-Zacharuk, Stanford to revert to regular Council meeting at 5:55 PM.

MO2013.106 Berdahl, Stanford moved a 3% increase in wages and salaries for out of scope employees retroactive to January 1, 2013. Carried unanimously.

MO2013.107 Berdahl, Shoff moved a 3% increase in salary for the Chief Administrative Officer retroactive to January 1, 2013. Carried unanimously.

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

Mayor

Chief Administrative Officer