

# **Town of Drumheller COUNCIL MEETING AGENDA**

**October 31, 2016 following the Organizational Meeting  
Council Chamber, Town Hall  
224 Centre Street, Drumheller, Alberta**



Page

## **1.0 CALL TO ORDER**

- 1.1 Councillor Jay Garbutt to be sworn in as Deputy Mayor for the months of November and December, 2016

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

## **3.0 PUBLIC HEARING**

## **4.0 ADOPTION OF AGENDA**

## **5.0 MINUTES**

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

- 3-15 5.1.1 Regular Council Meeting Minutes of October 17, 2016

### **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**

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**8.2. DIRECTOR OF INFRASTRUCTURE SERVICES**

16-17 8.2.1 RFD - Aquaplex Modernization Myrtha Pool Installation

**8.3. DIRECTOR OF CORPORATE SERVICES**

18-20 8.3.1 ALAIRE Report

**8.4. DIRECTOR OF COMMUNITY SERVICES**

**8.5. DIRECTOR OF PROTECTIVE SERVICES**

21-24 8.5.1 Bylaw 15.16 Amendment to Schedule A Bylaw 07.14 being a bylaw to establish fees for the issuance of permits of overweight and over-dimensional commercial vehicles on highways under the direction, control and management of the Town of Drumheller - all three readings

**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**

**Town of Drumheller  
COUNCIL MEETING  
MINUTES**

October 17, 2016 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 COMMUNITY SERVICES:**

Paul Salvatore

**RECORDING SECRETARY:**

Libby Vant

**ABSENT:**

**DIRECTOR OF PROTECTIVE SERVICES:**

Greg Peters

**1.0 CALL TO ORDER**

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

**2.0 MAYOR'S OPENING REMARK**

2.1 Mayor Yemen gave notice that the annual Organizational Meeting of Council will be held on October 31, 2016 at 4:30 pm.

**3.0 PUBLIC HEARING**

**3.1 Bylaw 14.16**

Mayor Yemen stated the matter to be heard, advising that the purpose of the Public Hearing is to consider Bylaw 14.16 to amend the Land Use Bylaw No. 10.08, by redesigning Lot 11 Plan 38667 HU within the Rosedale District within the Town of Drumheller, from "UT" Urban Transitional to "R-CH" Residential Cottage Housing District.

Mayor Yemen asked the Palliser Regional Municipal Services [PRMS] representative, CEO and Planning Director, Cynthia Cvik, to provide her planning report. C. Cvik provided her written report to all members of Council, and stated that Council has received copies of all correspondence provided to her offices regarding this matter. She provided the land details which has an area of 4.17 hectares, and a current zoning of UT Urban Transitional. She further advised that the application as submitted with 87 RV parking pads or sites, administrative facilities, a convenience store, tow large commercial tents to be used for activities, mini golf , a water feature park, and all uses will be developed under one title with no subdivision contemplated. She noted that the applicant proposes to dig a well for irrigation purposes, and the proposal is intended to accommodate recreation vehicles, and noted that park models are considered recreation vehicles and not standard stick built buildings. C. Cvik advised that in accordance with the Land Use Bylaw, she has identified twenty properties considered to be adjacent to the application property. C. Cvik stated that notice of application and public hearing were advertised and circulated to referral agencies, as indicated in Schedule D of her report. She noted that forty-seven letters of opposition were received by PMRS, and stated that Council has received all of the letters in their entirety and are attached in Schedule E. C. Cvik advised that PRMS received six phone calls on this matter, and twenty-five form letters were submitted to PRMS, which have also been provided to Council.

Mayor Yemen asked the Secretary of the Public Hearing if any written submissions were received by the Town. Secretary L. Vant stated that written submissions were received, and that Council has received copies of all letters received, and that they are the same as those included to Council in the PRMS planning report. The Secretary read the written submissions into the record by reading out the names of the correspondents and provided a summary of the concerns of those in opposition of the application.

Mayor Yemen asked the public in attendance who wished to speak, and to indicate whether they would speak in favour or in opposition to the matter. The Secretary recorded the names of those wishing to speak, and submitted the names to Mayor Yemen. Mayor Yemen asked Council if there were any objections to those wishing to speak. No objections were raised. Mayor

Yemen stated the rules of procedure.

