

Town of Drumheller COUNCIL MEETING AGENDA

**June 26, 2017 at 4:30 PM
Council Chamber, Town Hall
224 Centre Street, Drumheller, Alberta**



Page

1.0 CALL TO ORDER

- 1.1 Councillor Sharel Shoff to be sworn in as Deputy Mayor for the months of July and August, 2017

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

- 3-7 5.1.1 Regular Council Meeting Minutes of June 12, 2017

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

- 8-9 8.1.1 Bylaw 04.17 being a bylaw to incur indebtedness by the issuance of debentures(s) in the amount of \$497,400 for the purpose of Flood Mitigation in Central Drumheller through berm enhancement and construction

8.1. CAO

10-11 8.1.2 Bylaw 05.17 being a bylaw to incur indebtedness by the issuance of debentures(s) in the amount of \$516,000 for the purpose of Flood Mitigation in East Midland and Newcastle through berm enhancement and construction

12-13 8.1.3 RFD - Economic Development Advisory Committee Appointment

8.2. DIRECTOR OF INFRASTRUCTURE SERVICES

8.3. DIRECTOR OF CORPORATE SERVICES

14-17 8.3.1 RFD - Auditor Appointment - 2017 and 2018

8.4. DIRECTOR OF COMMUNITY SERVICES

18-20 8.4.1 RFD - Liquor Service Model at Badlands Community Facility

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

14.1 Labour Matter

**Town of Drumheller
COUNCIL MEETING
MINUTES**

June 12, 2017 at 4:30 PM

Council Chamber, Town Hall

224 Centre Street, Drumheller, AB, T0J 0Y4



PRESENT:

MAYOR:

Terry Yemen

COUNCIL:

Jay Garbutt

Lisa Hansen-Zacharuk

Patrick Kolafa

Tara McMillan

Sharel Shoff

Tom Zariski

CHIEF ADMINISTRATIVE OFFICER/ENGINEER:

Ray Romanetz

DIRECTOR OF CORPORATE SERVICES

Barb Miller

DIRECTOR OF INFRASTRUCTURE SERVICES:

Darryl Drohomerski

DIRECTOR OF COMMUNITY SERVICES:

Paul Salvatore

RECORDING SECRETARY:

Libby Vant

DIRECTOR OF PROTECTIVE SERVICES:

Greg Peters

1.0 CALL TO ORDER

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

2.0 MAYOR'S OPENING REMARK

MO2017.72 Shoff, Hansen-Zacharuk moved that Council approve the new summer meeting schedule with the cancellation of two Regular Council Meetings on July 10th and August 8th, 2017 and the Committee of the Whole Meetings will be held at the call of the Mayor. Carried unanimously.

Mayor Terry Yemen proclaimed the month of June as Recreation and Parks Month.

3.0 PUBLIC HEARING

4.0 ADOPTION OF AGENDA

MO2017.73 .Hansen-Zacharuk, Garbutt 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 May 29, 2017

MO2017.74 Shoff, Zariski moved to adopt the Regular Council Meeting Minutes of May 29, 2017 as presented. Carried unanimously.

5.2. MINUTES OF MEETING PRESENTED FOR INFORMATION

5.3. BUSINESS ARISING FROM THE MINUTES

6.0 DELEGATIONS

7.0 COMMITTEE OF THE WHOLE RECOMMENDATIONS

8.0 REQUEST FOR DECISION REPORTS

8.1 CAO

8.1.1 Bylaw 07.17

R. Romanetz presented Bylaw 07.17 being a bylaw to amend the Land Use Bylaw to reclassify property in the Rosedale area from "UT" Urban Transitional to "R-CH" Residential Cottage Housing which is the same property previously considered in October 2016. He further advised that the applicant is R.A. Hamilton & Associates and the proposal is to construct 58 manufactured cottages on a parcel of land approximately 10 acres in size. He explained that the applicant does not intend to subdivide the land into lots but proposes to enter into a 22 year standard lease agreement with the homeowner. He further advised that if Council agrees to give first reading, the package of information will be sent to the neighboring properties and advertised in the local newspaper for two consecutive weeks. He noted that no specific date for the hearing has been set as of yet.

