

Town of Drumheller COUNCIL MEETING AGENDA

October 11, 2011 at 4:30 PM
Council Chamber, Town Hall
703-2nd Ave. West, Drumheller, Alberta



Page

1.0 CALL TO ORDER

2.0 MAYOR'S OPENING REMARK

2.1 Proclamation - Canada World Youth Week - October 17 - 23, 2011

2.2 Board Appointments 2011/2012

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

5.0 MINUTES

5.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES

3-8 5.1.1 Regular Council Minutes of September 26, 2011

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. Director of Infrastructure Services	
9-19	8.2.1 RFD - Professional Engineering Services for System Upgrades and Optimization at Water Treatment Plant Proposals	
	8.3. Director of Corporate Services	
20-22	8.3.1 RFD Tax Recovery Sale Reserve Bid	
23-31	8.3.2 RFD Sandstone Manor - Taxes	
	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	
	14.1 Legal Matter	

**Town of Drumheller
COUNCIL MEETING
MINUTES**

September 26, 2011 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

Tom Zariski

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF INFRASTRUCTURE SERVICES:

Allan Kendrick

ACTING DIRECTOR OF CORPORATE SERVICES:

Bill Wulff

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

RECORDING SECRETARY:

Linda Handy

1.0 CALL TO ORDER

2.0 MAYOR'S OPENING REMARK

- 2.1 Mayor T. Yemen proclaimed October, 2011 as Breast Cancer Awareness Month.
- 2.2 Mayor T. Yemen proclaimed October, 2011 as Canadian Library Month.
- 2.3 Mayor T. Yemen proclaimed October 1, 2011 as National Seniors Day.

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

MO2011.253 Berdahl, Zariski moved that the agenda be adopted as presented. Carried unanimously.

5.0 MINUTES

5.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES

5.1.1 Regular Council Meeting Minutes of September 12, 2011

MO2011.254 Shoff, Hansen-Zacharuk moved that the regular Council meeting minutes of September 12, 2011 be adopted 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 - Curling Rink Lease

R. Romanetz advised that Curling Club's lease will expire on November 30, 2011 and the Club has requested that their lease be renewed. He further advised that the Town Solicitor has reviewed the lease. Administration is recommending renewal of the lease based on the following changes / additions: 1) the legal description of the Curling Club is clearly defined; 2) the renewal term is for 5 years as per Clause 2.02; 3) Addition of Clause 13.08 that the lease shall be terminated upon reasonable notice by either party in the event that the premises are to be demolished or upon erection of a new premises, and 4) As per Clause 8.01(d)(iv) Administration recommends that the major cost of repairs remain at \$4,000.00 rather than reducing the costs from \$4,000.00 to \$2,000.00 as per the request of the Curling Club. Administration will be proceeding with the roof repairs at a cost of \$11,680 with costs coming from reallocated funds within the 2011 operating budget, reserves or surplus. R. Romanetz advised that in the future the Town will inspect the premises on an annual basis to ensure that maintenance in the building is carried out on a regular basis. He further advised that the Town will ensure that the building is updated to meet the minimum safety code requirements so that curling can move forward this year.

MO2011.255 Shoff, Berdahl moved that Council renew the Curling Club Lease for a further five year term expiring January 31, 2016.

Discussion on Motion:

Councillor A. Berdahl asked that Council to be notified of where the reallocated funds will be taken from. R. Romanetz stated that he would provide an update to Council on this matter. In response to Council's concerns on whether the building would be usable due to the mold, Councillor D. Stanford who had discussions with the curling members, stated that the mold is only on the surface and they have cleaned the areas with PSP. He further advised that the curling members asked the Drumheller Institution for inmates to assist with the work. He stated that the curling members are confident that the building will be ready for the curling season. A. Kendrick advised that he was in contact with a ventilation specialist who will be providing advice on how to rectify this problem however this work would be the responsibility of the Curling Club. He further advised that in addition to the roof repairs, the Town will replace the urinals and repairs to the front door. He stated that the Town will offer the use of lifts or scaffolding and help facilitate the repairs.

Vote on Motion:

Carried unanimously.

8.2. Director of Infrastructure Services

8.3. Acting Director of Corporate Services

8.3.1 RFD - Badlands Community Facility - Award of Network Equipment

Councillor S. Shoff excused herself from deliberations and voting on the matter. She left the room at 4:51 PM.

B. Wulff advised that there is a large amount of switching equipment that is required for the network cabling installed for the computer network and telephone system. He further advised that because of security concerns, the intention is to make all the data connections live with the capability of being able to make them non-active when required. He stated that three firms were invited to quote with two quotes received - one locally and one from Calgary. Administration is recommending that the order be awarded to the lowest firm, being Reality Bytes of Drumheller in the amount of \$113,854 including GST.

R. Romanetz advised that the Badlands Community Facility budget shows \$75,000 for this expense however with the cost of installation of \$12,000 and the supplies of \$113,854, the overall cost is \$125,000+. He stated that the exceeded portion will come from contingency. He further advised that the Town has a servicing contract with MSI and they will do the installation work however these dollars will be charged against the BCF project.

