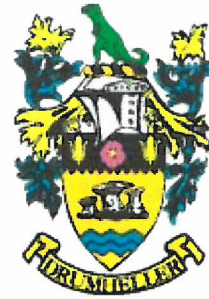


**Town of Drumheller
COUNCIL MEETING
MINUTES**

February 21, 2017 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 INFRASTRUCTURE SERVICES:

Darryl Drohomerski

DIRECTOR OF CORPORATE SERVICES:

Barb Miller

DIRECTOR OF PROTECTIVE SERVICES:

Greg Peters

RECORDING SECRETARY:

Linda Handy

ABSENT:

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

1.0 CALL TO ORDER

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

Councillor Pat Kolafa was sworn in as Deputy Mayor for the months of March and April, 2017.

2.0 MAYOR'S OPENING REMARK

Family Day Activities – Mayor Terry Yemen thanked the BCF staff for organizing a successful Family Day with numerous activities that kids enjoyed at BCF.

Pink Day – Mayor Yemen asked Judy Quinton-Avridson to provide an overview of the meaning of “Pink Day”. J. Quinton-Avridson explained that several years ago in Nova Scotia a Grade 9 boy wore a pink shirt to school and he was bullied. Two high school students organized a protest to wear pink in sympathy of the bullying and distributed pink shirts for all the boys to wear in their school. On February 22nd, the color pink is worn to take a stand against bullying in our schools, in our workplace, and in our communities. She explained that although most individuals wear pink shirts, any item that is the color pink is encouraged to be worn. She further stated that the Heart and Stroke Foundation has donated dollars to make this a national event.

3.0 PUBLIC HEARING

3.1 Mayor Terry Yemen stated that the purpose of the Public Hearing is to consider Bylaw 01.17 being a bylaw to redesignate Lot 2, Block 15, Plan 0813007 in East Coulee from ‘UT’ Urban Transition District to the ‘SCR’ Suburban Community Residential District

Mayor Terry Yemen called the Public Hearing to order at 4:32 pm.

Mayor Yemen asked if there were any speakers in favor or against the proposal.

Margaret English stated that she was neither in favor or against the proposal but asked if the people involved had been informed the area is considered a brownfield site. R. Romanetz advised that Palliser Regional Municipal Services has circulated the proposal to several agencies and will present the findings in their report.

Mayor Yemen asked Cynthia Cvik – Planning Director – PRMS to provide her report.

C. Cvik stated that the property is adjacent to Hwy 10 in East Coulee. She explained that the applicant intends to place a manufactured home on the property which is a discretionary use within the SCR district. The property requires a rezoning because UT does not allow for a manufactured home under permitted or discretionary uses. She further explained that should the property owner wish to subdivide the property any future expansion of this parcel should be guided through the adoption of Area Structure Plans to ensure services are provided efficiently and land use conflicts are minimized. She explained that there is a minimum requirement of 10,000 sq ft (929 m²) if residential lots are serviced by a public sewer system but not a public water system. She stated that the Town’s sewer system is adjacent to the property but does not go into the property. It is recommended that the sewer line be hooked into the property. There is no water line to the property. She explained that the proposal was circulated to 20 agencies and no concerns were identified by those agencies. She advised that the proposal was circulated to 10 property owners on January 30, 2017 with only one call received for clarification on the proposal. She stated that the proposal was circulated electronically to the MPC on February 7th for their review/comments. She concluded by stating that the property is large enough to accommodate a subdivision and a higher density of development than what is currently being proposed. She explained that in the future, an Area Structure Plan will be required to assess

transportation, utility servicing and site capacity when a higher density development (subdivision) is considered, per Section 6.3.2 of the MDP Bylaw 11-08. She recommended that Bylaw 01.17 which proposes to rezone Plan 0813007 Block 15 Lot 2 from UT – Urban Transition District to SCR – Suburb Community Residential District be supported. She further stated that in no way has she been informed that this property is a brownfield site. R. Romanetz advised that in the circulation process, Alberta Environment and the Health Authority would have been notified and they have not identified any concerns. He further advised that the property owner can drill test holes on their property if they want additional information on soil conditions at the site.

Mayor Yemen asked if there were any items of correspondence to be read into the record. Secretary, L. Handy advised there were no items of correspondence.

Mayor Yemen asked Margaret English if she had any further comments. M. English stated she had no further comments.

Mayor Yemen asked if there were any questions from Council.

Councillor J. Garbutt asked C. Cvik if she was aware of the owner's plan to drill a well. C. Cvik stated that she had inquired with the property owner how the lot will be serviced. She further explained to the property owners that they may be able to use the well for everyday use but for drinking purposes they should use the fill station.

