

Town of Drumheller COUNCIL MEETING MINUTES

September 8, 2015 at 4:30 PM

Council Chamber, Town Hall

224 Centre Street, Drumheller, AB, T0J 0Y4



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 CORPORATE SERVICES:

Barb Miller

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

DIRECTOR OF PROTECTIVE SERVICES:

Greg Peters

RECORDING SECRETARY:

Linda Handy

ABSENT: DIRECTOR OF INFRASTRUCTURE SERVICES:

Allan Kendrick

1.0 CALL TO ORDER

- 1.1 Councillor Tom Zariski was sworn in as Deputy Mayor for the months of September and October, 2015

2.0 MAYOR'S OPENING REMARK

- 2.1 Mayor Terry Yemen presented a letter from Hon. Kathleen Ganley, Alberta Justice and Solicitor General advising that the Town was approved for funding in the amount of \$264,232 and \$100,000 under the 2015-16 Municipal Policing Assistance Grant and 2015-16 Police Officer Grant

respectively.

- 2.2 Mayor Terry Yemen congratulated the organizers of Tough Mudder for hosting a successful event. He stated despite the wet and cold weather, the volunteers were enthusiastic and there were over 6000 participants over the two day event.
- 2.3 Mayor Terry Yemen advised that he attended the Grand Opening of the Skateboard Park on August 29th. He congratulated the Skateboard Committee for their efforts in building a structure and investing not only in our community but also in the future of our young people.
- 2.4 Mayor Terry Yemen advised that the Canadian Badlands Summer Marketing Campaign results have been released as well as the new initiatives of the Tourism Marketing Committee. This information is available from the Mayor.
- 2.5 Mayor Terry Yemen proclaimed the month of September, 2015 as Muscular Dystrophy Awareness Month.
- 2.6 Councillor Sharel Shoff announced that David Thompson Health Advisory Council is hosting a public feedback session on health issues locally and regionally on September 10th at 5:00 PM at the Drumheller Health Centre.

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

Addition: In camera Land Matter

MO2015.126 Hansen-Zacharuk, Garbutt moved to adopt the agenda as amended. Carried unanimously.

5.0 MINUTES

5.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES

5.1.1 Regular Council Meeting Minutes of August 24, 2015

MO2015.127 Shoff, Zariski moved to adopt the regular Council Meeting minutes of August 24, 2015 as presented. Carried unanimously.

5.2. MINUTES OF MEETING PRESENTED FOR INFORMATION

5.3. BUSINESS ARISING FROM THE MINUTES

6.0 DELEGATIONS

- 6.1 New RCMP Staff Sgt Grant MacDonald provided a brief overview of his past postings. He stated that he looks forward to working with Council and the citizens for the betterment of the community.

Council thanked Staff Sgt MacDonald for his introduction and welcomed him to the community.

- 6.2 Rose Poulson, Seniors Coordinator provided an overview of the upcoming Grey Matters Conference to be held September 29 & 30 at the Badlands Community Facility. She explained that the conference offers provincial service providers opportunities to network, gain knowledge and increase awareness of issues, supports and services for seniors. She stated that over 280 delegates have registered. While in Drumheller, delegates will experience "Discover Drumheller" with the support of the downtown merchants who have offered up passports for shopping and door prizes. Badlands Artist Association will host an evening called "Taste of Drumheller" where delegates can purchase a ticket and then sample menu items from eight local restaurants. She extended thanks to Dave Carter for arranging the sponsorship for the trolley service. Other events include an evening of networking at the Tyrrell Museum; Pioneer Trail will host the Annual General Meeting, and the Library will host a display of seniors art. Two featured speakers are Catriona Le May Doan – Olympic Gold Medalist and Tim Hague Sr. winner of the Amazing Race Canada & Parkinson's Activist. Rose offered an invitation for Council to attend any of the events.

Councillor Jay Garbutt congratulated Rose and the Conference Committee for developing a model template for hosting conferences / events that should be adopted by other organizers.

Council thanked Rose for her presentation and wished "Grey Matters" organizers a successful conference.