MO2011.256 Berdahl, Hansen-Zacharuk moved that Council approve the purchase of the network equipment for the Badlands Community Facility to Reality Bytes of Drumheller, in the amount of \$113,854 including GST. Carried.

Councillor S. Shoff returned to the meeting at 5:00 PM.

8.4. Director of Community Services

8.4.1 RFD - Badlands Community Facility - Award of Furniture Proposal

P. Salvatore advised that the BCF Project Team has been working with GEC to determine key purchase decisions for furnishings for the final outfitting requirements for the Badlands Community Facility. He stated that RFP's were received from nine different suppliers with no proposal being able to supply 100% of the items listed in the original request. Following a review and evaluation of the proposals, it was determined that RGO and Grand & Toy would be the most advantageous, in terms of quality and functionality of the pieces identified in the listing. R. Romanetz advised that additional items will come from the contingency which include powder coating of existing bookshelves for the Drumheller Municipal Library and additional furniture as required. Councillor A. Berdahl asked what items were missing from the list. P. Salvatore stated that items such as whiteboards, wall clocks, etc. Councillor J. Garbutt stated that the quote is significantly lower than the budgeted \$1M and stated that the list of unpurchased items may be extensive and recommended that the Project Team not use the savings for other expenses. R. Romanetz agreed and stated that GEC has concluded that there are a number of items that could be bought one on one rather than be included on the list. Councillor T. Zariski stated that the Design Committee went through the rooms one by one and identified the furnishings that would be needed and stated that he is comfortable with the list as presented.

MO2011.257 Shoff, Zariski moved that Council approve the purchase of furniture from RGO Office Products for the value of \$314,701.80 including GST with an additional contingency of \$40,000 for powder coating of existing bookshelves for the Drumheller Municipal Library and additional furniture as required.

Discussion on Motion:

Councillor J. Garbutt stated that there are no touch screens or podiums on the list. P. Salvatore stated that these items will be purchased under the IT area. R. Romanetz stated that GEC is preparing a list of AV equipment requirements.

Vote on Motion:

Carried unanimously.

8.4.2 RFD - Badlands Community Facility Award of Fitness Equipment Proposal

P. Salvatore advised that the Project Team has been working with a Fitness Equipment Focus Group over the past several months to determine key purchase decisions for Fitness Equipment as part of the final outfitting requirements for the Badlands Community Facility. He stated that the total budget available for all equipment in the fitness centre and fieldhouse is

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identified in the budget as \$500,000. He stated that five proposals were received ranging in value from \$272,862.00 to \$460,098. Of the proposals received, there was significant variation in the quality and quantity of items, in addition to variations with warranty and service information. Following a tour of three facilities using a selection of the fitness equipment and based on the evaluation criteria, the Focus Group is recommending Apple Fitness Store. In response to a question from Council, R. Romanetz advised that more discussion is needed regarding TV screens - mounting on walls versus treadmills, etc. P. Salvatore stated that the Town will not be in competition with the high end weights offered through the private industry. He further stated that the Town may offer specialized classes for some of the equipment.

MO2011.258 Hansen-Zacharuk, Berdahl moved that Council approve the purchase of fitness equipment from Apple Fitness (Calgary) in the amount of \$361,574.37 GST included. Carried unanimously.

Council extended their appreciation to the Focus Group for their involvement and recommendation.

- 8.4.3 RFD - Badlands Community Facility Award of Software Proposal
P. Salvatore advised that Administration has been working to determine the best selection of Recreation Management software for the operations of the Aquaplex, Badlands Community Facility, Arena and potential other locations currently operated by the Town of Drumheller and community partners. The Town received three proposals with the recommended supplier being Active Network. It is anticipated that there will be \$15,000.00 of transaction fees per year which will be added as an operating cost each year. The proposal bid includes software updates and staff training.

MO2011.259 Shoff, Garbutt moved that Council approve the purchase of the recreation management software as proposed by Active Network for the amount of \$22,488.00 GST excluded. Carried unanimously.

9.0 PRESENTATION OF QUARTERLY REPORTS BY ADMINISTRATION

10.0 PUBLIC HEARING DECISIONS

11.0 UNFINISHED BUSINESS

- 11.1 Councillor S. Shoff - Alberta Oil Sands Royalties
R. Romanetz advised that Administration discussed the matter with the City of Calgary and they have referred the matter to another Committee for review. In light of this information, Councillor S. Shoff requested that the motion be tabled.

MO2011.260 Shoff, Stanford moved to table MO2011.251 for a period of 90 days. Carried unanimously.

12.0 NOTICES OF MOTIONS

13.0 COUNCILLOR REPORTS

14.0 IN-CAMERA MATTERS

There being no further items, the Mayor declared the meeting adjourned at 6:02 PM.