**Speakers in Favour of the Matter:**

**1. Bob Hamilton**

Mr. Hamilton stated that he is the applicant for this matter, and he understands the opposition. He advised that he and his spouse, Norah Hamilton, went door to door to the neighbours to field their concerns, and they have modified their application to accommodate these concerns. He stated that the approach to the RV park would be off the road to the suspension bridge at the NE end of the property and that it will be paved and safe. He further stated that they have now cut the proposed project in half, and now propose only half of the original amount of RV parking stalls, no tenting and the lower portion of the property would be a park. He advised that by doing this they have also cut their potential revenue in half in order to suit the concerns of the community. Mr. Hamilton stated that the project would be well developed with nice landscaping and artistic aspects would enhance the area. He further stated that the financial aspects will increase the area tax base and contribute to municipal utilities. He stated that he is prepared to work with the community, they do not want to make enemies. He further stated that this application is the third attempt to develop this property and that the property will be developed at some point to improve on the derelict current state of the property.

**2. Norah Hamilton**

Mrs. Hamilton stated that she is the co-applicant on this matter, and she did go door to door to the neighbouring residences to alleviate concerns and correct misinformation. She stated that their intention is to have the property be a community-friendly site that promotes a drug-free atmosphere that is workshop oriented, which she feels will be less likely to attract drinking and parties. Mrs. Hamilton advised that she did advertise and host an open house for anyone to attend to receive clear information on the project. She further advised that she would like to promote green initiatives through this project and bring another type of tourism to Drumheller, as she wants the area to be known as a leader in green initiatives as much as for the dinosaurs, and the increase in tourism will benefit all of the community.

**Speakers Opposing the Matter:**

**1. Diane Snyder**

Ms. Snyder requested a complete reading of the definition of R-CH zoning. Mayor Yemen asked C. Cvik to respond. C. Cvik read out the full definition of the R-CH zoning as follows: Residential Cottage Housing District which has the intent of providing for a comprehensively designed cottage dwelling development which may be of seasonal or year round occupancy as a permitted use.

Ms. Snyder asked if the 87 stall RV parking pads are a discretionary use. C. CVik replied that within the Town's existing Land Use Bylaw, this application is a discretionary use, and advised that, if this zoning amendment is approved, the current application will have to go through several more steps in the process, including the Municipal Planning Commission, in order to come to the building phase.

**2. Marnie Pedersen**

A summary of Ms. Pedersen's concerns are as follows:

- she did a walk through of the property
- is very excited that the property will be developed
- would like the project to be more in keeping with the surrounding area
- she realizes and asks that the area residents realize that this property will be developed at some time - it will not stay as it is forever.

**3. Alex Heardman**

A summary of Mr. Heardman 's concerns are as follows:

- he is opposed
- the applicants' property is right behind his residence and he overlooks the area in question
- concerned with the potential garbage, sewage and cost to the area residents

**4. Diane Lee**

A summary of Ms. Lee's concerns are as follows:

- people are discouraged by the application and the issues
- feels this project just is not going to work
- wants to see permanent residence

**5. Charmaine Gorak**

A summary of Ms. Gorak's concerns are as follows:

- she lives directly below the project property
- has concerns for the safety of her children and the children in the area
- already a lot of traffic and concerns with speeding vehicles
- noise and safety concerns related to the campers' activities

**6. Charles Deal**

A summary of Mr. Deal's concerns are as follows:

- no need for another campground as there are already eight campgrounds in the area
- there are only seven campgrounds in all of Banff National Park
- what is needed is permanent home owners
- concerned that inmates will be attending the proposed workshops
- safety concerns especially if inmates are attending workshops
- even the perception of inmates being on site is negative and is a threat to

- the community and the property values
- increased traffic
- would a separate road be created for this project?

7. Barb Carliss

Ms. Carliss stated that she sent an email to PRMS Garry Wilson and to C. Cvik, but did not receive a reply, and is concerned that her email was not included in the correspondence to council. C. Cvik advised Mayor Yemen that Ms. Carliss' email was included in the correspondence and an email response was sent to her the next day.

A summary of Ms. Carliss' concerns are as follows:

- extremely concerned that she did not receive the notification letter from PRMS
- adamantly opposed to the application
- wants the property to remain a green space
- already concerned about the traffic in Rosedale, this will increase traffic more
- has great respect for Bob and Norah Hamilton but feels this application is not well thought out

8 Justin Chambers

A summary of Mr. Chambers' concerns are as follows:

- against the application
- feels the only reason for the project is to invest and make money
- did not anticipate this project being developed when he invested in his home
- concerned the project will devalue his property value
- concerned for the safety of his children and the children in the area
- safety and traffic concerns
- concerned about alcohol and drug use in the campground

9. Pam Sheeran

A summary of Ms. Sheeran's concerns are as follows:

- moved to Drumheller from Ontario and took a lot of time to consider exactly where to move in the area
- her residence overlooks the application property
- concerned about financial loss that the project will devalue her property by \$15,000 to \$30,000
- concerned what else may be developed on the site if the property is sold in future