MO2017.75 Garbutt, Hansen-Zacharuk moved first reading Bylaw 07.17.

Councillor J. Garbutt stated that given the experience the last time the applicant put forward a land use amendment, he requested that the proposal be circulated to more than the minimum requirement around the neighborhood. Councillor T. Zariski asked for clarification on whether a residential cottage housing district would allow a campground. R. Romanetz clarified that the R-CH uses are seasonal or year round occupancy and although campgrounds are potential uses, the Municipal Planning

Commission would review the suitability of any development application. He further explained that the application has not given any indication that any other use is going to be considered at this time. Councillor T. McMillan asked if the homeowner would be able to rent out their cottage? R. Romanetz advised that there would be an opportunity to ask these types of questions of the applicant at the hearing. The current application submitted does not deal with this question.

Vote on Motion:

6 in favour – Yemen, Shoff, Zariski, Kolafa, Garbutt, McMillan

1 opposed – Hansen-Zacharuk

Carried.

8.2. DIRECTOR OF INFRASTRUCTURE SERVICES

8.3. DIRECTOR OF CORPORATE SERVICES

8.4. DIRECTOR OF COMMUNITY SERVICES

8.4.1. Economic Development Advisory Committee Recommendations

P. Salvatore presented the Economic Development Advisory Committee recommendations as it impacts the 2017 budget amendment.

Council dealt with each recommendation separately.

Council agreed to proceed with Recommendations 1 and 2

Council agreed to allocate \$60,000 to hire a Cold Calling Marketer (Investment Readiness Staff) – recommend the use of \$20,000 to develop a professional marketing package and the remaining \$40,000 used to support the hiring of a staff member on a eight (8) month contract position. Council agreed that the skill sets must include local knowledge, strong verbal communication, experience with cold calling and marketing skills to sell the community along with using Drumhellerites to do testimonials and sharing success stories. Council agreed that the deliverables must include script development and setting aside time for cold calling. J. Fielding asked if the deliverable could include trade shows? Councillor J. Garbutt stated that only if the budget would allow but not to the exclusion of other tasks. He further stated that the expectation would be for the contractor to go where people are buying.

Council agreed to proceed with Recommendation 3

Council agreed that \$20,000 of the theming funds be used for the development of marketing materials / collateral. This would be to aid with corporate identity and the development of professional marketing tools for Drumheller. Councillor T. Zariski stated that there may be opportunities to partner with the Museum and Golf Course on marketing. C. Curtis stated that the Town needs to develop an inventory for prospective employers.

Council agreed with Recommendation 4 which includes the Committee's re-evaluated figures from those presented to Council on the April 29th. The Committee has reduced the cost of public consultation for long-term visioning, however the Committee is still bound by the terms of the CARES grant which shows an allocation of at least \$20,000 for work that has already been undertaken with Urban Systems. This amount has been reduced from \$40,000 to \$23,000. The cost savings will be realized through increased staff time and collaboration directly with the public.

In response to a question from Councillor P. Kolafa, it was explained that the CARES grant dollars is a matching grant and these dollars are included in the budget and are not part of the budget amendment for economic development initiatives. Councillor J. Garbutt noted the costs to host a consultation event at \$23,000 and questioned the high price tag. J. Fielding explained that Urban Systems is designing a 3-D model with online consultation in addition to hosting an event in the downtown core. Based on the input received, Urban System may have to revise the 3-D model and consult with the public again, and depending on the second round of input, further changes may need to be made on the final design. The final design is expected to be completed by the end of summer. Councillor P. Kolafa asked if Urban Systems is designing a new model or is the model based on the previous consultation report. J. Fielding explained that the model is based on a hybrid from previous and recent input. P. Salvatore explained that once the design is finalized, the project will be rolled into the multi-year capital plan. He further explained that the process as outlined is the road map for moving the project forward for revitalization in the downtown core over a 3-5 year timeframe. R. Romanetz explained that \$200,000 (includes a carryover from last year) is included in the 2017 budget for beautification projects this year.