Mayor

Chief Administrative Officer



DRUMHELLER

INFRASTRUCTURE SERVICES

Agenda Item #8.2.1


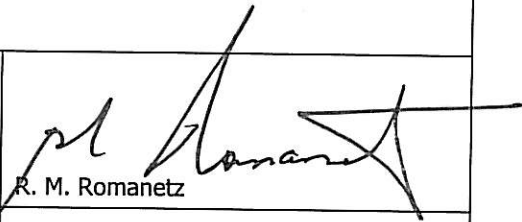


Request for Decision

Date: October 5, 2011

Topic:	Professional Engineering Services for System Upgrades and Optimization at Drumheller Water and Wastewater Treatment Facilities
Proposal:	<p>This project is to secure the Professional Engineering Services for System Upgrades and Optimization at Drumheller Water and Wastewater Treatment Facilities.</p> <p>A Request for Proposals was developed and posted according to the Town's purchasing policy. A total of 40 Engineering firms pick up the RFP from the APC website. The closing date was August 4, 2011 at 2 p.m. with 5 proposals received from :ISL Engineering, Stantec, MPE, AECOM and Associated Engineering.</p> <p>After review and evaluation of the 5 proposals received, we are confident that a competitive process has taken place. The Selection Team consisted of Ray Romanetz, Brian Bolduc, Laura Christopherson and Allan Kendrick.</p> <p>All 5 proponents provided excellent proposals which resulted in a second review in a team setting and several calls were made to check references.</p> <p>The Selection Team found Associated Engineering's proposal to be the most advantageous to the Town. The Team also found during the reference checks that Associated provided a positive experience elsewhere with residual handling facilities. We are confident that they can provide us with the expertise to meet our expectations as well as Alberta Environment's.</p> <p>The estimated project fees ranged from \$ 66,781.00 to \$ 139,000.00 with an average of \$ 99,232</p> <p>The proposals had fees for construction ranging from 9.8 % up to 12 %.</p> <p>Associated Engineering's project fee rate was under the average rate by 33 % or the lowest and fees for construction costs were at 10%.</p> <p>Attached Request For Proposals complete with evaluation criteria used</p>
Proposed by:	Allan Kendrick, Director of Infrastructure Services
Correlation to Municipal Sustainability Plan	Ongoing initiatives to reinvest in water processing infrastructure upgrades on an annual basis.
Benefits:	Professional Engineering Services are secured for two projects that are required in the Town's Approval to operate its Water and Wastewater Systems.
Disadvantages:	N/A
Alternatives:	Council reject all Proposals and issue a new call for Proposals
Finance/Budget Implications:	

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Operating Costs:		Capital Cost:\$ 66,781	Council Approved Capital projects
Budget Available:	\$ 40,000	Source of Funds: Capital Budget and Reserves	
Budget Cost:		Over budgeted Cost:\$26,781	
Communication Strategy:	Affected parties will be notified.		
Recommendations:	Council award the contract to Associated Engineering for \$66,781 to supply Professional Engineering Services for System Upgrades and Optimization at Drumheller Water and Wastewater Treatment Facilities		
Report Writer:	 Allan Kendrick	CAO:	 R. M. Romanetz
Position:	Director of Infrastructure Services		



REQUEST FOR PROPOSALS

Professional Engineering Services for System Upgrades and Optimization at Drumheller Water and Wastewater Treatment Facilities

Issue Date: July 12, 2011

Prepared By: Town of Drumheller
Infrastructure Services
703 2nd Avenue West
Drumheller, AB
TOJ OY3

Director of Infrastructure Services
Allan Kendrick
(403) 823-1308

akendrick@dinosaurvalley.com

1.0 INTRODUCTION

The Town of Drumheller invites qualified engineering firms to submit proposals for professional engineering services necessary for studies to meet the requirements in the attached approvals for water and wastewater systems.

The included elements are:

- Upgrades required starting under section 3.3.2 of the Town's Approval No. 624-02-00 (Attached)
- Drumheller Wastewater Treatment Receiving Water Assessment under section 3.1.3 of the Town's Approval No. 623-02-00, which has been extended to November 2012
- East Coulee Wastewater Treatment Receiving Water Assessment, approval currently under review and is expected to have the same requirement
- Review of options related to waste byproducts of both water and wastewater plants with focus on process efficiencies.

Qualified firms with requisite experience in the supply and delivery of municipal engineering services are invited to submit a tender outlining their experience, deliverables, work capabilities, performance, warranty and overall price in compliance with the specifications of this specific RFP document.

2.0 GENERAL INSTRUCTIONS

21 SEALED PROPOSALS

All proponents shall submit sealed proposals, marked on the outside of the envelope as follows:

TOWN OF DRUMHELLER ENGINEERING SERVICES FOR: System Upgrades and Optimization at Drumheller Water and Wastewater Treatment Facilities RFP:

Attention Ray Romanetz CAO
Town of Drumheller
703 2nd Avenue west,
Drumheller, Alberta T0J 0Y3

Please note that Allan Kendrick is also the primary technical contact for questions during the submission process. He can be contacted via email (akendrick@dinosaurvalley.com) or by telephone or fax (Tel: 403--1312 OR Fax: 403-823 8006). To ensure fairness to all proponents, any and all questions that require detailed clarification or that may materially alter this tender document shall be submitted in writing (email form is acceptable).

2.2 CLOSING DATE/TIME

Sealed and marked proposals will be received no later than **August 4, 2011, 2:00pm local time.**

Proposals will be opened publicly at Town Hall Council Chambers

2.3 SUBMISSION REQUIREMENTS

The proponent shall submit two (2) sealed and duly executed copy of the completed proposal document, including any additional proposal specific information by the closing date/time. Additional information shall not exceed ten (10) single sided pages.