Councillor T. Zariski asked M. English why she feels the property is a brownfield site. M. English stated that it is common knowledge that CN track lines are situated adjacent to the property and that the rail ties contain creosote. R. Romanetz advised that test holes were drilled in that area when the truck fill station was constructed and the report could be shared with the owner. Councillor J. Garbutt stated that this is a private sale and as such, there is no role or responsibility for the Town. R. Romanetz stated that the Town owns land adjacent to this parcel.

Mayor Yemen closed the Public Hearing at 4:42 PM.

4.0 ADOPTION OF AGENDA

MO2017.20 Zariski, Kolafa 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 February 6, 2017

MO2017.21 Kolafa, Shoff moved to adopt the Regular Council Meeting Minutes of February 6, 2017 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

8.1.1 RFD – Approval of 2017 Operating Budget - Utilities Supported

R. Romanetz presented the Utilities Supported 2017 operating budget and advised that the utility rates were increased for water at 5% and for wastewater at 2%. He further stated that although the goal is to move towards full cost recovery, the Town should be able to attain this goal within the next 2 to 3 years. He stated that the current overall deficit to reach full cost recovery is \$306,000 of which \$108,000 is for water and \$197,000 is for wastewater.

MO2017.22 Garbutt, Hansen-Zacharuk move that Council approve the Utilities Supported 2017 operating budget as presented.

Clarification on Motion:

Councillor J. Garbutt referred to the deficit and asked if this is a reflection of not being fully amortized or are those true expenses over revenue deficit. B. Miller stated that the deficit is due to partial funding of the amortization.

Councillor L. Hansen-Zacharuk asked for clarification on Account 2-519 (other general supplies) as to why the costs increased to \$13,941 from the prior year. B. Miller stated that she would have to look in the general ledger for an explanation.

Vote on Motion:

Carried unanimously.

RFD – Approval of 2017 Operating Budget – Tax Supported

R. Romanetz presented the Tax Supported 2017 operating budget and advised that Council has reviewed the budget in considerable detail. He stated that the budget before Council today is a proposal based on zero tax increase to property taxes which requires a \$120,000 transfer from accumulated surplus. He asked B. Miller to provide an overview on changes / adjustments. B. Miller noted changes / adjustments as follows: She explained by beginning with the original budgeted surplus of \$24,969 and noted several adjustments (plus and minus) which nets to a further reduction of \$47,183 to the 2017 operating budget. She further explained that the largest amounts of reduction relate to the estimate for electricity; and a provision for carbon tax of \$20,000 which has been reallocated to water and wastewater. The adjustments total a reduction of \$47,183 to property taxes. Mayor Yemen stated that without this savings, the transfer from accumulated surplus for a zero percent tax increase would have been \$170,000. At Mayor Yemen's request, Councillor S. Shoff explained that the municipal request for 2017 is \$8,464,836 which is equivalent to the 2016 requisition (\$8,454,975 – 2016) plus supplemental tax generated from new development.

MO2017.23 Shoff, Hansen-Zacharuk moved that Council approve the Tax Supported 2017 operating budget as presented based on zero tax increase to property tax.

Clarification on Motion:

Councillor J. Garbutt asked for clarification on accumulated surplus before he proposed three amendments and asked the amount being transferred to reserves and how much of this was amortization versus actual operating surplus from 2016. B. Miller stated that \$1.4M has already been transferred with a further \$2.6 to come out of unrestricted accumulated surplus. She further stated that this amount is amortization and surplus from capital grants. Councillor J. Garbutt asked if there was an operating surplus in 2016. She explained that the water and sewer accounts are in a deficit compared to the budget and there is a surplus compared to the budget for the tax supported areas. She further explained that when capital revenue is brought into account, gains will be posted overall and the accounts are fully amortized. Councillor J. Garbutt stated that given the residents have no appetite for a tax increase, the other way to support objectives is to expend from the reserves. He stated that given the capital financing strategy over the next years the Town will only achieve modest growth. He suggested that \$100,000 should be earmarked for theming our community by capitalizing on branding our world's largest dinosaur. He further suggested that now is the wrong time to abandon our donation to Hope College and recommended an allocation of \$7500 to their efforts. He further suggested allocating \$50,000-\$60,000 towards hiring an individual to work alongside the Economic Development Officer to focus on business investment prospecting. He asked Council to consider three amendments to the budget.

Councillor J. Garbutt asked for a friendly amendment. Council agreed.

MO2017.23A Shoff, Hansen-Zacharuk moved that Council approve the Tax Supported 2017 operating budget based on a zero tax increase; and further that the 2017 operating budget be amended to include \$100,000 for theming in our community and capitalizing on branding our world's largest dinosaur; a donation to Hope College in the amount of \$7500; and reallocating \$60,000 towards hiring an individual to work alongside the Economic Development Officer to focus on business investment prospecting.

