

Town of Drumheller COUNCIL MEETING MINUTES

December 12, 2016 at 4:30 PM
Council Chamber, Town Hall
224 Centre Street, Drumheller, AB, T0J 0Y4



PRESENT:

MAYOR:

Terry Yemen

COUNCIL:

Lisa Hansen-Zacharuk

Patrick Kolafa

Tara McMillan

Sharel Shoff

Tom Zariski

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF INFRASTRUCTURE SERVICES:

Darryl Drohomerski

DIRECTOR OF CORPORATE SERVICES:

Barb Miller

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

DIRECTOR OF PROTECTIVE SERVICES:

Greg Peters

RECORDING SECRETARY:

Linda Handy

ABSENT: Councillor Jay Garbutt

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, 2017

2.0 MAYOR'S OPENING REMARK

Mayor Terry Yemen announced that the Regular Council Meeting scheduled for December 26, 2016 will be cancelled.

Mayor Terry Yemen presented a letter from The Alberta Order of Excellence seeking nominations for an individual who is a remarkable Albertan within our community who has made a significant contribution provincially, nationally and / or internationally. He asked Council to consider a Drumheller citizen for a nomination submission.

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

MO2016.169 Kolafa, McMillan 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 November 28, 2016

MO2016.170 Zariski, Shoff moved to adopt the Regular Council Meeting Minutes of November 28, 2016 as presented. Carried unanimously.

5.2. MINUTES OF MEETING PRESENTED FOR INFORMATION

5.2.1 Municipal Planning Commission Meeting Minutes of October 12, 2016
Municipal Planning Commission Meeting Minutes of October 20, 2016
Municipal Planning Commission Meeting Minutes of October 28, 2016
Municipal Planning Commission Meeting Minutes of November 10, 2016
Municipal Planning Commission Meeting Minutes of November 24, 2016

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 17.16 being the Utility Rate Bylaw - first reading

R. Romanetz presented Bylaw 17.16 being the Utility Rate Bylaw and advised that during the Annual Budget Deliberations held on December 5th, Council reviewed the details of the budgetary items and based on that discussion, the bylaw is being presented with a proposed increase of 5% for the water rates and a proposed increase of 2% for the wastewater rates. He referred to page 2 of the Bylaw for monthly meter

charges. He stated that questions have been raised by Council on Group 3 which shows a meter charge at \$446.38 and the current Bylaw (2016) has a rate of \$595.60. He stated that the Town asked the consultant to look at the Group 3 numbers to determine if the numbers were fair. He stated that the opinion of the consultant is that the meter size should represent the demand charge similar that commercial properties would see on their electrical bills. He further stated that based on the opinion of the consultant and the recommendation by the AUC, the Town is reducing Group 3 water rates to \$446.38 this year with a further decrease proposed for next year. He stated that the overall impact on the utilities would be significant and as such should be phased-in. He stated that the second change relates to Group 2 with a recommendation that the rate be \$71.74 and the following year (2018), a further reduction to \$60.00. He further stated that these numbers reflect capacity based on meter size and comes closer to the revenue collected for each size of meters as recommended by our consultants. He recommended that Council proceed to first reading with a Special Council Meeting to be held on December 19th.

MO2016.171 Zariski, Kolafa move first reading of Bylaw 17.16.

Councillor T. Zariski referred to Group 2 and stated that he thought wastewater was a percentage of water used and it is higher. R. Romanetz stated that wastewater rates are based on volumes used calculated at 80% of water usage. He further stated that the calculation has to stand on its own in terms of costing for each area. He further stated that with the proposed reduction, the numbers are closer to where they should be with a further decrease in subsequent years. Councillor S. Shoff asked how many people are affected on Group 2 and Group 3. R. Romanetz advised that Group 3 has a meter size of 3 to 4 inches (industrial) and Group 2 has a meter size of 1 1/4 inch to 2 inches (large commercial). Councillor S. Shoff asked if the proposed increase reflects a 5% administration fee from \$12.74 to \$13.37 for example for water and from \$12.57 to \$12.82 for example for wastewater as well as the rate increase of 5% from \$1.6218 to \$1.7029 for water and \$2.0215 to \$2.0619 for wastewater? R. Romanetz confirmed yes stating that the overall costs will be increased by 5% - both components - the meter charge and the rate per cubic meters and 2% on the wastewater rates. In response to a question from Council, B. Miller stated that water and wastewater operates at a deficit now and the budget is not balanced. She further explained that the goal is to become self sufficient and operate at a balanced budget – even at increases of 5% for water and 2% for wastewater, it will take a numbers of years for the utilities to be fully cost supported. R. Romanetz advised that the Province is recommending that municipalities work towards water and wastewater full cost recovery and both utilities need increases as proposed over 3-5 years before the Town will become self sufficient.