2.4 FIRM IDENTIFICATION

Each proposal shall contain the full legal name of the proponent and be duly signed by a person with binding corporate authority.

2.5 ACKNOWLEDGEMENT

The proponent acknowledges and confirms that their proposal is based entirely on the terms, specifications, requirements and conditions laid out in the RFP document, or as otherwise established through any formal addenda issued relative to this RFP.

2.6 ACCEPT OR REJECT PROPOSALS

The proponent is advised that the Town of Drumheller reserves the right to reject any or all proposals. The Town may also, at its sole discretion, award the proposed work to other than the lowest price proposal. The contract will be awarded to the firm which is most advantageous to the Town. The proponent is advised that failure to satisfy any term or condition of this RFP may result in the rejection of said proposal. Further, any proposals not properly signed/dated, proposals received after the closing time/date, proposals that contain restrictions and/or provisions, proposals completed in pencil, bids with incomplete calculations, proposals lacking required information, will be rejected as incomplete.

2.7 FREEDOM OF INFORMATION

The proponent acknowledges that any information or documents provided in response to this RFP may be released pursuant to the provisions of the Alberta's Freedom of Information and

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Protection of Privacy Act (the FOIP Act). This acknowledgement shall not be construed as a waiver of any right to object to the release of any information or documentation.

2.8 AMENDMENT OR WITHDRAWAL OF PROPOSALS

The proponent may amend or withdraw their proposal prior to the closing date and time by submitting a clear and detailed written notice to the primary contact via fax, mail or PDF format via email. All proposals become irrevocable after the closing date and time.

2.9 NEGOTIATIONS

Proponents are advised that the Town may negotiate terms, conditions, or alterations to the services specified directly with the successful firm.

2.10 ACCEPTANCE OF PROPOSAL

Upon acceptance, the proponent agrees to the supply of services as specified in this RFP immediately upon Notice of Award to the successful proponent, or as agreed between owner and proponent.

2.11 BINDING AGREEMENT

All proposals shall be final and binding on the proponent for a period of 60 (sixty) days from the closing date and time and may not be altered by any subsequent offerings, discussions, or commitments unless the proponent is requested to do so by the Town. Termination of services may be initiated by the Town or the proponent for just cause at any time. A written notification of sixty (60) days is required for termination of services.

2.12 PROPOSAL EXPENDITURE

The Town will not reimburse any proponent for any costs related to the preparation of a proposal response to this RFP. Without foregoing any generalities, this shall extend to any review, presentations, and any supplemental information provided, and shall also extend to subsequent negotiations, if any, with the Town.

2.13 PROPOSAL PRICE

This proposal price is to be inclusive to the conceptual planning phase as identified under the scope of services (clause 3.0). The Town of Drumheller may enter into an agreement for the remaining elements of the scope of services to complete the listed projects.

The cost breakdown should be broken down into pricing for:

- Conceptual planning study
- Remaining scope of services based on a percentage of construction cost estimate

2.14 ADDENDA

In the event that questions/responses to this RFP require amendments or modifications to the original document, such amendments shall be advertised on the Town's Corporate Website (www.dinosuarvalley.com). It is the proponent's sole responsibility to review the aforementioned website for any amendments/modifications to this RFP.

3.0 SCOPE OF SERVICES

The professional engineering services are expected to include, but are not limited to the following:

- **Conceptual Planning**
 - Seek Public Input
 - Identify and Evaluate potential design and structural options with functionality, aesthetics, cost, schedule, and environmental impacts being among evaluation criteria
 - In conjunction with the Town, analyze alternatives and determine preferences of Initial assessment of potential design
 - Public information meetings
 - Prepare project pre-design report and cost estimates
- **Preliminary Designs**
 - Survey and base map preparation
 - Geotechnical subsurface investigation and soils analysis
 - Utility co-ordination
 - Prepare plans
 - Construction impact on traffic planning
 - Public information meetings
 - Preparation of preliminary cost estimates
 - Review of related planning and engineering documentation
 - Development of detailed work plans and timelines showing estimated completion of specific project phases
- **Detailed Design**
 - The Town Infrastructure Services department should be provided with electronic copies of all plans compatible with the latest AutoCAD file format, and also .pdf copies
 - Separate drawings should be prepared for review, for tender, for construction and as-built
- **Contract Formulation and Administration**
 - Tendering practices must conform to the British Columbia, Alberta, and Saskatchewan Trade, Investment, and Labour Mobility Agreement (TILMA or recently revised to be The New West Deal)
 - Assist the town with the procurement of services from contractors and assist with the review and awarding of contracts
 - Contract Administration related to Construction
- **Project Management**
 - Pre and post construction meetings
 - Site inspections
 - Reviewing change orders
 - Quality assurance & quality control
 - Material sampling and geotechnical testing
 - Resource management
 - Daily field progress reports
 - Project Progress Payments
 - Scheduling

Commissioning and Acceptance

- Issuance of FAC's and CCC's
- Ensuring Operational Manuals and Training have taken place
- Ensuring Records and As-Built Drawings are submitted to the Owner

The information provided in this section is not intended to comprise a detailed scope of services, but is intended to provide general information to firms wishing to submit proposals. It is the intent of the Town to draw upon the expertise and experience of firms submitting proposals as to their recommendations of specific work tasks required to accomplish Town goals.

