

# **Town of Drumheller COUNCIL MEETING MINUTES**

**December 16, 2013 at 4:30 PM**  
**Council Chamber, Town Hall**  
703-2nd Ave. West, Drumheller, Alberta



## **PRESENT:**

### **MAYOR:**

Terry Yemen

### **COUNCIL:**

Jay Garbutt

Lisa Hansen-Zacharuk

Patrick Kolafa

Tara McMillan

Sharel Shoff

Tom Zariski

### **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

## **1.0 CALL TO ORDER**

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

- 1.1 Councillor Lisa Hansen-Zacharuk was sworn in as Deputy Mayor for the months of January and February, 2014.

## **2.0 MAYOR'S OPENING REMARK**

- 2.1 Motion to cancel December 30, 2013 Council Meeting

**MO2013.147** Shoff, Hansen-Zacharuk moved to cancel the regular Council Meeting scheduled for December 30, 2013. Carried unanimously.

## **3.0 PUBLIC HEARING**

## **4.0 ADOPTION OF AGENDA**

**MO2013.148** Garbutt, Zariski 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 2, 2013**

**MO2013.149** Zariski, McMillan moved to adopt the regular Council Meeting minutes of December 2, 2013 as presented. Carried unanimously.

### **5.2. MINUTES OF MEETING PRESENTED FOR INFORMATION**

- 5.2.1 Municipal Planning Commission Meeting Minutes of October 4, 2013
- 5.2.2 Municipal Planning Commission Meeting Minutes of October 11, 2013
- 5.2.3 Municipal Planning Commission Meeting Minutes of October 29, 2013
- 5.2.4 Municipal Planning Commission Meeting Minutes of November 4, 2013

### **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 - Appointments to the Elected Officials Remuneration Task Force  
R. Romanetz advised that in accordance with Council Policy C-01-11, following a general municipal election, Council shall appoint an independent committee composed of five (5) Drumheller residents to review this policy and report back to Council. The Town of Drumheller has received five applications from Bob Sheddy, Bob Hannah, Sandy Brown, James Gooley and Debra Bolduc.

**MO2013.150** McMillan, Shoff that Council approve the appointments of Bob Sheddy, Bob Hannah, Sandy Brown, James Gooley and Debra Bolduc to the Elected Official Remuneration Review Task Force for one term. Carried unanimously.

- 8.1.2 RFD - Appointment to Economic Development Task Force  
R. Romanetz advised that after advertising for a vacancy on the Economic Development Task Force, one application has been received from Brock Harrington.

**MO2013.151** McMillan, Hansen-Zacharuk moved to approve the appointment of Brock Harrington to the Economic Development Task Force for a three year term to expire on the date of Council's Organization meeting in October, 2016. Carried unanimously.

## **8.2. DIRECTOR OF INFRASTRUCTURE SERVICES**

## **8.3. DIRECTOR OF CORPORATE SERVICES**

### **8.3.1 Presentation of 2014 Water and Waste Water Rates**

B. Nagazina presented two utility rate bylaws scenarios for Council's consideration – first with a 3% and secondly a 5% for both water and wastewater utility rate increases on both the fixed and consumption rates. Administration is recommending 5% for both the residential and regional consumers. A 5% increase will allow the Town to grow the reserves to the \$9.76M target as set out in the financial capital strategy from July 15, 2011. Based on the Utility Rate Model, reserves should be 10% of capital assets which are at \$97M on the Town's books. The Town's current reserves for water and wastewater are \$1M and \$2M respectively. At the 5% increase the Town would generate \$2.95M in water revenues and \$2.08M in wastewater revenues. These revenues would allow the Town to recover its cash expenses, asset depreciation less contributed capital amortization, and a return on investment of \$250,487 and \$519,908 for water and wastewater respectively.

#### **Questions from Council:**

Councillor J. Garbutt asked if a surcharge per account would be imposed in 2014. R. Romanetz advised that if Council agrees to the 5% increase the surcharge would be removed and 2% of the 5% increase would go towards the reserves. He further advised that the 5% increase would cover an increase in costs and allow a growth in the reserves as set out in the Public Utility Act. B. Nagazina stated that a 5% increase would be a fairer and more equitable approach based on consumption rather than an overall surcharge. Councillor J. Garbutt agreed and requested that the 2% dedicated surcharge to reserves not be expended elsewhere without Council approval. Councillor T. Zariski noted that the projected sale of water for 2014 is less than 2013. B. Nagazina to confirm the projection. Councillor T. Zariski questioned why regional customers are paying less for water than Drumheller residents. R. Romanetz advised that Aqua7 charges their customers a transmission and distribution cost in addition to the base regional rate/m3 paid to the Town of Drumheller so the cost to the regional consumer is much higher than the rate charged by the Town. He further stated that the Town of Drumheller cannot charge regional customers for distribution lines, individual meter readings, fire hydrants, etc. Each regional municipality has a separate distribution system.

### **8.3.2 Preliminary Operating Budget Discussion**

B. Nagazina presented the 2014 preliminary operating discussion items for Council's consideration:

- 3% wage increase already approved for CUPE employees;
- Sunshine Lodge increase will be 15% (increase of \$54,000 to last year's requisition of 366,000);
- DMO – currently at \$40,000 and need direction from Council for any additional increase;
- Palliser Regional Municipal Services increase of \$20,000(+/-);

- Drumheller & District Solid Waste Management Association requisition increase unknown as of this date.