10. Sophie Svartka

A summary of Ms. Svartka's concerns are as follows:

- lives on the main road through Rosedale
- concerned about increased traffic
- fire hazard concerns about the increased number of cigarette butts due to

- increased tourists from project
- water pressure is already not great, the increase in use will decrease the pressure further

11. Verne Pascoe

A summary of Mr. Pascoe's concerns are as follows:

- project application has changed several times
- no clear idea of the actual number of campers at the site
- purchased his home in Rosedale as a retirement property
- project will affect his privacy, diminish his quality of life and decrease the value of his property
- a lift station may be required to deal with the increased sewage, concerned that cost would be put on the residents

12. Mikala Chambers

A summary of Ms. Chambers' concerns are as follows:

- concerned for her children's safety
- the road is very busy already
- increase in traffic will create safety concerns

13. Patti Van Dellen

- stated that all of her concerns opposing the project have been stated by previous speakers

14. Ron Pedersen

A summary of Mr. Pedersen's concerns are as follows:

- stated that he agrees with all of the comments previously made
- campground application does not meet the Municipal Development Plan requirements for future residential use, which states that the application must ensure that urban expansion is compatible with the existing development to avoid environmental and land use conflicts. This application is in conflict.
- none of the Council members live in Rosedale
- asked Council to imagine that they all live next to the property for the proposed project, and that it was their property that was going to be impacted by the project

15. Dale Morris

A summary of Ms. Morris' concerns are as follows:

- lives right along the Hamilton property fence line
- campground noise will have negative impact on his quiet enjoyment of his property
- campers like to have individual fires
- the increase in smoke will affect the residents and the air quality
- concerned with increased traffic, dust and noise



16. Rachel Wise

A summary of Ms. Wise's concerns are as follows:

- agrees with all of the comments previously made
- understand that the owners want to develop the property
- wants to see a subdivision instead of the current application
- subdivision would bring in residents who will be invested in the community

17. Rich Roberts

Mr. Roberts stated that he retired to Rosedale because it is wonderful and a great place to live, and people vote for what they want because we live in a democracy

18. Colleen Macdonald

A summary of Ms. Macdonald 's concerns are as follows:

- has lived in Rosedale for many years and appreciates the privacy, beauty and respect in the area
- wishes the Hamiltons well
- asks that the Hamiltons consider a permanent residential development rather than the current application

19. Jim Van Dellen

A summary of Mr. Van Dellen's concerns are as follows:

- agrees with all of the comments previously made
- stated that the project area is zoned as Urban Residential and it is not Residential Cottage nor should it be.

20. Michelle Scott

A summary of Ms. Scott's concerns are as follows:

- did not get a notification letter for the proposed application
- current roads are not suited to heavy traffic flow
- already have a lot of litter in the area from high traffic volume
- further increase in litter and traffic
- there are plenty of campgrounds in the areas already

21. Heather Gallagher

A summary of Ms. Gallagher 's concerns are as follows:

- road is not suited to increased traffic
- road was previously determined not to be able to support golf course traffic from a previous application
- how could the road then support 87 RV's daily?
- thanked the Hamiltons for allowing the area residents to use the property as a recreational green space for tobogganing and kite flying, etc.
- application states that they will consider having a well onsite - if that is allowed then she will petition to have her own well also
- Rosedale is a close knit community and the residents want it to remain

Mayor Yemen asked Council if they had any questions of individuals who have made submissions.

Councillor Hansen-Zacharuk asked Bob and Norah Hamilton to respond to the comments that have been made regarding sewer, lagoons and water wells  
Norah Hamilton replied that these comments have been based on rumours, not accurate information, and they will not consider the use of inmates, etc, for this project. She further stated that she did inquire with the Town about the potential for a water well to use for irrigation - it was just an inquiry.

Councillor Hansen-Zacharuk asked Mrs. Hamilton if this project is to be year round. Mrs. Hamilton replied that it is intended to be seasonal to try to accommodate the area residents' traffic and noise concerns.

Councillor Hansen-Zacharuk asked C. Cvik if the mini golf and water part components of the project fit into the zoning. C. Cvik replied that the existing Land Use Bylaw does not permit a commercial use, that the incorporation of a commercial venture and the current zoning is not permitted.

Councillor Hansen-Zacharuk asked C. Cvik if the proposed memberships in the project would relax that. C. Cvik replied that she does not interpret the Land Use Bylaw that way - no. Mrs. Hamilton stated that her interpretation of the Land Use Bylaw is that the membership in the project would create ownership to allow access for the community.