4.0 PROPOSAL REQUIREMENTS

4.1 PROFESSIONAL INFORMATION

Proposals must include information of a general nature on the firm and current total staffing and clients of the firm. For comparative purposes, proponents are requested to describe their experience and resources as it relates to the services being provided.

In addition, specific information shall be included with respect to key personnel who are proposed to be utilized to satisfy the Town's needs including:

- Name and credentials
- Training and experience
- Position and area of specialization in the firm
- Individual fee scale

For any area described within the Scope of Services section that the firm is unable to provide internally, the above mentioned must also be provided for any consultants who are proposed to be used on behalf of the proponent.

All proposals shall include a 2010 related project list that includes budget numbers compared to actuals and proposed timelines to complete projects compared to actuals.

All proposals shall include a detailed description of all professional fees and other costs and recommended method of billing and payment. Where applicable, proposals must include all taxes, rates and charges applicable at the time the proposal is awarded.

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Agenda Item # 8.2.1

The consultant shall include a description of the project methodology and their understanding of the project requirements.

4.2 REFERENCES

A minimum of three (3) references indicating the name of the contact person, phone number(s), and position within the organization must be submitted with the proposal.

5.0 AWARD AND COMPLETION

5.1 EVALUATION CRITERIA

Proponents will be evaluated according to the following factors:

1.	Qualifications of professional personnel to be assigned to projects:	25%
2.	Availability and capability to meet work requirements as assigned:	25%
3.	Familiarity with the Town's existing infrastructure:	15%
4.	Related experience on similar projects:	25%
5.	Engineering Fee Structure:	10%

5.2 PROPOSAL AWARD

We wish to thank all interested parties for participating in this tender process, and look forward to working with the successful proponent in the immediate future.



DRUMHELLER

CORPORATE SERVICES

Agenda Item # 8.3.1



Request for Decision

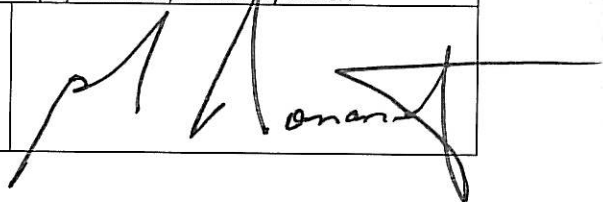
		Date:	October 5, 2011
Topic:	2011 Tax Recovery Public Auction		
Proposal:	As part of the tax recovery process under the <u>Municipal Government Act</u> , properties with a tax caveat registered against them must be offered for public auction one year after the date of the tax caveat. The properties due for auction now had caveats registered against them in 2010. As part of this process Council must set the terms and reserve bids for the properties in question. In the past, the terms have been cash and the reserve bid for each property has been equal to its current year's assessment.		
Proposed by:	William Wulff, Director of Corporate Services (Acting)		
Correlation to Business (Strategic) Plan	N/A		
Benefits:	Section 419 of the <u>Municipal Government Act</u> states that Council must set a reserve bid for each property and the reserve bid must be as close to market value as possible. <ul style="list-style-type: none">The property assessment value is updated on an annual basis and is based on the mass appraisal approach.This method is the cheapest and quickest method in determining a reserve bid especially since any costs associated with the auction are charged back to the property.		
Disadvantages:	An individual property appraisal report is not conducted. This method is more accurate than the mass appraisal standards used for assessments. However, it is cost prohibited for many of the properties being auctioned in 2012 as most properties are eventually redeemed by the owner. The cost of a property appraisal would be passed on to the property owners.		
Alternatives:	The properties could be appraised by a professional appraiser to determine the proper reserve bid.		
Finance/Budget Implications:	Costs associated with the auction are applied against the properties on the auction list.		
Operating Costs:	N/A	Capital Cost:	N/A
Budget Available:	N/A	Source of Funds:	Applied against proceeds of properties sold at auction and on the property taxes of unsold properties.
Budget Cost:	N/A	Underbudgeted Cost:	N/A

CORPORATE SERVICES

Telephone: (403) 823-1311

Council – RFD – Tax Recovery Reserve Bid Report - 2011	Created By: William Wulff 10/5/2011 1:27 PM	1
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Agenda Item # 8.3.1

Communication Strategy:	The <u>Municipal Government Act</u> requires specific advertising and notification steps: Advertised in The Alberta Gazette – November 15, 2011 Letters to property owners and those with an interest – on or about December 1, 2011 Advertised in local newspaper – January 11, 2012 Auction – January 25, 2012		
Recommendations:	That Council set the reserve bid price for properties for the January 25, 2012 tax recovery auction. Furthermore, the successful bidder must pay via cash, or money order.		
Report Writer:		CAO:	
Position:	William Wulff Director of Corporate Services (Acting)		

Council – RFD – Tax Recovery Reserve Bid Report - 2011	Created By: William Wulff 10/5/2011 1:27 PM	2
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**Town of Drumheller
2011 Tax Auction Property List**