He stated a budgeted 3% tax increase would yield a surplus of \$228,000 – with the surplus decreasing by \$76,000 for each 1% to a 0 zero tax based. He further stated that he needs a further 10 days to identify all costs and present to Council for direction on priorities. He stated that the challenge is a significant portion of the budget is fixed with no opportunity to reduce, i.e. insurance costs, debenture payments - wages can be reduced only by reducing staff levels. Of the \$15M in cash expenditures, \$11M are calculated as fixed (75% of the budget is fixed costs).

Councillor J. Garbutt stated that there are areas where more focus can be given such as repairs, travels and substances, education and communications where the actual are out of line with the budgeted amounts. He stated that an extra year of actuals would help to show the trend. R. Romanetz explained that some costs savings will result on the energy side however costs have gone up in other areas, such as mosquito control where the chemical costs have dramatically increased.

Council agreed that the DMO must provide a budget to Council before a decision can be made on their request for additional dollars. P. Salvatore explained that in addition to administrative costs, the DMO's budget would include costs for the sales and production of the travel map guide and the Travel Drumheller website. He further stated that the DMO is moving forward as identified in the Tourism Master Plan and the need for this industry to do a better job of getting stakeholders to participate and promote Drumheller solely – this is a missing component and a key thrust for the DMO moving forward. He further explained that the DMO wants to expand the number of participants so there are more members such as campgrounds, restaurants, gas stations – a lot of work yet to be done to define the role of tourism. In response to a question from Councillor J. Garbutt, Council confirmed that the DMO presentation included a comment that their members feel their dollars should be spent only on marketing and not administrative. P. Salvatore agreed to provide a report to Council.

#### **8.4. DIRECTOR OF COMMUNITY SERVICES**

##### **8.4.1 Business License Fee Review**

P. Salvatore advised that Bylaw 04.09 the Business License Bylaw provides the framework for the sales and enforcement of business licenses in the Town of Drumheller and the 2012-2014 Service Fee Schedule sets the rates. He recommended that Council apply the rates as they are set in the current 2012-2014 fee schedule with a comprehensive review in the new year with the issuance of a credit should it be warranted. The target date for the draft bylaw would be January (prior to the approval of the 2014 operating budget). In response to Council's concerns with the current rates, R. Romanetz advised that Community Enforcement Supervisor G. Peters and Development Officer C. Woods have done a lot of work on the comparisons and the rates and policies vary considerably amongst municipalities. Council agreed to do a review by mid-February.

#### 8.4.2 Update on Heritage Bylaw

P. Salvatore advised that Drumheller's Heritage inventory was completed in 2012 and the next step includes the preparation of a bylaw for each individual property that is designated as outlined in the attached document "*Designating Municipal Historic Resources*". He recommended that the Heritage Committee regroup to contact the identified property owners and explain the process involved. The heritage designation placed on the property title may or may not be an economic advantage to the property owner.

R. Romanetz advised that Council may want to consider whether compensation to property owners should be warranted in recognition of property owners being stewards of heritage properties. If Council decides against compensation, an owner would have to sign a waiver not requiring compensation. Councillor T. Zariski disagreed that any compensation should be paid to property owners as one of the main aspects of doing the heritage review was to preserve properties in the community and enable the owners to access provincial dollars to restore, replace, and refurnish their structure so it remains in a useable condition. He further advised that property owners have been very patient in the process however the Town needs to move forward so property owners are able to access these dollars. He cited the City of Edmonton's website as their bylaws are in place for this program and Drumheller may be able to use as a resource. R. Romanetz advised that there is a requirement for the compensation discussion to be held as a clause must be inserted in the bylaw on whether compensation is payable or not. P. Salvatore clarified that notice of compensation comes in different forms – and there are other non fiscal compensations such as zoning relaxations. He further explained that under the Act there is a 60 day waiting period where designations can be amended or repealed depending on what is happening with the identified property today. Council agreed that Councillor Tom Zariski will work with Paul Salvatore and the Heritage Committee to identify a property and move forward with the preparation of a bylaw.

### 9.0 PRESENTATION OF QUARTERLY REPORTS BY ADMINISTRATION

### 10.0 PUBLIC HEARING DECISIONS

### 11.0 UNFINISHED BUSINESS

#### 11.1 Bylaw 13.13 2014 Utility Rates - first reading

**MO2013.152** Shoff, Hansen-Zacharuk moved first reading to Bylaw 13.13 to establish utility rates at 5% increase. Carried unanimously.

In order to allow for an opportunity for public comment, Mayor Terry Yemen announced that a Special Council Meeting will be held on December 23<sup>rd</sup> at 4:30 PM for second and third readings to the bylaw.

### 12.0 NOTICE OF MOTION

### **13.0 COUNCILLOR REPORTS**

### **14.0 IN-CAMERA MATTERS**

There being no further items to the agenda, the Mayor declared the meeting adjourned at 6:20 PM.

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Mayor

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Chief Administrative Officer