Councillor Shoff asked Mrs. Hamilton if the membership would be limited to the people that live in the project area. N. Hamilton replied that anyone could invest in the membership.

Councillor Shoff stated that people appear to want the property to be developed but would prefer it to be a residential development.

Councillor Zariski asked R. Romanetz if the reason for the previously proposed golf course project for that area did not go forward because of water issues. R. Romanetz replied that there were a number of very dry years where wells in the area were having difficulty supplying sufficient water and under the Provincial Water Act no wells are allowed when a municipal water system already exists.

Councillor Garbutt asked Bob Hamilton how he plans to address the concerns regarding noise, light, campfires, pollution, etc. B. Hamilton replied that the noise will be reduced primarily by reducing the number of RV stalls by 50% from the original proposal. He further stated that he will build a substantial fence bordering the road that will act as a noise buffer. He stated that he will plant a number of noise buffering shrubbery and other landscaping along with the 8 to 10 foot fence to help with privacy, it would be made of a solid maintenance free material.

Councillor Garbutt asked to clarify that the entire campground would be surrounded by a ten foot tall privacy fence. B. Hamilton replied yes, he and his wife want to work with the residents and accommodate their concerns for noise and privacy and are trying to work with them. He further stated that the Province will allow the road to be widened to include sidewalks and this project could introduce this road improvement.

Councillor Garbutt stated that Council can only vote on the proposal that is provided to them, so that is the original application.

B. Hamilton stated that they are here to address the request for a change in zoning. R. Romanetz agreed and stated that the this hearing is with regard to the zoning, and if approved, they can then make an application to develop the property.

Mayor Yemen asked if there were any speakers that would like to provide a rebuttal.

**1. Bob Hamilton**

A summary of the rebuttal provided by Bob Hamilton is as follows:

- he has tried to address the amount of increased traffic by rerouting the traffic to the NE portion of the property
- concerns over noise and privacy are understandable concerns
- plans to build a high end RV park over five acres with a putting green, mini golf, and a water feature recreation area
- the idea of membership is to encourage residents to access and use the park
- the development would enhance the area
- the buildings would be unique and artistic and the fence would also include artistic elements

**2. Norah Hamilton**

No rebuttal provided.

**3. No Name Provided**

A woman in attendance asked if the project membership would still be available if the property was sold in future. Mayor Yemen advised that no one can answer that question.

**4. Mikala Chambers**

Asked how long the project would take to construct, how long the residents would have to deal with the construction noise and how she would be expected to sell her house with this going on.

**5. Alex Heardman**

Stated that if the road is widened he would then lose some of his property frontage.

**6. Verne Pascoe**

Stated as a resident he is only allowed to build a six foot fence, why can the project have a ten foot fence. Mayor Yemen stated that there is a development process to go through to determine the details.

V. Pascoe asked to hear what the actual project will be. Mayor Yemen advised that Council will rule on the original application for rezoning, and advised that there is a lot of process left before any type of development approval and construction can take place.

**7. Justin Chambers**

Stated that the Hamiltons are talking about memberships for this project and he feels it is disgraceful that it takes this type of development to get the road widened and a decent playground.

**8. Marnie Pedersen**

Stated that membership is a code word for investment in the project.

**9. Charles Deal**

Stated that Mabbot Road is residential but it is incredibly busy, he is concerned with the elevation of the property as the noise will carry.

Mayor Yemen called a close to the Public hearing at 6:19 pm.

**4.0 ADOPTION OF AGENDA**

MO2016.136 Hansen-Zacharuk, Zariski Moved to adopt the agenda as amended with the addition of item 14.1 In Camera Legal Matter. Carried unanimously.

**5.0 MINUTES**

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

**5.1.1 Regular Council Meeting Minutes of October 3, 2016**

MO2016.137 Kolafa, McMillan Moved to accept the Regular Council Meeting Minutes of October 3, 2016 as presented. Carried unanimously.

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

**5.3. BUSINESS ARISING FROM THE MINUTES**

**6.0 DELEGATIONS**

~~6.1 Travel-Drumheller Update—Alyssa Berry~~

**7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS**

**8.0 REQUEST FOR DECISION REPORTS**

**8.1. CAO**

**8.2. DIRECTOR OF INFRASTRUCTURE SERVICES**

**8.2.1 Request for Decision - Aquaplex Modernization - General Construction and Retrofit**

D. Drohomerski presented a Request for Decision for the Aquaplex Modernization - General Construction and Retrofit. This project includes the demolition of the existing pool liner, installation of a new liner system (by others) upgrades to mechanical, electrical and architectural components within the Aquaplex. On July 29, 2016, a Request for Proposal was posted on APC. On August 25, 2016, three proposals were received and are summarized as follows:

Shunda Construction Management – \$ 1,257,000.00

Pearl Rose Construction Ltd. – \$ 1,481,784.00

Lear Construction Management - \$ 1,592,800.00

Pre-tender cost estimate from Stantec - \$834,000.00

Subsequent to the proposal opening, the Town requested that the low bidder provide an alternative schedule and pricing for a May 2017 construction start. On September 15, 2016, Shunda Construction Management submitted a revised price adjustment for spring/summer 2017 construction period I the amount of \$ 1,314,000.00. D. Drohomerski stated that the Myrtha Systems pool liner has been ordered and will arrive in about two weeks. After the initial bids were received the project consultants, Stantec, were asked to determine why there was a dramatic cost increase. They provided a report from Turner and Townsend which identified the main issues being mechanical upgrades to allow for wider pipes and other suggested improvements from Myrtha Pools increased the costs, along with structural changes such as compressed air lines and concrete modifications.

In response to a question from Council, D. Drohomerski advised that addenda are not unusual, and were a part of this tendering process. He further advised that part of the increase in cost were due to the change to a spring start time, as well as the accommodation costs for the workers. R. Romanetz advised that the development of the detailed shop drawings took three months, which was much longer than expected, and the cost was also impacted by the fact that less bids were received than anticipated. Based on other projects we have tendered this year, the cost consultants anticipated eight to ten bidders for this project, which would have been more competitively priced. The low number of bidders contributed to the increased cost. R. Romanetz further advised that, if the project were to be retendered, we do not know if we would receive a higher number of bids or lower priced bids.

MO2016.138 Shoff, Hansen-Zacharuk Moved to accept the lowest quote which meets all the criteria to award the Aquaplex Modernization - General Construction and Retrofit to Shunda Construction Management in the amount of \$ 1,314,000.00.

VOTE on Motion:

For : Mayor Yemen, Councillor Zariski

Against: Councillor Garbutt, Councillor Hansen-Zacharuk, Councillor Kolafa, Councillor McMillan, Councillor Shoff.

DEFEATED.

**8.2.2 Request for Decision - Aquaplex Modernization - Myrtha Systems Installation**

As the previous motion was defeated, Mayor Yemen asked R. Romanetz his recommendation on whether to proceed with the Request for Decision to award the Myrtha Systems Installation for the Aquaplex Modernization. R. Romanetz advised that the bids received for the Myrtha Pool installation were within the budgeted amount, however, if the project will not go forward within the anticipated timelines, the pool liner will have to go into storage until the budget concerns can be sorted out. Administration recommended that due to the General Construction tender award being defeated, the installation of the liner contract be tabled.

Council agreed to table the matter.

**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**

**10.1 Bylaw 14.16 - second and third readings**

MO2016.139 Shoff, Hansen-Zacharuk Moved second reading of Bylaw 14.16

Discussion was held on the motion.

DEFEATED unanimously.

MO2016.140 Shoff, Hansen-Zacharuk moved third and final reading of Bylaw 14.16.

Discussion was held on the motion.

DEFEATED unanimously.

**11.0 UNFINISHED BUSINESS**

**12.0 NOTICE OF MOTION**

**13.0 COUNCILLOR REPORTS**

**14.0 IN-CAMERA MATTERS**

**14.1 Legal Matter**

MO2016.141 Hansen-Zacharuk, Shoff Moved to go In Camera at 6:47 pm.  
Carried unanimously.

Councillor Zariski left the meeting at 7:03 PM.

MO 2016.142 Hansen-Zacharuk, Shoff Moved to come out of Camera at  
7:05 PM.

There being no further business, Mayor Yemen adjourned the meeting at 7:05 PM.

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Chief Administrative Officer