7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS

8.0 REQUEST FOR DECISION REPORTS

8.1. CAO

8.1.1 RFD - Town of Drumheller Street Light Conversion

R. Romanetz advised that in November 2008, the Town entered into a franchise agreement with ATCO for Electric Distribution System. ATCO has brought this proposal to our attention several times however the rationale for the proposal is not in the best interests of the Town. He explained that Administration has concluded that ATCO's cash contribution has increased however the costs to go from the investment to the non investment rate have increased as well. He stated that the process is included in the

franchise agreement which states that if a street light life cycles out, it gets replaced and the Town now pays a higher rate compared to the current rate. From that point on, that street light now becomes the responsibility of ATCO to maintain however it does come at a cost to the Town. He asked Director of Corporate Services Barb Miller to provide an overview of the costs.

B. Miller stated that currently most of the Town's lights are non investment rated. Within the two classifications of structure, under the non investment rated the Town is responsible for all the repair and replacement costs; costs related to investment rated are the responsibility of ATCO. The same rate classification also determines the applicable daily wire charge – the wire charge for investment rated street lights is greater. Currently, the non-investment and investment rates for 100-250 watt are \$0.4336 and \$1.1904 per day. The investment rate is higher because ATCO is responsible for repair and replacement costs. She further stated that under the franchise agreement the Town can opt into the investment rate at any time based on a cash proposal that is calculated on the current investment rate set by AUC minus the calculated depreciation on the existing light; that calculated rate gets changed every year as the street light ages. Recently AUC adjusted the rate in January 2015 to the rate of \$2558 per fixture. ATCO based on AUC's adjustment recalculated our street lights and determined our structures to be \$937.93 per fixture. Once again, overtime this value will depreciate. Following an analysis of our existing inventory, ATCO presented the Town with a formal proposal in the amount of \$759,726 to convert the remaining non-investment rated street lights to the investment rate. She stated that if Council should accept ATCO's proposal, the new billing rate will come into effect as of October 1, 2015 resulting in additional operating costs of approximately \$56,000 in 2015 with additional operating costs in subsequent years due to wire charges in the amount of \$222,000 per year. If the Town were to invest the \$759,726 less the extra \$56,000 in operating costs this year, using a minimal interest rate, it is estimated those dollars would offset the additional operating costs for 3.5 years. Following that, two options to fund the additional \$222,000 in operating costs would be to increase the mill rate (\$63 increase per homeowner based on a house value of \$275,000) or an increase to the Municipal Franchise Fee which is capped by AUC at 20%. The Town's current franchise fee applied to electric bills is 9% (37 of 362 Alberta municipalities charge a % that is greater or equal to 9%). Using 2014 revenue numbers provided by ATCO, an increase of 2.85% from the current 9% to 11.83% would be required to generate the \$222,000 needed to fund the additional operating costs due to increased wire charges through franchise fees alone. She explained that if Council chose not to accept the offer, over time the Town would bear the costs of pole replacements - 819 street lights – the current lights are estimated at 19 ½ years old on average with an estimated average life of 30 years. She explained that the operating budget would be increased in years 2025 -2035 as the street lights get replaced and the Town pays the new wire charge. She further explained that based on the original formula of \$4000 per pole replacement cost less the current maximum investment rate of \$2520, the average billable cost to the Town per structure replacement is \$1,480 – the total estimated cost to replace all structures would be approximately \$1.2M. However, in today's discussions with ATCO the gap between their replacement costs and AUC is closing and the original costs were over estimated. ATCO suggests a replacement cost of

\$2700 per pole with the new investment rate of \$2558, it leaves the Town a cost of approximately \$150 to replace a pole. Based on that change the projected cost to replace all 819 poles is approximately \$122,000 (payback ½ half year on savings). If there is 10 ½ years remaining on a pole and 3 ½ years offset with cash component to fund additional operating costs, we would have another 6 ½ years for the town to pay the higher operating costs – \$221,000 equates to \$1.4M in savings if Council choose not to proceed.

MO2015.128A Hansen-Zacharuk, Garbutt moved to accept the offer as presented.