Vote on Motion:

In favour 3 – Yemen, Kolafa, Zariski

Opposed 3 – Shoff, Hansen-Zacharuk, McMillan

Motion defeated: (Bylaw Failed).

In order to meet the timelines for the rates to be effective January 1, 2017 and allow an opportunity for public comment, Councillor S. Shoff requested that the Utility Rate Bylaw be reintroduced with a proposed increase of 3% to the water rates and a proposed increase of 1.5% to the wastewater rates.

MO2016.172 Shoff, Hansen-Zacharuk moved first reading of Bylaw 17.16.

Councillor P. Kolafa asked how the shortfall would be made up. R. Romanetz advised that any shortfall would come from reduced amortization which means less money for reserves resulting in a longer period to be self sufficient. Councillor L. Hansen-Zacharuk asked why there was a deficit on the water side. B. Miller explained that the budget this year reflects a lesser deficit than last year because we did have less consumption due to rainy conditions. She further stated that the revenue in the budget did not reflect a straight 5%; it was based on an average of consumption.

Vote on Motion: Carried unanimously.

Mayor Terry Yemen announced that a Special Council Meeting will be held on December 19th, 2016 for second and third readings of Bylaw 17.16.

8.1.2 Bylaw 18.16 being a bylaw for borrowing monies to cover operating expenses
- all three readings

R. Romanetz advised that this borrowing is for the purposes of financing operating expenditures pending the collection of taxes due. This borrowing must not exceed the amount the municipality estimates will be raised in taxes in the year the borrowing is made. He recommended Council pass all three readings to Bylaw 18.16.

MO2016.173 Shoff, Hansen-Zacharuk moved first reading of Bylaw 18.16. Carried unanimously.

MO2016.174 McMillan, Kolafa moved second reading of Bylaw 18.16. Carried unanimously.

MO2016.175 Zariski, Shoff moved no objections to third reading of Bylaw 18.16. Carried unanimously.

MO2016.176 McMillan, Hansen-Zacharuk moved third reading of Bylaw 18.16. Carried unanimously.

8.1.3 RFD - 2017 Authorization for Expenditures

R. Romanetz advised that pursuant to Section 248(2) of the Municipal Government Act, Council must approve a procedure for authorizing and verifying expenditures not included in the budget. Since the 2017 operating budget has not yet been approved, a resolution from Council is required to authorize the CAO, or his delegate, to pay all current accounts, which are a proper charge of the Town, until the 2017 Operating and Capital Budgets are approved.

MO2016.177 Zariski, Hansen-Zacharuk that Council in accordance with Section 248(2) of the Municipal Government Act authorize the CAO or his delegate to pay all current

accounts, which are properly charges to the Town, until the 2017 Operating and Capital Budgets are approved by Council. Carried unanimously.

8.1.4 2015 Financial Indicators

R. Romanetz presented the 2015 Financial Indicators Graphs (based on information from the Alberta Municipal Affairs website). He advised that Drumheller compares well with those communities within the population range of 6,000 - 12,000. He further advised that Drumheller is near or at median throughout the comparisons, meaning there are as many communities above Drumheller as below. He asked B. Miller to provide an overview of the graphs.

B. Miller advised that caution should be used when interpreting the results as each municipality has unique characteristics affecting how it compares to the group. She highlighted the following areas:

- Drumheller is showing higher than the median equalized tax rates for residential and non residential tax rate; Drumheller's equalized assessment per capita is lower than the median. She explained that if the assessment value is lower than the equalized tax rate will be higher – you have to look at both the millrate and assessment value for comparison purposes. For Drumheller's municipal tax per capita, we are at the lower end of the comparative communities of similar size and equivalent level of services.
- Drumheller's percent of debt limit used is 40.2% and the median is 25.4% (our level increased because of two debentures – Hillsvie Development and balance of East Coulee Waterline); Drumheller's percent of debt service limit used is 21.3% and the median is 24.9%. Drumheller's long term municipal debt per capita is 1,408 and the median is 1,164.
- Drumheller's major sources of revenue are well in line with comparatives as is the salaries, wages and benefits.
- Drumheller's sales and users charges are at median level.
- Drumheller's expenditures per capita shows that we are in the lower range of median spent more on environment and recreation than the comparatives.
- Drumheller's contracted general services spike in 2014 due to paving for flood repair)
- Drumheller's interest in banking is higher because debenture load is higher than the average.
- Drumheller's amortization and tangible capital assets high because of brand new BCF and may have been adding other assets at a faster rate than other communities, as well as amortizing these assets at a faster rate than other communities.
- Drumheller's accumulated surplus per capita is about \$3000 higher per capita than the group median.
- Current Assets to Liability shows that if all of Drumheller's debts got called in we would have enough assets to pay our debts 2.50 times over.

Council thanked Administration for the tool (Financial Indicators) that assists in responding to inquiries from the residents.

8.2. DIRECTOR OF INFRASTRUCTURE SERVICES

8.3. DIRECTOR OF CORPORATE SERVICES

8.3.1 RFD - Discount of Prepayment on Property Taxes

B. Miller advised that the Town has been offering a discount of 3.5% on or before the end of January and 3.0% on or before the end of February on the prepayment on property taxes for a number of years. Over the period of ten (10) years, this expenditure has totaled \$205,225. She explained that interest on the Town's general account is now 1.05% and the discount is also applied to the Alberta School Foundation Fund and Seniors Foundation requisition amounts, both of which are amounts that are fully remitted to the requisitioning bodies. She further explained that upon research of other communities, it was determined that very few communities offer a discount on early payment of taxes. She explained that if Council chose to eliminate the incentive it would yield \$25,000 annually to the Town's revenue however it would eliminate the cash flow in January and February. She recommended that the rates be reduced to 1.25% for payments received on or before end of January and 1% for payments received on or before end of February.

MO2016.178 Shoff, McMillan moved that Council direct Administration to update the bylaw at revised interest rates of 1.25% for payments received on or before end of January and 1.00% for payments received on or before end of February, applicable to municipal levy only.

Discussion on Motion:

Councillor L. Hansen-Zacharuk stated that she would like to see the 1.00% discount offered in February removed and only allow a one month window considering that many communities do not offer this.

Vote on Motion:

In Favour 5 – Yemen, Shoff, Zariski, Kolafa, McMillan

Opposed 1 - Hansen-Zacharuk

Carried.

8.3.2 Bylaw 19.16 being a bylaw to provide an incentive for the prepayment of taxes

B. Miller introduced Bylaw 19.16 which reduces the interest rate incentive for prepayment of taxes on the municipal tax levy only.

MO2016.179 Zariski, McMillan moved first reading of Bylaw 19.16.

Discussion on Motion:

Councillor L. Hansen-Zacharuk requested a friendly amendment to remove the discount offered in February. No agreement for a friendly amendment to MO2016.179.

Vote on Motion:

In Favour 5 – Yemen, Shoff, Zariski, Kolafa, McMillan
Opposed 1 - Hansen-Zacharuk
Carried.

MO2016.180 McMillan, Kolafa moved second reading of Bylaw 19.16. Carried unanimously.

MO2016.181 Shoff, Zariski moved no objections to third reading of Bylaw 19.16. Carried unanimously.

MO2016.182 McMillan, Zariski moved third reading of Bylaw 19.16. Carried unanimously.

8.4. DIRECTOR OF COMMUNITY SERVICES

8.5. DIRECTOR OF PROTECTIVE SERVICES

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

MO2016.183 Hansen-Zacharuk, Shoff moved to go in camera at 5:20 PM. Carried unanimously.

14.1 Labour Matter

MO2016.184 McMillan, Hansen-Zacharuk revert to regular Council meeting at 5:50 PM. Carried unanimously.

MO2016.185 Hansen-Zacharuk, McMillan moved to approve a 2% increase to Out of Scope wages for 2016 and a 2% increase for the CAO for 2016.

In Favour 5 – Yemen, Hansen-Zacharuk, Zariski, Kolafa, McMillan
Opposed 1 - Shoff
Carried.

There being no further business, the Mayor declared the meeting adjourned at 5:52 PM.

Regular Council Meeting Minutes
December 12, 2016

Chief Administrative Officer

Mayor