

# **Town of Drumheller COUNCIL MEETING AGENDA**

**September 8, 2015 at 4:30 PM**  
**Council Chamber, Town Hall**  
224 Centre Street, Drumheller, Alberta



Page

## **1.0 CALL TO ORDER**

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

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

- 2.1 Letter from Hon. Kathleen Ganley, Alberta Justice and Solicitor General re 2015-16 Municipal Policing Assistance Grant and 2015-16 Police Officer Grant
- 2.2 Grand Opening of the Skateboard Park
- 2.3 Muscular Dystrophy Awareness Month, September 2015

## **3.0 PUBLIC HEARING**

## **4.0 ADOPTION OF AGENDA**

## **5.0 MINUTES**

### **5.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES**

- 5.1.1 Regular Council Meeting Minutes of August 24, 2015

### **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
- 6.2 Rose Poulson, Seniors Coordinator - Grey Matters Conference

## **7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS**

**8.0 REQUEST FOR DECISION REPORTS**

**8.1. CAO**

12-14 8.1.1 RFD - Town of Drumheller Street Light Conversion

8.1.2 10th Avenue Subdivision Update

**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 Event Overview

**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**

14.1 Personnel Matter

SEP 02 2015



ALBERTA  
JUSTICE AND SOLICITOR GENERAL

Office of the Minister

AR 13961

August 24, 2015

His Worship Terry Yemen  
Mayor  
Town of Drumheller  
224 Centre Street  
Drumheller, AB T0J 0Y4

Dear Mayor Yemen:

I am pleased to advise you that payments of \$264,232 and \$100,000 for the 2015-16 Municipal Policing Assistance Grant (MPAG) and the 2015-16 Police Officer Grant (POG) respectively, have been electronically transferred to your municipality. The grants are intended to help communities meet the costs of policing services and reflect the commitment of the Alberta government to address the financial impact of policing on municipalities.

POG reporting on Actual Policing Strength for the period is required by April 30, 2016, while MPAG reporting on grant expenditures is required by March 31, 2016. Templates will be available on the Justice and Solicitor General website at: <http://justice.alberta.ca/jsj/Pages/default.aspx>.

Should your staff have any questions, they may contact Michael Michalski, Executive Director, Financial Operations and Procurement at 780-427-7516, or via email at [Michael.Michalski@gov.ab.ca](mailto:Michael.Michalski@gov.ab.ca).

Sincerely,

Kathleen Ganley  
Minister

cc: Ray Romanetz, Chief Administrative Officer, Town of Drumheller

**Proclamation  
Muscular Dystrophy Awareness Month  
September 2015**

Muscular Dystrophy is a group of neuromuscular disorders that have no known cure. In almost all cases, there are few treatments and no way to stop the disorder's progression. Muscular Dystrophy Canada is a national, non-profit organization committed to funding research into the causes, treatments, and eventual cure of neuromuscular disorders, as well as providing services to people with neuromuscular disorders and public education.

WHEREAS: People today have the opportunity to live longer lives because of breakthroughs in medical research, and;

WHEREAS: Muscular dystrophy is a neuromuscular disorder that affects many and has no known cure, and;

WHEREAS: Only through the support of the community may a cure be found;

NOW THEREFORE: THE COUNCIL OF <sup>TOWN OF</sup> ~~DRUMHELLER~~ does hereby declare  
September 2015 as "Muscular Dystrophy Awareness Month in "DRUMHELLER."

\_\_\_\_\_  
Mayor's Signature

\_\_\_\_\_  
Date

**Town of Drumheller  
COUNCIL MEETING  
MINUTES**

**August 24, 2015 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 PROTECTIVE SERVICES:**

Greg Peters

**RECORDING SECRETARY:**

Linda Handy

**ABSENT:**

Councillor Jay Garbutt

**DIRECTOR OF INFRASTRUCTURE SERVICES:**

Allan Kendrick

**DIRECTOR OF CORPORATE SERVICES:**

Barb Miller

**DIRECTOR OF COMMUNITY SERVICES:**

Paul Salvatore

**1.0 CALL TO ORDER**

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

**2.0 MAYOR'S OPENING REMARKS**

- 2.1 Mayor T. Yemen presented a letter from Deputy Minister Brad Pickering, Alberta Municipal Affairs advising that the Town's grant application for a booster station replacement in the amount of \$2.5M and water treatment plant residuals management in the amount of \$3M were not approved for funding

under the Small Communities Fund Program. He further advised that Town Administration will follow up with the Province as to why the Town's projects did not receive approval.