After a more detailed description of the project and the enjoyment it is intended to create for young tourists, Council agreed to proceed with public input for Recommendation 5. The Committee strongly; and unanimously recommend proceeding with the Dinosaur Street Naming project (13 streets would have a secondary dinosaur themed name commencing from 3rd St. W to 1st St. E and Railway to Riverside Dr.) and commencing with the Dinosaur Medallion / Wayfinding project. This project will be funded through the theming budget. S. Manca, Chair, Economic Development Advisory Committee explained that the Dinosaur Street Naming and Medallions would be a nice addition to the Town's wayfinding signage and would be a relatively quick and fun way with the least costs to boost the tourism experience. It is hoped that tourists would explore Drumheller rather than just going to the Museum.

Councillor S. Shoff asked for a detailed breakdown of the \$50,000 budgetted for theming. J. Fielding stated that she will provide this information to Council. She further explained that \$17,000 extra is to be used for painting dinosaur themes on infrastructure, decals on trucks, banners across the highway, etc. R. Romanetz advised that any banner installations would have to be approved by Alberta Transportation.

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

MO2017.76 Garbutt, McMillan moved to go in camera at 5:35 PM. Carried.

14.1 Legal Matter

MO2017.77 McMillan, Zariski moved to go out of camera at 6:05 PM. Carried.

There being no further business, the Mayor declared the meeting adjourned at 6:05 PM.

Chief Administrative Officer

Mayor

BY-LAW NO. 04.17
OF THE TOWN OF DRUMHELLER

(hereinafter referred to as “the Municipality”)

IN THE PROVINCE OF ALBERTA

This by-law authorizes the Council of the Municipality to incur indebtedness by the issuance of debenture(s) in the amount of \$497,400 for the purpose of Flood Mitigation in Central Drumheller through berm enhancement and construction.

WHEREAS:

The Council of the Municipality has decided to issue a by-law pursuant to Section 258 of the *Municipal Government Act* to authorize the financing, undertaking and completion of the Flood Mitigation construction.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$3.7million and the Municipality estimates the following grants and contributions will be applied to the project:

Provincial Grants	\$3,202,600
Debenture(s)	<u>\$497,400</u>
Total Cost	\$3,700,000

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$497,400, for a period not to exceed 30 years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this by-law.

The estimated lifetime of the project financed under this by-law is equal to, or in excess of 75 years.

The principal amount of the outstanding debt of the Municipality at December 31, 2016 is \$10,467,205 and no part of the principal or interest is in arrears.

All required approvals for the project have been obtained and the project is in compliance with all *Acts* and *Regulations* of the Province of Alberta.

...

Agenda Item # 8.1.1

**NOW, THEREFORE, THE COUNCIL OF THE MUNICIPALITY DULY
ASSEMBLED, ENACTS AS FOLLOWS:**

1. That for the purpose of flood mitigation in Central Drumheller through berm enhancement and construction, the sum of FOUR HUNDRED AND NINETY-SEVEN THOUSAND AND FOUR HUNDRED DOLLARS (\$497,400) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of \$497,400 is to be paid by the Municipality at large.
2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely the enhancement and construction of berms in Central Drumheller for flood mitigation.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest instalments not to exceed THIRTY (30) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed EIGHT (8) percent.
4. The Municipality shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the by-law shall be applied only to the project specified by this by-law.
7. This by-law comes into force on the date it is passed.

READ A FIRST TIME THIS ____ DAY OF ____, 2017.

READ A SECOND TIME THIS ____ DAY OF ____, 2017.

READ A THIRD TIME THIS ____ DAY OF ____, 2017.