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Mayor



### Request for Decision

**Date:** October 27, 2016

<b>Topic:</b>	Aquaplex Modernization – Myrtha Pool Installation
<b>Proposal:</b>	<p>The Town of Drumheller is renovating the Aquaplex indoor pool with the installation of a gradual entry pool liner and associated works. This pool liner system was awarded on April 21, 2016 to NCA Aquatics for a Myrtha Systems brand liner system. The pool liner is currently in transit and is according to the supplier, is expected to arrive in Drumheller around November 1.</p> <p>In order to validate the 25 year warranty on their product as well as to ensure proper installation of the product, the manufacturer requires that the pool installer be certified by Myrtha Pools prior to installation of the product.</p> <p>On July 29, 2016, a Request for Proposal was provided to a list of preferred installers as well as posted on APC. On August 25, 2016, two proposals were received and are summarized as follows:</p> <p>Master Pools Alberta Ltd. – \$ 349,815.00 Priority SS – \$ 482,469.00</p> <p>Subsequent to the proposal opening, the Town requested that the low bidder provide an alternative schedule and pricing for a May 2017 construction start. On September 15, 2016, Master Pools submitted the following price adjustment for spring/summer 2017 construction period:</p> <p>Master Pools Alberta Ltd. – \$ 378,345.00</p>
<b>Proposed by:</b>	Darryl Drohomerski, C.E.T., Director of Infrastructure Services
<b>Correlation to Business (Strategic) Plan:</b>	The Town of Drumheller Capital Budget has allocated a total of \$ 2,110,778.00 for the Aquaplex Modernization Project. To date \$ 968,248.00 has been spent for the purchase of the Myrtha Pool Liner system and engineering fees for this project.
<b>Benefits:</b>	<p>The completed project will improve aquatic activities and provide greater accessibility for residents and visitors.</p> <p>The installation of the liner by a certified pool installer will validate the 25 year warranty on the pool liner.</p>
<b>Disadvantages:</b>	The budget required to complete this project may financially impact other projects in 2017.

#### INFRASTRUCTURE SERVICES

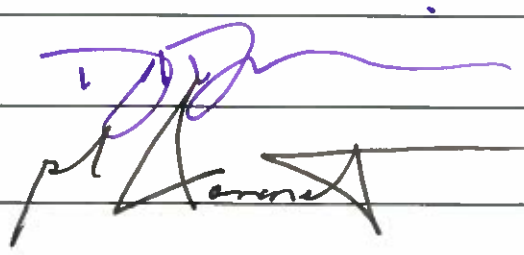
Telephone: (403) 823-1312

Created By: Darryl Drohomerski, C.E.T.

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## Agenda Item # 8.2.1

<b>Alternatives:</b>	None.		
The total cost of the Aquaplex modernization project is summarized as follows:			
Myrtha Pool System Purchase			\$791,503.00
Stantec Consulting			\$176,745.10
Master Pools Alberta Ltd.			\$378,345.00
<b>Total</b>			<b>\$2,663,073.10</b>
Budget Available			<b>\$2,110,778.00</b>
<b>Approved Budget:</b>	\$2,110,778.00	<b>Source of Funds:</b>	<b>Capital</b>
<b>Budget Available:</b>	<b>\$968,248.10</b>	<b>Capital Cost for this Decision:</b>	<b>\$378,345.00</b>
<b>Underbudget Savings:</b>	\$	<b>Overbudgeted Cost:</b>	
<b>Communications Strategy:</b>	Both vendors will be advised of a non-award.		
<b>Recommendations:</b>	It is recommended that the Town of Drumheller not proceed with this award and reject all tenders, and further, that Council direct Administration to look at alternatives to identify project savings and retender the project for a spring 2017 construction start.		
<b>Report Writer:</b>	Darryl Drohomerski, C.E.T.		
<b>Position:</b>	Director of Infrastructure:		
	R. M. Romanetz, P.Eng.		
	Chief Administrative Officer:		



## COUNCIL REPORT

Prepared by: Barbara Miller, CPA, CGA, CLGM  
Director, Corporate Services

Date: October 25, 2016

Subject: ***Alberta Local Authority Reciprocal Insurance Exchange (ALARIE)***

### Background

During the late 80's, in response to rising premium costs, Alberta Urban Municipalities Association (AUMA), Alberta Association of Municipal Districts and Counties (AAMDC) and Alberta School Trustees Association (ASTA) (now known as the Alberta School Boards Association (ASBA)), established a reciprocal insurance exchange under the Insurance Act, for the purpose of providing an affordable alternative insurance option for members of their associations. With the exception of the cities of Edmonton and Calgary, the majority of municipal bodies in Alberta, including Drumheller, were subscribers to ALAIRE [1].

Subsequently, in 2002, a motion of the ALAIRE board was passed to cease operations. This decision was not based on financial concerns but was made because the three (3) Associations collectively felt that it would be in their members' best interests to operate their own reciprocals. ALAIRE operated until December 31, 2002 when it stopped issuing insurance contracts [1,19].

Despite ceasing operations, by pure nature of the insurance industry, pre-existing loss claims can take several years to resolve or be reported by the claimant. Consequently, as expected, ALAIRE continued to administer claims issued prior to December 31, 2002 until the last claim was settled in 2015[2]. With the final claim being settled, the remaining assets of ALAIRE, roughly Thirteen and half million (\$13.5m) are now available for distribution to the remaining share holders.

Once the final claim(s) were settled, ALAIRE retained forensic accountants, MNP LLP to review the extensive documents relating to ALAIRE, to collect evidence of and conduct investigation as required for the purpose of advising ALARIE with respect to the equitable distribution of its assets [1].