2.2 Mayor T. Yemen presented a letter from Bev Yee, Assistant Deputy Minister, Alberta Municipal Affairs advising that the Town was approved for \$84,668 under the Southern Alberta Flood Response Program funding allocation. He further advised that these dollars will be used for engineering work so that the Town will be shovel ready for the Lehigh / East Coulee portion for flood mitigation.

2.3 Mayor T. Yemen presented a letter from Hon. Deron Bilous Minister of Municipal Affairs advising that the Town was approved for \$1,383,261, which includes \$1,315,601 in capital funding and \$67,660 in operating funding under the Municipal Sustainability Initiative Program.

### **3.0 PUBLIC HEARING**

### **4.0 ADOPTION OF AGENDA**

**MO2015.117** Hansen-Zacharuk, Shoff 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 July 27, 2015

**MO2015.118** Zariski, McMillan moved to adopt the regular Council meeting minutes of July 27, 2015 as presented.

Councillor S. Shoff noted that MO2015.114A does not include the amount of policing costs for the Tough Mudder. It was clarified that it is set to a maximum of 140 hours and the costs are not known at this time.

Vote on Motion: Carried unanimously.

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

5.2.1 Municipal Planning Commission Minutes of May 7, 2015  
Municipal Planning Commission Minutes of June 4, 2015  
Municipal Planning Commission Minutes of June 18, 2015  
Municipal Planning Commission Minutes of July 9, 2015  
Municipal Planning Commission Minutes of July 23, 2015

**5.3. BUSINESS ARISING FROM THE MINUTES**

**6.0 DELEGATIONS**

**6.1 Presentation of Canadian Badlands Passion Play Activities**

Vance Neudorf provided an overview of activities on their property which includes the removal of ski poles and lifts, future construction of new seating, future construction of a concrete apron to roll in equipment, and the future creation of a smaller amphitheatre. With regards to programming, Vance announced that there will be a new script for the Passion Play, Daughters of Eve and other movie filming, future concerts (as the Tom Cochrane concert was a success), and other performances. Vance thanked the Town for their cooperation in the land exchange and advised that he wishes to deal with other land matters in the near future such as their long term lease on ski hill land, overflow parking lot (currently in the grassed area) and a resolution for exiting of the parking lot.

Council thanked Vance for his presentation and congratulated the Canadian Badlands Passion Play for their successful performances and operations.

**6.2 Presentation of Family and Community Support Services Activities**

Eric Neuman provided an overview of activities under the FCSS Program which includes programs such as Senior Services, Before and After School, Community Building Initiative and committees such as Early Childhood Development Coalition, FASC, Family Fun, Asset Development, Big Country Anti-Violence Association, Boys and Girls Club and Interagency. Eric outlined the FCSS regulation which states *"Services under a program must be of a preventive nature that enhances the social well-being of individuals and families through promotion or intervention strategies provided at the earliest opportunity"*. He further listed the events and initiatives that Drumheller's FCSS includes such as Volunteer Appreciation, Good Food Box, Family Fun events, Pink Shirt Day (Anti-Bullying Campaign) and Seniors Christmas Dinner held at DVSS. Two other first time initiatives that have proven to be successful and will be held again this year include Drumheller's Got Talent with talented Drumheller youth performing in front of an audience and the Teen Video Game Tournament with over 30 youth participating.

Council thanked Eric for his presentation and congratulated the Family and Community Support Services for providing programs and events that support the needs of families in the community.

**7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS**

**8.0 REQUEST FOR DECISION REPORTS**

**8.1. CAO**

**8.1.1 Bylaw 10.15 (Alta Gas Franchise Bylaw) - Second and Third Readings**

R. Romanetz advised that at the regular Council meeting of June 15, 2015, Council gave first reading to Bylaw 10.15 for the purpose of authorizing the Mayor and CAO to enter into an agreement granting AltaGas Utilities Inc. the right to provide natural gas distribution service within the municipality. He further advised that the appropriate advertising has been carried out as required by AUC. In a letter from AUC, they advise that no objections or concerns relating to the proposed franchise agreement were received. The franchise agreement has a minimum term of 10 years and will be effective November 1, 2015. He recommended proceeding to second and third readings.