(CHIEF ELECTED OFFICIAL)

(CHIEF ADMINISTRATIVE OFFICER)

SEAL

**BY-LAW NO. 05.17
OF THE TOWN OF DRUMHELLER**

(hereinafter referred to as “the Municipality”)

IN THE PROVINCE OF ALBERTA

This by-law authorizes the Council of the Municipality to incur indebtedness by the issuance of debenture(s) in the amount of \$516,000 for the purpose of Flood Mitigation in East Midland and Newcastle, through berm enhancement and construction.

WHEREAS:

The Council of the Municipality has decided to issue a by-law pursuant to Section 258 of the *Municipal Government Act* to authorize the financing, undertaking and completion of the flood mitigation construction.

Plans and specifications have been prepared and the total cost of the project is estimated to be \$3.73million and the Municipality estimates the following grants and contributions will be applied to the project:

Provincial Grants	\$3,211,000
Debenture(s)	<u>\$516,000</u>
Total Cost	\$3,727,000

In order to complete the project it will be necessary for the Municipality to borrow the sum of \$516,000, for a period not to exceed 30 years, from the Alberta Capital Finance Authority or another authorized financial institution, by the issuance of debentures and on the terms and conditions referred to in this by-law.

The estimated lifetime of the project financed under this by-law is equal to, or in excess of 75 years.

The principal amount of the outstanding debt of the Municipality at December 31, 2016 is \$10,467,205 and no part of the principal or interest is in arrears.

All required approvals for the project have been obtained and the project is in compliance with all *Acts* and *Regulations* of the Province of Alberta.

...

Agenda Item # 8.1.2

**NOW, THEREFORE, THE COUNCIL OF THE MUNICIPALITY DULY
ASSEMBLED, ENACTS AS FOLLOWS:**

1. That for the purpose of flood mitigation in East Midland and Newcastle through berm enhancement and construction, the sum of FIVE HUNDRED AND SIXTEEN THOUSAND DOLLARS (\$516,000) be borrowed from the Alberta Capital Finance Authority or another authorized financial institution by way of debenture on the credit and security of the Municipality at large, of which amount the full sum of \$ 516,000 is to be paid by the Municipality at large.
2. The proper officers of the Municipality are hereby authorized to issue debenture(s) on behalf of the Municipality for the amount and purpose as authorized by this by-law, namely the enhancement and construction of berms in East Midland and Newcastle for flood mitigation.
3. The Municipality shall repay the indebtedness according to the repayment structure in effect, namely semi-annual or annual equal payments of combined principal and interest instalments not to exceed THIRTY (30) years calculated at a rate not exceeding the interest rate fixed by the Alberta Capital Finance Authority or another authorized financial institution on the date of the borrowing, and not to exceed EIGHT (8) percent.
4. The Municipality shall levy and raise in each year municipal taxes sufficient to pay the indebtedness.
5. The indebtedness shall be contracted on the credit and security of the Municipality.
6. The net amount borrowed under the by-law shall be applied only to the project specified by this by-law.
7. This by-law comes into force on the date it is passed.

READ A FIRST TIME THIS ____ DAY OF ____, 2017.

READ A SECOND TIME THIS ____ DAY OF ____, 2017.

READ A THIRD TIME THIS ____ DAY OF ____, 2017.

(CHIEF ELECTED OFFICIAL)

(CHIEF ADMINISTRATIVE OFFICER)