MNP completed its investigation and analysis and presented a report of findings in March 2016. The report includes a recommendation for the method of distribution of assets and the calculated distribution amounts by shareholder, that are considered to be the most reasonable and appropriate given the governing Agreements, acts, regulations, financial and business information available for review [2].

As part of its analysis of method for distribution, MNP considered the following three (3) differing calculation methods.

- **Base Calculation** – this method reflected the literal interpretation of the Subscriber Agreements, but did not consider the impact of Capital Premiums that were levied for a period of time, nor did it consider the financial impact of other ALAIRE activity conducted but not addressed in the Subscriber Agreement [2, pg35];
- **Capital Calculation** - this method was based wholly on Capital Premiums to acknowledge that without the Capital Premiums once collected, there would be no surplus funds to be distributed[2, pg35];
- **Comprehensive Calculation** – this method includes consideration of all of ALARIE's activities and all funds received or paid on behalf of Subscribers[2, pg35]

On completion of their analysis, MNP LLP recommended the Comprehensive Calculation as the most appropriate manner in which to distribute the remaining equity of ALARIE, as it acknowledges the claims experience of each Subscriber as well as all of the operational flow of funds while remaining true to the intent of ALARIE's Subscriber Agreement and the spirit of its operations [2, pg35]. Under this method, 227 Subscribers will be allocated a portion of the equity balance ranging in value from ninety-three (\$93) dollars to just over one million (\$1,079,545) dollars. **The Town of Drumheller was not identified as one of the 227 Subscribers entitled.**

As per MNP's findings, following is a summary of the financial activity during the period that ALARIE was in operation that is specific to Town of Drumheller and the MD of Badlands No. 7, consolidated due to the amalgamation;

Premiums (0-10k)	\$ ( 45,079.70)
Capital Contribution	( 28,562.54)
Dividends attributed	<u>( 12,150.20)</u>
	\$ ( 85,792.44)
Claims	140,149.25
Joint Venture Attribution	<u>32,017.30</u>
Balance	\$ 86,374.11

Based on the finding of MNP LLP forensic audit, the benefit as a Subscriber realized by Town of Drumheller was Eighty-six thousand (\$86k) over and above premiums and capital contribution paid and dividends attributed, resulting in zero percent (0%) equity under the Comprehensive Calculation. Under the Basic Calculation method, the Town was eligible for zero (0%) share of the equity balance and Fifty-nine thousand, nine-hundred sixty seven dollars (\$59,967.04) under the Capital Calculation method.

In April 2016, ALARIE's attorney applied to Alberta Treasury and Finance Board for approval of the voluntary liquidation and distribution of ALARIE's assets pursuant to Section 187(2) of the Act and the cancellation of ALARIE's insurance license in accordance with section 53 of the Act, following the final distribution [3]. Under the Ministers authority, approval as requested was granted by the Superintendent of Insurance on June 10, 2016[4].

### What Next?

The application to the Court of Queen's Bench for approval of expenses and distribution of assets is scheduled to be heard December 19<sup>th</sup>, 2016. It is anticipated that approval will be granted. Following that, the distribution of assets will occur as approved. Once complete, documentation of such will be filed and the cancellation of ALARIE's insurance license will be finalized.

### Financial Impact

Since 2001 (or earlier), the annual audited financial statements for the Town of Drumheller have included an asset value recorded as *Shares: Municipal Reciprocal Insurance (ALARIE)* in the amount of Eighty-four thousand five hundred and twenty-six dollars (\$84,526) and an offsetting liability recorded as *Contingency Fund ALARIE*, in the amount of Seventy-two thousand nine hundred and nine dollars (\$72,909). The net value of the two equates to an asset value of Eleven thousand six hundred and seventeen dollars (\$11,617).

Subsequent to the courts approval of expenses and the distribution of assets, the asset and liability balance sheet accounts related to ALARIE will be cleared to zero (\$0), resulting in a loss (expense) of eleven thousand six hundred and seventeen dollars (\$11,617) being reported in the 2016 operating statements.

### Additional Information

The complete information (affidavit, expert report) can be further reviewed on the internet through the following link(s).