Legal Description	Type	Assessment & Bid Value
2089BN/2/1 - 2	(R1-A) Residential w/Building	\$ 315,400.00
3099AD/25/12 & PRT OF 13	(R-3) Commercial w/Building	\$ 32,440.00
3099AD/25/36 - 38	(C-B) Commercial w/Building	\$ 325,370.00
565LK/4/6	(R1-A) Residential w/Building	\$ 181,970.00
8017GH/3/PRT OF 13	(R-2) Residential w/Building	\$ 186,900.00
6561CO/1/14	(R1-A) Residential w/Building	\$ 178,190.00
9710916/5/18	(R-1) Residential w/Building	\$ 398,870.00
7711478/1/2	(UT) Residential w/Building	\$ 125,170.00
1561JK/2/4	(MHR) Residential w/Building	\$ 119,720.00
3815EC/6/14	(SCR) Residential w/Building	\$ 65,450.00
8810626/1/2	(CR) Residential w/Building	\$ 109,960.00
1722JK/ - /13	(MHR) Residential w/Building	\$ 197,840.00
NE-31-27-18-W4	(A) Commercial Land Only	\$ 27,280.00
9412278/ - /1	(CR) Residential w/Building	\$ 427,330.00
0113494/1/5	(CR) Residential w/Building	\$ 43,850.00

No Manufactured Homes (Mobile Homes) for 2011 Tax Sale



DRUMHELLER

COMMUNITY SERVICES

Agenda Item #8.3.2



Request for Decision

Date: October 5, 2011

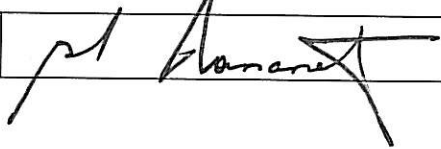
Topic:	Sandstone Manor – Property Taxes
Proposal:	<p>The Drumheller Housing Administration (DHA) has requested that the property be made exempt from taxation.</p> <p>The original intention by contract between the Town and the Drumheller Housing Administration (attached) in clause 3.3 and its budget is that the Society was to be exempt from Municipal Property Taxes, but would remain liable for the Education Taxes.</p> <p>A request was made to Alberta Municipal Affairs to determine the eligibility for tax exemption. The response was as anticipated: the property owned by the Town of Drumheller but operated by DHA cannot be made exempt from property taxation. Indeed, even if the Drumheller Housing Administration owned the property it could not be made exempt from taxes.</p> <p>Under current legislation, the only way the property could be exempt from taxation would be if the property was owned by the Alberta Social Housing Corporation. However, Municipal Affairs has advised that this situation "has been taken under advisement".</p> <p>The Town has the discretion under the Municipal Government Act section 347(1)(b) to "cancel or refund all or part of a tax" on an annual basis. The Town is still required to remit the education tax as requisitioned by the Province.</p> <p>In keeping with the original intention of the contract, and subject to the limitations of the current legislation as it pertains to property tax exemption, DHA has requested that Administration cancel the municipal portion of the property tax roll 04029906 in the amount of \$8,331.30 plus the penalty levied on September 1st in the amount of \$558.24, leaving the education tax of \$2,833.53 as payable.</p>
Proposed by:	Drumheller Housing Administration
Correlation to Business (Strategic) Plan	
Benefits:	Provides tax relief while the property cannot be made exempt from taxation in order to keep rental rates at an affordable level.
Disadvantages:	This loss of revenue impacts the operating surplus
Alternatives:	N/A

CORPORATE SERVICES

Telephone: (403) 823-1311

Sandstone Manor Municipal Taxes.doc	Created By: William Wulff 10/6/11 8:49 AM	Page 1
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Agenda Item # 8.3.2

Finance/Budget Implications:	If Council desires, this cancellation can be budgeted for future years, until legislation permits an exemption for this property.		
Operating Costs:	\$8,889.54	Capital Cost: 0	
Budget Available:	N/A	Source of Funds:	BCF Capital program
Budget Cost:		Underbudgeted Cost:	\$8,889.54
Communication Strategy:			
Recommendations:	<p>Whereas the Drumheller Housing Administration has requested that the property being used by Sandstone Manor be made exempt from taxation, and</p> <p>Whereas legislation does not permit an exemption in these circumstances, and</p> <p>Whereas the MGA section 347(1)(b) provides Council the authority to cancel or refund taxes,</p> <p>Therefore Council approve the cancellation of the municipal portion of the Sandstone Manor 2011 property taxes in the amount of \$8,331.30 plus the late payment penalty of \$558.24 for a total of \$8,889.54.</p>		
Report Writer:	Bill Wulff	CAO:	
Position:	Director of Corporate Services (Acting)		

THIS AGREEMENT entered into this 19th day of May, 2009

BETWEEN:

TOWN OF DRUMHELLER
703-2nd Ave West
Drumheller, Alberta T0J 0Y3
(hereinafter called the "Town")

-AND-

DRUMHELLER HOUSING ADMINISTRATION
A Society duly incorporated
Pursuant to laws of the Province of Alberta
and having an Office at

Drumheller, Alberta
(hereinafter called "DHA")

WHEREAS the Town is the recipient of a grant from Her Majesty the Queen in Right of the Province of Alberta pursuant to Regulation 192/2005 for the purpose of advancing affordable housing in the Town of Drumheller, in the Province of Alberta;

AND WHEREAS DHA was a Society established as a management body by Order of Council on the 1st of April, 1995;

AND WHEREAS DHA assumed all assets, liabilities and obligation of Drumheller Housing Authority by Ministerial Order No.HO86/95;

AND WHEREAS the Town owns existing residential units in the Town of Drumheller for the purposes of affordable housing;

AND WHEREAS the Town wishes to appoint DHA as Management Agent for the management of its affordable housing units;

AND WHEREAS DHA has the resources to assist the Town in the management of its affordable housing program;

NOW THEREFORE the Town and DHA agree that subject to the terms and conditions contained herein, DHA will manage the affordable housing program on behalf of the Town.