SEAL



DRUMHELLER

CHIEF ADMINISTRATIVE OFFICER

Agenda Item # 8.1.3



Request for Decision

		Date:	June 23, 2017
Topic:	Economic Development Advisory Committee		
Background:	The Economic Development Advisory Committee has one public at large vacancy due to the resignation of Adrian Hartman as he has relocated to another community. One application was received from Mr. John Goudy. Administration is recommending that Council appoint Mr. John Goudy, for a term of three years.		
Proposed by:	Town of Drumheller		
Correlation to Business (Strategic) Plan	Volunteering for Town of Drumheller Boards and Committees is an important way to ensure that town business operates in an open and transparent way, as identified in the Municipal Sustainability Plan.		
Benefits:	Volunteer appointments are necessary to ensure the success of the Economic Development Task Force.		
Disadvantages:	Volunteer recruitment and selection is dependant upon the interest of community applicants.		
Operating Costs:	-0-	Capital Cost:	
Budget Available:	-0-	Source of Funds:	
Budget Cost:	-0-	Underbudgeted Cost:	
Recommendations:	That Council approves the appointment of Mr. John Goudy to the Economic Development Advisory Committee for a three year term expiring at Council's 2020 Organizational Meeting.		
Report Writer:	R.M Romanetz, P.Eng.	CAO:	
Position:	Chief Administrative Officer		

OFFICE OF THE CHIEF ADMINISTRATIVE OFFICER

Telephone: (403) 823-1339

	Created By: Linda Handy	1
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DRUMHELLER

CHIEF ADMINISTRATIVE OFFICER



APPLICATION TO SERVE ON TOWN PUBLIC SERVICE BOARDS

Date June 14/17
Board applied for Economic Development Advisory Committee
Name of Applicant JOHN A. Gaudy
Full Address 1000 - 100 Drumheller Ave. AB Postal Code T0J 0Y0
Length of Residency in Town 15⁺ years
Phone (403) 3 E-mail Address _____
Past Service on Similar Boards Hillcrest Extendedicare Family
Advisory Council.

BRIEF PERSONAL HISTORY (include information which you feel would assist Council in making a decision as to your capabilities to serve on this Board)

Been and raised in Drumheller. My family has been
community residents and business owners since approx. 1968.
I am excited about the opportunity to invest my experience and
Economic Sensitivity developed by 25⁺ years of business international consulting
to the ongoing economic and community development
of Drumheller.

Signature of Applicant

Return Email Address: lhandy@dinosaurvalley.com

Personal Information is being collected for the purpose of appointing individuals to Town public service boards pursuant to the provisions of the Municipal Government Act and its regulations, and pursuant to Section 34(2) of the Freedom of Information and Protection of Privacy Act. If you have any questions about the collection of your personal information, you may contact the F.O.I.P. Coordinator at (403)823-1339.

Town of Drumheller
224 Centre Street
Drumheller, AB T0J 0Y4

www.dinosaurvalley.com

Telephone: (403) 823-1339
Fax: (403) 823-8006

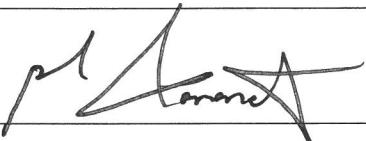


Request for Decision

		Date:	June 12, 2017
Topic:	Auditor Appointment – 2017 and 2018		
Proposal:	Extend appointment of Collins Barrow LLP Edmonton, auditors for the Town of Drumheller, the Drumheller Library and the Drumheller and District Solid Waste Management Association for an additional 2 years (2017 and 2018).		
Proposed by:	Barbara Miller, CPA, CGA, CLGM Director, Corporate Services		
Background	<p>Section 280(1) of the Municipal Government Act requires that “Each council must appoint one or more auditors for the municipality”.</p> <p>In August 2014, an RFP was issued for the provision of financial auditing services for a 3 year term ending December 31, 2016. Subsequently, council awarded the contract and appointed Collins Barrow LLP Edmonton, as the municipality’s auditors.</p> <p>The 3 year appointment ended with the adoption of the audited statements as of December 31st, 2016.</p> <p>In 2014, the various responses to the RFP that were received were evaluated against criteria, one of which was pricing. At that time, Collins Barrow LLP Edmonton proved to be most favorable, being >25% less than the next lowest bid. Although the RFP did not call for a term longer than 3 years, included in their proposal was an option to extend the contract for an additional 2 years for a 2% increase in 2017 and a 2% increase in 2018.</p> <p>Over the past three years, Collins Barrow has billed within the cost proposal and we have not incurred any costs in addition to the fees accepted.</p> <p>Additionally, Collins Barrow has proven to be effective, thorough and accommodating schedule-wise when working with us during the audit process.</p> <p>It is my understanding that aside from the first year “getting to understand our operations” pain that comes with changing auditors, both the Drumheller Library and the Drumheller Solid Waste Management Assoc.</p>		