Council discussed the Motion.

R. Romanetz commented that there are dollars in accumulated surplus that remain for these changes. B. Miller confirmed that \$1M remains in the unrestricted surplus which will be used to fund the zero tax increase and for potential projects.

Mayor Terry Yemen asked Administration what a zero percent increase does to the budget in future years. R. Romanetz advised that if Council continues this indefinitely, assuming inflation continues at 2.5 percent, then it would put pressure on the accumulated surplus fund and the new Council and Administration would have to look at how these costs are made up in the future. He further stated that the additional dollars would have to come from somewhere or the Town's level of services would have to be reduced.

Mayor Terry Yemen stated that he will not support the motion with the inclusion of Hope College because they have a failed business plan and have not reached their projected student levels. He further stated that Council should have discussed these amendments early in the budgeting process.

Vote on Motion:

In favor – Hansen-Zacharuk, McMillan, Kolafa, Zariski, Shoff, Garbutt

Opposed – Yemen

Carried.

8.1.2 RFD – Approval of 2017 Capital Budget

R. Romanetz advised that Administration working with Council reviewed the proposed projects in considerable detail. He presented the capital budget totaling \$20,310,546. He explained that there is a carryover of projects from 2016 in the amount of \$1.96M; and unfunded projects are \$4.87M for grant applications with the Province that are not yet approved (cost shared with the Town), bringing the total of new capital project funding requests of \$13,495,474 for 2017 (which includes \$7.43M in flood mitigation projects; the budget reflects 10% coming from borrowing for the Town's share to build the dykes however the Town is lobbying with a senior government for the Town's portion of dollars being picked up by a senior government). Also noted in the RFD, the EC Lift Station upgrades only proceeds if the grant approval comes through from new federal program in the amount of \$1.3M, and the bridge work in Wayne totals \$1.335M. There is \$535,000 in the standard 255 account (funded through reserves) that deals with work for maintaining roads and sidewalks as well as a new roof at the arena. He further noted that the report identifies where the proposed funding comes from for major equipment purchases such as the replacement of the Simon Snorkel to be funded over two years – at \$500,000 per year. He commented that the capital budget is contingent on funding from other sources as well as funding for flood mitigation from a senior level government and having the Town and the Province resolve ownership of the dykes.

MO2017.24 Zariski, Hansen-Zacharuk moved to approve the 2017 capital plan totaling \$20,310,546 plus \$535,000 for 255 expenditures as presented.

Mayor Terry Yemen asked for comments from Council reminding them that they were elected to make decisions and provide opinions. Councillor J. Garbutt asked the rate for borrowing. B. Miller stated that the borrowing rate for a 30 year term debenture would be 3.27%. He asked to amend the capital budget to reduce the thousands of dollars in interest and to reduce the amount of the debenture the Town is seeking by transferring dollars from the accumulated surplus. He asked if there is more room in the accumulated surplus for projects by using cash that we have on hand. He reiterated that he is uncomfortable with the debt limit. R. Romanetz stated that whenever projects move forward there is an opportunity to look at the borrowing bylaws and whether there are other funding sources. He stated that Administration will take direction from Council on whether the Town will borrow for projects or to reallocate funds. He further explained that borrowing requires public advertising and approval

from the Province – currently this is what fits best into the Town's capital financing strategy. In response to a statement from Councillor J. Garbutt, B. Miller stated that some funds are remaining in unrestricted surplus that can be used for this purpose.

Councillor L. Hansen-Zarchark asked if the Town can find a way to fund the Little Tykes playground behind the BCF as it is unfunded in the current capital budget. R. Romanetz stated that the Town is seeking a partner where CIP or CFEP funds can be accessed through a service club. He further commented that the project will be brought back to Council if a partner is not found.

Vote on Motion:

Carried unanimously.

8.1.3 Bylaw 02.17 being a bylaw to regulate the Water and Wastewater Systems – second and third readings

R. Romanetz advised that Bylaw 02.17 Water and Wastewater Bylaw received first reading at Council's meeting of February 6th. In response to a question asked by Councillor J. Garbutt on how many of the \$21,000.00 unpaid utility accounts recently written off by Council were commercial and how many were residential. R. Romanetz advised that those statistics were provided to Council for their review and showed 80% residential and 20% commercial. He explained that are 15 apartment buildings with one main meter with an exception to those buildings that are duplexes / fourplexes or bareland condos which have individual services so everyone has their own utility bill. He further advised that Administration has researched how many communities moved forward with this approach and there are several dozens since the MGA was modified to allow for the property owner being responsible for a renter's utility account.