Agenda Item # 8.3.2

1. Term

DHA will assume the management and supervision of the affordable housing program from date of execution of this Agreement for a period of five (5) years. This agreement may be renewed for a further period of five (5) years upon expiry of the initial term.

2. Termination

This agreement may be terminated by either party giving three (3) months notice in writing to the other party for any reason whatsoever.

3. Duties of DHA

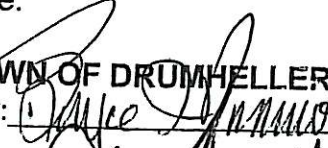
1. To administer and manage the Town's properties in terms of the project budget attached hereto marked Schedule "A"
2. Abide by all statutes and regulations including but not limited to:
 - a) Alberta Housing Act;
 - b) Management Body Operations and Administration Regulations;
 - c) Social Housing Accommodations Regulations;
 - d) Housing Accommodation Tenancies Regulation;

and in terms of its policies, powers, functions and duties prescribed in Schedule "B" hereto.

3. DHA shall take possession and hold, operate, manage and administer the Town's affordable housing portfolio as per the Town's requirements and without limiting the foregoing will with due diligence collect the rentals and other revenues, maintain the premises and make all proper disbursements including payments **in lieu of taxes** in accordance with the stipulations made from time to time by the Town.

IN WITNESS WHEREOF the parties have affixed their corporate seals attested to by the signatures of their authorized officers in that behalf the day and year first written above.

TOWN OF DRUMHELLER

Per: 

Per: 

DRUMHELLER HOUSING ADMINISTRATION

Per: 

Per: 

SCHEDULE "A"

Agenda Item # 8.3.2

Project Budget - 10% below Market 2006

(Note: The compliance period for the Affordable Housing Program is 20 years)

Unit Rents (Insert \$ amt. from Section E)	111600	117180	123039	129190	135649
Ongoing Support Services Funding	0	0	0	0	0
Other (Specify) (Laundry)	5000	5000	5000	5000	5000
Other (Specify)	0	0	0	0	0
TOTAL UNIT RENTS	116600	122180	128039	134190	140649
Operating Expenses					
Accounting/Legal	3000	3150	3307	3473	3664
Advertising	0	0	0	0	0
Office Supply/Postage	1700	1785	1874	1968	2066
Rent Up Expenses	0	0	0	0	0
Salaries/Benefits	8650	9080	9535	10,000	10,500
Telecommunications	0	0	0	0	0
Other (Specify) Board Expenses	00	0	0	0	0
Other (Specify) Management Contract	5500	5775	6064	6367	6685
Total Administrative Expenses	15250	15705	16476	17335	18355
Operating Expenses					
Gas	12000	12600	13230	13891	14586
Electricity	4500	4725	4961	5210	5470
Water and Sewer	6000	6300	6615	6946	7293
Waste Removal	2000	2100	2205	2315	2431
TV Cable	0	0	0	0	0
Security	100	105	110	115	121
Other (Specify) Bad Debt	1500	1575	1654	1736	1823
Other (Specify)	0	0	0	0	0
Total Operating Expenses	26100	27405	28706	30017	31330
Maintenance Expenses					
Elevator					
Maintenance	12000	12600	13230	13891	14586
Repairs	5000	5250	5512	5788	6077
Other (Specify)	00	0	0	0	0
Total Maintenance Expenses	17000	17850	18742	19679	20663
Debt Servicing					
Insurance					
Property Taxes (School Only)	6000	6300	6615	6946	7293
Replacement Reserve	15000	15750	16537	17364	18233
Other (Specify)	31,000	32550	34177	35885	37679
Total Debt Servicing	52,000	54,600	57,329	60,195	63,205
TOTAL ESTIMATED ANNUAL EXPENSES	115950	119645	125622	131891	139203
ESTIMATED ANNUAL SURPLUS (DEFICIT)	6650	2535	2417	2299	1446



Box 2121
Drumheller, AB, T0J 0Y0

August 17, 2011

Town of Drumheller
Attention: Ray Romanetz
703 – 2nd Avenue West
Drumheller, AB
T0J 0Y3

Dear Ray:

RE: Drumheller Housing Administration - Sandstone Manor Property Taxes

Please see the attached property tax notice for Roll 000-04029906, Legal Address Plan 7232JK Block 1 Lot N1/2 A, 215, 10th Avenue. This is the tax notice for the affordable housing apartment of Sandstone Manor that is managed, under agreement with the Town of Drumheller on May 19, 2009, by Drumheller Housing Administration.

We are requesting that the property be treated as tax exempt and the property taxes be set to nil for the 2011 tax year and onwards.