<http://www.ogilvie.com/case-updates/item-03/filed%20Experts%20Report.pdf>

Additionally, AUMA recently held a series of webinars for subscribers outlining the above. The webinar power point presentation is also available at the following link

<http://www.ogilvie.com/case-updates/Presentation%20ALARIE%2019%20Sep%202016.pdf>

### Reference

- [1] Court of Queen's Bench of Alberta  
File no. 1603 13949  
Alberta Local Authorities Reciprocal Insurance Exchange  
Affidavit
- [2] MNP  
Alberta Local Authorities Reciprocal Insurance Exchange  
Equity Distribution – Investigative Forensic Accounting Report
- [3] Ogilvie LLP – Letter dated April 26, 2016
- [4] Alberta Treasury Board and Finance – Letter dated June 10w, 2016

**TOWN OF DRUMHELLER**

**BYLAW NO. 15.16**

**A BYLAW OF THE TOWN OF DRUMHELLER TO AMEND BYLAW NO. 07.14  
being a bylaw to establish fees for the issuance of permits of overweight  
and over-dimensional commercial vehicles on highways under the  
direction, control and management of the Town of Drumheller**

The Council for the Town of Drumheller, duly assembled enacts as follows:

1. That Town of Drumheller Bylaw No. 07.14 Schedule A be amended as follows:
  - a) Permit Application Fee (each) \$20.00 Fixed Fee
2. This bylaw shall take effect on the day of the final passing thereof.

READ A FIRST TIME this 31<sup>st</sup> day of October, 2016.

READ A SECOND TIME this 31<sup>st</sup> day of October, 2016.

READ A THIRD TIME AND PASSED this 31<sup>st</sup> day of October, 2016.

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MAYOR

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CHIEF ADMINISTRATIVE OFFICER

**TOWN OF DRUMHELLER  
BYLAW NO. 07.14**

**A Bylaw of the Town of Drumheller to establish fees for the issuance of permits of overweight and over- dimensional commercial vehicles on highways under the direction, control and management of the Town of Drumheller**

**WHEREAS** the Town of Drumheller has enacted Bylaw 07.14 for the purpose of restricting the weight and size of vehicles or of vehicles and the goods being carried by the vehicles operating on highways under the direction, control and management of the Town;

**AND WHEREAS**, the Province of Alberta has developed the Transportation Routing and Vehicle Information System Multi Jurisdiction (TRAVIS-MJ) to address industry's need for a simplified, electronic commercial vehicle permitting system;

**AND WHEREAS**, the Transportation Routing and Vehicle Information System Multi Jurisdiction (TRAVIS-MJ) system has the ability to charge permit applicants a fee set by the municipality for services provided to the municipality;

**AND WHEREAS**, the fee will be collected by the Province on behalf of the municipality will be distributed to the municipality to ensure that the municipality does not incur any costs through its adoption of the Transportation Routing and Vehicle Information System Multi Jurisdiction (TRAVIS-MJ) system.

**NOW, THEREFORE**, the Municipal Council of the town of Drumheller, in the province of Alberta, Duly Assembled, enacts as follows:

1. In this Bylaw
  - i) "Municipality" means the Town of Drumheller
  - ii) "Council" means the Municipal Council of the Town of Drumheller
2. That a fee be charged to the applicants for the issuing of permits for overweight and oversize vehicles or of vehicles and the goods being carried by the vehicles to operate on highways under the direction, control and management of the Municipality and such fee shall be in accordance with Schedule "A" attached to and forming part of this Bylaw.
3. Schedule "A" of this Bylaw may be amended from time to time by resolution of Council.
4. The Municipality hereby delegates to the Province of Alberta, through the Transportation Routing and Vehicle Information System Multi Jurisdiction (TRAVIS-MJ) system, the ability to

## **Agenda Item # 8.5.1**

- charge permit applicants a fee as set by the Municipality.
5. The invalidity of any section, clause, sentence or provision of this bylaw shall not affect the validity of any other part of this bylaw, which can be given effect with such invalid part or parts.
  6. This Bylaw shall come into full force upon third and final reading thereof.

***NOW THEREFORE, THE MUNICIPAL COUNCIL OF THE TOWN OF DRUMHELLER, IN THE PROVINCE OF ALBERTA, ENACTS AS FOLLOWS:***

READ a first time this 28<sup>th</sup> day of July, 2014.

READ a second time this 28<sup>th</sup> day of July, 2014.

READ a third time this 28<sup>th</sup> day of July, 2014.

  
\_\_\_\_\_  
Mayor Terry Yemen

  
\_\_\_\_\_  
R.M. Romanetz, C.A.O.

**TOWN OF DRUMHELLER  
BYLAW NO. 07.14**

**Fees for Issuing Permits of Overweight and Over-Dimensional Commercial Vehicles on Highways  
under the Direction, Control and Management of The Town of Drumheller**

**SCHEDULE "A"  
FEES**

<b>ITEM</b>	<b>FEE</b>
1. Permit Application Fee (each)	<del>\$15.00</del> Fixed Fee