	<p>have also been satisfied with the services of Collins Barrow and would prefer not having to potentially undergo a change in auditors for the next 2 years if possible.</p> <p>The request to extend the appointment for an additional 2 years takes into consideration terms of the New West Partnership Trade Agreement (NWPTA) which the Town is bound by, under which, a formal tendering process is required for services valued in excess of \$75,000. The cost of the 2 year extension to the Town is \$51,500 which falls well below the NWPTA threshold, eliminating the requirement to issue a formal RFP.</p>
Benefits:	<ul style="list-style-type: none"> ➤ Granting a 2 year extension to the auditor appointment will ensure continuity and efficiency during the annual audit. While we never want to become “comfortable” with the external auditors, there is a lot to be said for some level of continuity, and a 5-year appointment is not uncommon. If /or when audit firms do change, a significant amount of time and effort is spent by the auditors in gaining an understanding of and becoming familiar with the organization as well as by staff in educating the auditors on our processes and controls ➤ Granting a 2 year extension provides budget control over the costs incurred to have the annual financial audit conducted, and at a rate that was >25% less than the next lowest proponent at the time of the initial award ➤ Granting a 2 year extension changes the timing of the issuance of the next RFP and subsequent appointment to mid cycle of the next council term, enabling time for council to become adjusted and aware of the financial cycle and adoption of the 2017 yearend audit report without having to potentially do so with a new audit firm.
Disadvantages:	<p>There are no disadvantages to the Town to extend the auditor appointment for 2 years.</p> <p>Externally there is a disadvantage to others in that the opportunity to submit a proposal for the provision of financial auditing services will be closed for 2 years.</p>
Finance/Budget Implications:	<p>The 3 year budget (2017-2019) recently adopted included the provision for audited services at an estimated increase of 8%. The 2% proposed by Collins Barrow falls within the budget provision. The cost of the extension to the Town would be \$51,500 over the 2 years. (Library - \$4,120, Solid Waste, \$10,200).</p> <p>Based on the results of the proposals received in response to the 2014 RFP, it is anticipated that a call for proposals will result in costs higher than the 8% budgeted increase.</p>

Agenda Item # 8.3.1

Source of Funds:	The annual audit fees are funded through the operating budget.	
Communication Strategy:	An appointment extension will be formally communicated by letter to Collins Barrow LLP	
Recommendations:	Move to appoint Collins Barrow LLP Edmonton as auditors for the Town of Drumheller, Drumheller Library and Drumheller & District Solid Waste Management Association for a 2 year term being 2017 and 2018.	
Report Writer:	Barbara Miller, CPA, CGA, CLGM	
	Director, Corporate Services	
	R. M. Romanetz, P Eng.	
	Chief Administrative Officer	



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June 22, 2017

Town of Drumheller
224 Centre Street
Drumheller, AB T0J 0Y4

Re: Provision of Audit Services to the Town of Drumheller

To the Honourable Terry Yemen and Council:

It has been a privilege to serve the Town of Drumheller (and related entities) in an assurance and advisory role for the past three years. We truly appreciate the cooperation and support we have received from you, Council and management. We thank you very much for your business and look forward to serving you in the future.

Sincerely,

Collins Barrow Edmonton LLP

A handwritten signature in black ink, appearing to read "Leon Pfeiffer".

Leon Pfeiffer, CPA, CA
Audit Partner



DRUMHELLER

COMMUNITY SERVICES



Request for Decision

Date: June 2, 2017

For Presentation to Council at the Meeting of June 26, 2017

Topic **Liquor Service Model at the Badlands Community Facility**

Background

Council identified the review of Liquor Service Model in it's 2017 Strategic Plan.