The agreement between the Town and DHA states that DHA “shall make all disbursements including payments in lie of taxes”. In addition, tax exempt status would be appropriate according to the Municipal Government Act. Sandstone is owned and operated as a Municipal Property through a non-profit entity created by Ministerial Order on April 1, 1995 by the minister of Municipal Affairs whose purpose is not-for-profit and for the public good.

We have attached a copy of the management agreement and the property tax notice. If this request requires council approval, we request it be tabled on the agenda for the next Town Council meeting. If you have any questions, please do not hesitate to contact me directly at 403-820-3007.

Sincerely,
DRUMHELLER HOUSING ADMINISTRATION



Jay Garbutt
Board Chair

Cc: Bob Sheddy, Chief Administrative Officer, Drumheller Housing Administration

From: Susan Thomson [susan.thomson@gov.ab.ca]
Sent: Friday, July 22, 2011 4:29 PM
To: Michael Roy
Cc: Ron Cust; Lora Pillipow
Subject: RE: Town of Drumheller Affordable Housing (Sandstone Manor)

Hi Michael,

You are correct, a municipality has the discretion under section 347 of the *Municipal Government Act* (MGA) to cancel, reduce or refund the municipal portion only of property taxes to the extent the municipality may decide.

The municipality would still be responsible for remitting the education tax requisition on Sandstone Manor.

Under s.362(1)(m) of the MGA, only lodge accommodation provided to senior citizens would qualify for a total exemption from both municipal and education property taxes.

Based on the information you have provided below, and our brief telephone conversation late Friday July 15th - the affordable units in Sandstone Manor would not qualify under this provision. [s.362(1)(m)].

Upon a review of s.364 of the MGA - this provision cannot apply in the Sandstone Manor situation either, as you have indicated that it is owned by the municipality and is not owned by a non-profit organization.

Alberta Housing and Urban Affairs has the mandate for the *Alberta Housing Act*, so may be contacted (Lora Pillapow, Executive Director, Strategic Policy and Urban Affairs, 780-422-2816) to gain an understanding of any "grants in place of taxes" applicability to this situation.

However, it is my understanding that the Alberta Social Housing Corporation would need to own the property in order to qualify for any permissive "grants in place of taxes" allowed under s.27 of the *Alberta Housing Act*. Again the situation that you have described about Sandstone Manor does not meet this criteria.

Your concern about consideration for "the tax status of municipally owned and operated affordable housing projects" has been taken under advisement.

Have a good weekend!

*Sue (Susan) Thomson
Manager Legislative Projects Unit
Local Government Services
Alberta Municipal Affairs
Telephone - (780) 415-6237
Fax (780) 420-1016*

From: ! MROY
Sent: Wednesday, July 20, 2011 12:46 PM
To: Susan Thomson
Cc: Raymond Romanetz
Subject: Town of Drumheller Affordable Housing (Sandstone Manor)

Hi Susan,

As discussed this past Friday this is a follow up email.

Sandstone Manor is a Town owned property that provides rental units at 10% below market. These are not the traditional low income housing. The Town of Drumheller has a management body that administers the low income housing units, Drumheller Housing Administration (DHA). In addition to these units the Town has entered into an agreement where DHA will manage Sandstone Manor on our behalf.

The question that was raised was if the taxes could be exempted. On review of section 362 of the MGA it would appear that the property could not exempt from taxation. This would leave council with 347 to eliminate taxes, but of course this does not address education taxes that are still required to be paid.

As was mentioned, affordable housing projects are relatively new creatures and consideration has not been given to the tax status of municipally owned and operated affordable housing projects. This is an area that the province needs to look into to enable these units to survive and remain affordable as they fill a need in our communities.

Michael Roy
Town of Drumheller
Director of Corporate Services
(403) 823-1311 (Office)
(403) 820-1481 (Mobile)
mroy@dinosaurvalley.com
703 – 2nd Ave W
Drumheller, AB T0J 0Y3

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From: Colin Kloot [Colin.Kloot@drumhellerlaw.com]
Sent: Monday, September 19, 2011 3:54 PM
To: Raymond Romanetz
Cc: Linda Handy
Subject: Sandstone Manor

Good day Ray,

As requested I have reviewed the documentation concerning the wording of cl.3.3 of the agreement between the Town and DHA.

The issue for consideration is the interpretation of the wording "in lieu " as used in the clause.

When interpreting a contract or legislation one not only looks at the normal usage of the words in issue but also the intent of the author and, as well, the context in which the words are used.

I have no information as to the intent of the author such as notes of discussions etc, but, when noting the context, "make all proper disbursements INCLUDING payments...", it appears that the word "in lieu" is incorrectly used and should have been "in respect of taxes". The context may be used to infer an intention.

To suggest that no taxes are payable is with respect, out of context and not in keeping with the entire sentence. The words are used to impose an obligation on the DHA to include payment of taxes.

I can't really comment on how to achieve a form of exemption but note the suggestions in Bill's covering letter.

I will be happy to answer any queris regarding this matter,
Kind regards,

Colin Kloot,
Barrister & Solicitor,
Herman, Kloot & Co,
Tel: 403 823 4000
Fax: 403 823 6407
www.drumhellerlaw.com