MO2017.22 Garbutt, Zariski moved second reading of Bylaw 02.17 being the Water and Wastewater Bylaw.

Discussion on Motion:

Councillor S. Shoff asked if customers pay a security deposit, and if so, how much? R. Romanetz advised that there is no requirement for property owners to pay a deposit however renters pay a \$150.00 deposit. He further explained that under the new bylaw the need for the security deposit disappears because of the ability to apply any unpaid bills against the taxes. Discussion held on the one month timeframe from the date the utility bills go out and the due date. Council felt that this might be a somewhat lengthy timeframe and could be the reason for the delinquent accounts as well as the need to tighten up the disconnection timeframe. B. Miller noted that there is a disconnect and reconnect fee for unpaid accounts. B. Miller stated that she recommended Council move toward this best practice so that all risk of loss is assumed by the property owner.

Vote on Motion:

Carried unanimously.

MO2017.23 Hansen-Zacharuk, Kolafa moved third reading of Bylaw 02.17 being the Water and Wastewater Bylaw. Carried unanimously.

8.1.4 RFD – Safety Policy

R. Romanetz advised that there is a requirement under the safety audit for the Town's Safety Policy to be adopted by Council on an ongoing basis so that the policy remains updated and visible to all employees, contractors and visitors. He further advised that the policy wording reflects what we practice in the organization.

MO2017.24 Kolafa, Shoff moved that Council adopt the Safety Policy C-01-17 as presented. Carried unanimously.

8.2. DIRECTOR OF INFRASTRUCTURE SERVICES

8.2.1 RFD – Snow Removal and Ice Control Strategy 2017 Update

D. Drohomerski explained that the 2012 snow removal and ice control maps are posted on the Town's website as a draft. He further advised that with some additional streets being constructed since that year, it is appropriate to update the information on the maps current to February, 2017. He provided an overview of changes to snow removal routes from the previous version. Once Council approves the updated maps, the current maps will be uploaded on the Town's website.

MO2017.25 Zariski, McMillan moved to approve the 2017 Snow Removal and Ice Control Strategy 2017.

Discussion on Motion:

Councillor L. Hansen-Zacharuk referred to the Zero Tolerance area and asked if the Town has expanded their snow removal in the downtown core. D. Drohomerski stated that although the Town has been clearing 1st Street E to 2nd Street W and Railway Ave from 1st Street E to 2nd Street W, it was not shown on the map. Councillor P. Kolafa asked that the roads surrounding Elim Penetcostal Church be cleared due to increased traffic with their operations from the building. Councillor T. Zariski ask that a policy be put in place similar to the City of Calgary where cars are fined if they are parked along a route that is scheduled for snow removal. R. Romanetz stated that the Town has considered this however to date it does not limit's the staff ability to clear the road as there are normally only a few cars to maneuver around. D. Drohomerski stated that the Town does post signs the day prior to a snow removal and this method is working as well.

Vote on Motion:

Carried unanimously.

8.3. DIRECTOR OF CORPORATE SERVICES

8.3.1 RFD – Reserve Account Balances

B. Miller presented the reserve account balance transfers for 2017. She reported that the 2015 Audited Financial Statements shows the balance in the unrestricted surplus account at \$5.1M, of which \$1.4M has been allocated to the utility reserve, with the remaining amount to be allocated to tax supported. She further advised that once the capital financing strategy is approved by Council, moving forward this will become an

automatic general entry at year end based on the strategy percentages adopted. She further advised that Administration recommends that Council approve the reallocation of \$2,642,445 from unrestricted surplus to the various restricted accounts shown in the attachment. As mentioned earlier in the meeting, it would leave a \$1.23M which will fund the tax supported shortage and the amendments approved today.

MO2017.26 Hansen-Zacharuk, Garbutt moved that Council approve the allocation of \$2,642,445.32 from unrestricted surplus to restricted surplus as presented in the Schedule of Reserves as presented. 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

10.1 Bylaw 01.17 being a bylaw to redesignate Lot 2, Block 15, Plan 0813007 in East Coulee from UT – Urban Transition District to SCR Suburban Community Residential District – second and third readings

MO2017.27 Zariski, Shoff moved second reading of Bylaw 01.17. Carried unanimously.

MO2017.28 Hansen-Zacharuk, Kolafa moved third reading of Bylaw 01.17. Carried unanimously.

11.0 UNFINISHED BUSINESS

12.0 NOTICE OF MOTION

13.0 COUNCILLOR REPORTS

14.0 IN-CAMERA MATTERS

There being no further business, the Mayor declared the meeting adjourned at 5:50 PM.

Chief Administrative Officer

Mayor