**MO2015.119** McMillan, Hansen-Zacharuk moved second reading of Bylaw 10.15

**Clarification on Motion:**

Councillor L. Hansen-Zacharuk questioned if the agreement only pertains to the infrastructure for the natural gas distribution services and if customers wanted an alternate provider would they be permitted to do so. R. Romanetz confirmed that the agreement outlines the rules of engagement and sets the standards they have to comply with and allows AltaGas to put their piping in our roads and right of ways. He further explained that the Town works with an AltaGas consultant that receives proposals on the Town's behalf but individual homeowners are free to sign on with their choice of provider. He noted that AltaGas has the exclusive right to provide gas distributions service in Drumheller.

Councillor P. Kolafa asked the level of the franchise fee in comparison with other communities and how one would change the rate. R. Romanetz advised that the Town is in the middle of the high end at 27% and if an increase is proposed, the Town must advise AUC of the change and through advertising determine if there are any objections to it.

Vote on Motion: Carried unanimously.

**MO2015.120** Hansen-Zacharuk, Shoff for third reading of Bylaw 10.15. Carried unanimously.

**8.1.2 RFD - Spray Fountain Upgrade**

R. Romanetz advised that during Council's capital budget discussions, \$75,000.00 was included to allow for upgrading of Spray Fountain Park because of the new requirements of Alberta Health Services. During the summer months, the Town was able to meet the requirements of AHS with the addition of chlorine and pH adjustments. This was a labour intensive operation and the staff needs to be commended for their efforts (daily draining the fountain and refilling the fountain four hours before it is open to the public). The cost for water itself during the summer months is \$20,000 and chemicals amounted to \$7,000-\$10,000. He further explained that the Town hired MPE to review several scenarios and they have provided a report that breaks down the project into phases. Phase 1 would meet the requirements of AHS and includes the installation of a filtration system and connection to the existing electrical and storm drainage systems which eliminates the need to drain and refill the fountain on a daily



basis. The backwash would go into the sanitary sewer system or directly into the river however the water usage would be minimal. The total cost for Phase 1 is estimated at \$180,000.00 (may be less if the Town's argument that backwash water could flow directly into the river). It is proposed that a detailed design be prepared, the project be tendered and installation by the end of the year so that the Town is in a position to start new operations in the spring. He further advised that with the elimination of the lengthy process carried out this past summer, there will be a \$30,000 savings. He stated that the capital budget needs to be increased by \$105,000 and it is recommended that \$65,000 from unbudgeted MSI be used towards this upgrade or dollars be expensed from reserves for building structures.

**MO2015.121** Zariski, Shoff moved that Council authorize Administration to tender the work for phase 1 upgrade of the spray fountain as outlined by the Town's consultant, MPE at an estimated cost of \$180,000.

**Clarification on Motion:**

Councillor T. Zariski asked what Phase 2 of the upgrade involves? R. Romanetz advised that the total project upgrade will cost \$300,000 of which \$180,000 is required immediately; the remaining costs for Phase 2 and 3 includes upgrades to piping, mechanical improvements and these dollars would be budgetted from future capital expenses.

Councillor S. Shoff asked if drainage from the Spray Park goes directly into the river. R. Romanetz advised that any Spray Park water goes directly into the river as it is a nominal amount however it is AHS preference that all drainage should go into the Town's sanitary sewer system. AHS minimal requirement is that any water with chlorine in it has to be dechlorinated before it can be returned to the river.

**Vote on motion:**

In Favour Kolafa, Shoff, McMillan, Hansen-Zacharuk, Zariski

Opposed Yemen

Motion Carried.

**8.1.3 RFD - Development Officer Appointment**

R. Romanetz advised that in accordance with Bylaw 32.08, Council may, by resolution appoint a Development Officer. The Town of Drumheller Land Use Bylaw 10.08 Section 3 states that "*the development authority shall exercise development powers and perform duties on behalf of the municipality in accordance with Section 642 of the Municipal Government Act*". He recommended that Council appoint Julie Steeper who has been hired in that capacity as Development Officer.

**MO2015.122** Shoff, Hansen-Zacharuk moved that Council appoint Julie Steeper as the Development Officer for the Town of Drumheller. Carried unanimously.

**8.1.4 RFD - Library Board Appointment**

R. Romanetz advised that the Drumheller Public Library Board currently has nine members due to the resignation of Farris Nagy in May, 2015 creating one vacancy. Ms.

Vanessa Page has submitted her application to serve in this capacity. The members of the Library Board have reviewed Page's application and recommend approval.

**MO2015.123** Kolafa, Hansen-Zacharuk that Council approve the appointment of Vanessa Page to the Drumheller Public Library Board for a three year term to expire at Council's organizational meeting in 2018. Carried unanimously.