Discussion on Motion

In response to questions from Council, R. Romanetz clarified that the formula for the calculation is outlined in the franchise agreement as approved by AUC. ATCO have their engineers assess the Town's poles to identify if they are safe or unsound and the Town is advised accordingly. He further stated that depending on the aging of the street lights, some may happen on a linear basis or some as a cluster, a new rate will be brought in at that time as opposed to making that decision now when it appears it will cost us more. He further stated that it is a matter of 10-12 years when all of the Town's lights will be on the invested rate and will cost significantly more.

Vote on Motion

Defeated unanimously.

8.1.2 10th Avenue Subdivision Update

R. Romanetz provided an update on Hillsvew Phase 3 construction activity. He stated that the sewer and water lines, the curb and gutter, sidewalk and sub-base are all in place - the remaining base will be in place early next week with the asphalt following shortly thereafter. He stated that the major utilities will in place by the end of September. The installation of the shallow utilities are being managed by Cana who negotiate with all utility companies and all lines are put into one trench and then brought to a location to be connected to the homes. Together with our partner, Stevenson, the lots are now advertised on signage. He further explained that all the costs expended to date will be built into an overall costing for the project which will determine the price for the lots. He stated that the Town intends to use a similar approach as in 2005 for Phase 1 which includes a lot draw so that all potential buyers have an equal chance to purchase a lot. He stated that architectural controls will be in place along with the appropriate zoning from the Land Use Bylaw. He advised that there is no undermining or coal seams in this area and sandy / silty soil is consistent throughout the subdivision. He stated that lots will be offered for sale by mid-October.

R. Romanetz asked Cody Glydon to provide an overview on the marketing strategy. C. Glydon stated that Highway 9 south signage has been installed as well as advertising on the Town's website. He further stated that Gary Chambers (Stevenson lots) is also developing their own webpage that will be linked with the Town. He stated that the Mayor will be speaking on a video showcasing the neighborhood and what is available

which will also be uploaded to the Town's website. He explained that once the pricing is determined, the radio and newspaper advertising will be carried out.

Councillor J. Garbutt stated that he does not consider the marketing price of \$300,000 for the Stevenson lots to be affordable housing. He asked why this is a departure from what was previously intended by Council as it was agreed that the homes would be in the mid to high \$200,000. R. Romanetz advised that the information was provided through Stevenson Homes and that Stevenson Homes agreed to keep the pricing under \$300,000. R. Romanetz agreed to contact Stevenson Homes and ask for a clarification. C. Glydon stated that in discussions with realtors they advised that the best selling homes would be in the price range of \$290,000 - \$310,000 as their rationale is that this price range is lacking within our community. He further stated that there is potential for other developers to build with less pricing. R. Romanetz clarified that the Town lot sales will be directed through the 403-823-1339 number and not through a realtor.

8.2. DIRECTOR OF INFRASTRUCTURE SERVICES

8.3. DIRECTOR OF CORPORATE SERVICES

8.4. DIRECTOR OF COMMUNITY SERVICES

8.5. DIRECTOR OF PROTECTIVE SERVICES

8.5.1 Tough Mudder (TM) Event Overview

G. Peters stated that due to the inclement weather, the Tough Mudder officials had to evoke their emergency plan with extra care at each of the sites. The TM reported that the execution of the plan went better than last year with the numbers down from last year. He further stated that the police and medical issues were minimal. He explained that due to the mud, there will be more remediation work afterwards. He extended thanks to Angela Keibel who worked very hard with volunteers to ensure the event ran smoothly. C. Glydon reported that the hotels and B &B were 100% full. Mayor, Council and R. Romanetz thanked Greg for his efforts in working out the logistics and working along with TM to ensure a successful event.

9.0 PRESENTATION OF QUARTERLY REPORTS BY ADMINISTRATION

10.0 PUBLIC HEARING DECISIONS

11.0 UNFINISHED BUSINESS

12.0 NOTICE OF MOTION

13.0 COUNCILLOR REPORTS

14.0 IN-CAMERA MATTERS

MO2015.129 Shoff, Zariski to move in camera at 5:45 PM. Carried unanimously.

14.1 Personnel Matter

14.2 Land Matter

MO2015.130 Hansen-Zacharuk, Shoff to revert to regular Council meeting at 6:34 PM.
Carried unanimously.

There being no further business, the Mayor declared the meeting adjourned at 6:34 PM.

Mayor

Chief Administrative Officer