**8.1.5 Sandstone Manor Update**

R. Romanetz advised in a previous update to Council that one unit at Sandstone Manor has had substantial movement and that the suite has not been suitable for rent for the past year and half. In discussions with the Town's consultant, it was confirmed that the building had moved due to drainage issues. The Town made changes to the drainage and through monitoring, it is confirmed that the building has now stabilized. The Town wishes to demolish the unit, remove the unsuitable soil and rebuild the suite. The contractor will correct the grade, rebuild the suite and reinstall the fixtures. Two tenders were received and as timing was of the essence, the tender was awarded to TM Martin Construction in the amount of \$25,200.00 and the work has started. He further advised that once the work is completed, Administration will provide a report to Council. He stated that Council could pass a motion reaffirming that the tender award, if they so wished. Council declined.

**8.2. DIRECTOR OF INFRASTRUCTURE SERVICES**

**8.3. DIRECTOR OF CORPORATE SERVICES**

**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**

**MO2015.124** Shoff, McMillan moved to go in camera at 5:50 PM. Carried unanimously.

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14.1 Personnel Matter

**MO2015.125** Zariski, Shoff moved to revert to regular Council meeting at 6:50 PM.  
Carried unanimously.

There being no further business, the Mayor declared the meeting adjourned at 6:50 PM.

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Mayor

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Chief Administrative Officer



# DRUMHELLER

## CORPORATE SERVICES

Agenda Item # 8.1.1



### Request for Decision


		Date:	August 20, 2015
Topic:	Atco Electric Proposal		
Proposal:	Town of Drumheller Street Light Conversion (File no. D53351) (Non investment rate to investment rate)		
Proposed by:	Barbara Miller, CGA Director, Corporate Services		
Background	<p>In November 2008, the Town of Drumheller executed a Franchise Agreement with Atco [Company] for Electric Distribution System.</p> <p><i>Article 11 – Street Lighting</i> outlines the financial responsibilities of the Town and Atco for maintenance and replacement costs of individual structures. These costs are allocated to the Town or Atco based on the structures classification as a Non-investment or Investment Rated street light. Maintenance, repair and replacement cost of street lights classified as Non-Investment Rated, are the responsibility of the Town. Costs related to street lights classified as Investment Rated, are the responsibility of Atco.</p> <p>This same rate classification also determines the applicable daily wire charge. Understandably, the wire charge for Investment Rated streetlights is greater. Currently, the Non-investment and Investment Rates for 100-250watt are \$0.4336 and \$1.1904 respectively; a difference of \$0.7568/day.</p> <p>At this point in time, the Town has responsibility for 819 lights under the Non-investment rate (563-100w, 135-150w, 104-250w, 8-400w and 9-Sentinal).</p> <p>Article 11(b), paragraph 3, of the Franchise Agreement states that, "<i>Whenever there is a required replacement or municipally requested relocation of any Non-investment rated street lighting, the municipality agrees that such replaced or relocated street lighting shall be converted to the [Company] Investment Rate.</i>"</p> <p>As existing structures are replaced and converted to Investment Rate per Article 11(b), costs incurred for replacement of the structure(s) is fully allocated to the Town of Drumheller which is then offset by a credit in the amount of the maximum investment level as set by the AUC. Any balance due is then billed to the Town.</p> <p>Further, Article 11(c) provides the Town with the option to convert from Non-Investment to Investment rate at any time, for a financial compensation equivalent to the maximum investment level(s) approved by the AUC, adjusted for the average age of the Towns streetlights.</p>		

#### CORPORATE SERVICES

Telephone: (403) 823-1311

	Created By: Barb Miller	1
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<b>Background</b>	<p>A recent decision of the AUC (2014-354) increased the maximum investment level available, which has made the financial compensation for early conversion from Non-Investment to Investment rates a more attractable option for Council to consider.</p> <p>Atco has recently reviewed the existing inventory of Non-Investment rated lighting in Drumheller. Using the maximum investment level of \$2,558 per light established by AUC, and the average age of the Towns street lighting, Atco has deemed the amortized value of our structures to be \$937.93 per fixture. Over time this value per structure will reduce to zero as the remaining useful life cycle ages out.</p> <p>Following analysis of our existing inventory, Atco presented the Town with a formal proposal (copy of which is attached) in the amount of Seven hundred and fifty-nine thousand, seven hundred and twenty-six dollars (\$759,726), to convert the remaining Non-investment rated streetlights to Investment rate.</p>
<b>Benefits:</b>	<p>Value of cash offer for early conversion</p> <p>Elimination of responsibility for structure replacement cost at end of life cycle</p>
<b>Disadvantages:</b>	<p>Increased wire charge of \$0.7568/day per streetlight which translates to an increase in annual operating costs of \$221,538.06 per year (current rate)</p>
<b>Alternatives:</b>	<ol style="list-style-type: none"> <li>1.) Remain as is – respectfully rejecting the offer</li> <li>2.) Accept the offer as presented</li> <li>3.) Submit a counter offer</li> </ol>
<b>Finance/Budget Implications:</b>	<p><b>Should council accept the offer</b>, it is expected that the new billing rate will come into effect as of October 1, 2015 resulting in additional operating costs of approx. \$56k in 2015. There is no expected reduction in 2015 operating costs for maintenance, repair or replacement.</p> <p>Additional operating costs in subsequent years due to increased wire charges are \$222k per year.</p> <p>Cash received can be invested and drawn on to offset the increased operating costs due to wire charges. Using 0.65%-( 2015/17) and 0.85% (2018) interest rates, it is estimated that the invested cash would fund the increase costs for 3.5 years (Q1, 2019).</p> <p>Following that, increased operating costs would have to be funded through the mill rate or an increased municipal franchise fee or a combination of both. Based on the total assessment value used to calculate the 2015 mill rate, an additional \$222k in municipal requisition would equal (+) 0.000231 to the mill rate, or approximately \$63 increased levy on a property assessed at \$275k. The allowable % for Municipal Franchise Fees is capped by AUC at 20%. The Towns current franchise fee applied to electric bills is 9%. Reviewing municipal franchise fees across the province (Atco &amp; Fortis) shows that of 362 locations, 37 municipalities charge a % that is &gt; or = 9%. Examples include Taber 20%, Vulcan 20%, Wetaskiwin 10% and Brooks 12.63%. Using 2014 revenue numbers provided by Atco, an increase of 2.83% from the current 9% to 11.83% would be required to generate the revenue needed to fund the additional operating costs due to increased wire charges through franchise fees alone.</p>

<b>Finance/Budget Implications:</b>	<p>The value of the cash offer reduces over time due to remaining useful life cycle.</p> <p><b>Should council choose not to accept the offer</b>, overtime, the Town will bear the cost of replacement per Article 11(a), however costs are offset by the full value of the investment rate as established by the AUC. While we are unable to predict the number of years it will take for all 819 street lights to be converted to Investment Rated through end of life replacement, on average, within Drumheller the street lights are estimated to be approx. 19-1/2 years old. Atco Electric is reluctant to provide an estimated life cycle due to variables such as road salt or wind that can affect the life; however it would be safe to assume at minimum, 10-1/2 to 12 years life remaining on average, based on a thirty (30) year life cycle standard. Budget wise, the Town can then expect a continuous increase in the number of poles being replaced and converted to the Investment Rate in years 2025-2035.</p> <p>Using an estimated/average structure replacement cost of four thousand dollars (\$4,000) less the current maximum investment rate of two thousand five hundred and twenty dollars (\$2,520), the average billable cost to the Town per structure replacement is currently one thousand four hundred and eighty dollars (\$1,480). Therefore, the total estimated cost to replace all structures would be approximately 1.2million.</p> <p>By not accepting the offer as presented, the Town will save the increase to annual operating costs of \$221,538 making payback of the 1.2million only 5.47yrs.</p> <p>If the assumption of 10-1/2yr remaining life expectancy is used, considering the payback on increased operating costs of only 5.47yrs plus the offset of 3.5yrs against increased operating costs from the cash consideration, it would appear that the Town would remain at minimum, exposed to additional operating costs of approximately \$338,953 (\$221,538/yr x 1.53yrs) that would be otherwise avoided if the offer were rejected.</p>		
<b>Recommendation:</b>	<p>Based on the assumption above indicating exposure to increased operating costs of &gt;\$300k that would result from earlier conversion of existing structures, <b>administration recommends that council respectfully decline the offer</b> to convert the Town of Drumheller Street Lights from Non Investment Rate to Investment Rate proposed by Atco Electric for a cash consideration of \$759,726.</p>		
<b>Report Writer:</b>	Barbara Miller, CGA	CAO:	
<b>Position:</b>	Director, Corporate Services		