After reviewing the demand for such services, we determined that there is a low number of requests for this type of service. Typically, such requests are limited to a wedding parties or conferences and we are able to refer these to local volunteer groups for service.

Our Bookings and Customer Service Specialist reports that the number of requests are limited to about 1-3 per year. These numbers clearly demonstrate that there is limited demand for this service at this time. Additionally, groups and organizations that are renting the facility for purpose of hosting fundraisers would prefer to provide the liquor service directly at this is a big portion of the funds that they generate through the event staging process. One could even suggest that during these tougher economic times, events such as weddings and Christmas parties may decrease or downsize.

Administration researched municipalities to find there are very few that offer a facility based Liquor Service Model. Cochrane Rancho House was the most helpful but at the same have seen there share of challenges. They are a very popular and busy wedding facility. Currently their model is that they provide the liquor, mix, pricing etc but do not staff the event. They have a list of caterers and liquor service providers of which the renters must contract for the service. The issue that they are facing is quality and quantity control. As a solution, they are looking to provide the entire service on their own which would be done with additional staff and someone to manage the Liquor Service Model; a Liquor Service Supervisor. We believe that the effort and costs associated this approach would both be disadvantages to our organization at this time.

We have reviewed a number of Liquor Service Models as follows:

Option 1a.

Self Service Model (Current Model) – Under the Self Service model, the facility renter would be responsible for providing a Special Event Liquor Permit obtained from the AGLC, they would provide all of their own liquor (beer, wine, champagne, coolers, liquor and mix). Bartending service would be the responsibility of the renter. All Bartenders would be required to have Proserve certifications and proof would be required in advance of the event. The Gaming and Liquor Act and Regulations would be strictly adhered to. Liquor prices would be preset by the renter and all revenues from the liquor sales would be kept by the renter. This is the current existing model at the BCF.

Option 1b.

Same as Option 1a. We would enhance this by having available to renters a list of local Liquor Service providers. This would require administration to put out a Request for Interest. Similar to the caters at events in the facility, it should not be an exclusivity model.

Option 2

Full Service – Under the Full Service model, the Town of Drumheller staff would be responsible for everything to do with the liquor service at the event. This would include ordering of the liquor (beer, wine, champagne, coolers, liquor and mix). Full bartending service would be included. The Gaming and Liquor Act and Regulations would be strictly adhered to. Liquor prices would be preset by the Town of Drumheller and all revenues from the liquor sales would be kept by the Town of Drumheller.

It is important to recognize that should a full service model be offered, there is substantial administration work that would also have to coincide with the service and this will require additional staff time. The administration work to be considered may include but not be limited to; securing a liquor vendor, the ordering, picking up and quantity control of product. Precise measuring and counting before and after every event will have to be strictly monitored to ensure accuracy and accountability. There will need to be secure, lockable storage for product with restricted access.

Option 3

Bartending Service – Under the Bartending Service model, the facility renter would be responsible for providing a Special Event Liquor Permit obtained from the AGLC, they would provide all of their own liquor (beer, wine, champagne, coolers, liquor and mix). Full bartending service would be included. The Gaming and Liquor Act and Regulations would be strictly adhered to. Liquor prices would be preset by the Town of Drumheller and all revenues from the liquor sales would be kept by the Town of Drumheller. Another option would be to negotiate and discuss prices with the renter. We would then split the revenues based on an agreed upon percentage or per ticket amount.

If it is the organization's direction to move forward with any portion of the possible additional levels of services, the next steps would be to develop clear, concise procedures to support each of the levels, research product costing and pricing associated with the resale, establish any additional costing or risks associated with the increased service, develop/build the appropriate storage requirements. It will also be necessary to ensure we have adequate levels of trained staff (Proserve and Protect) to provide bartenders, support staff as well as staff to maintain our regular operations and activities in the BCF. Above all, any risk must be minimized and all AGLC Regulations must be met or exceeded.

Correlation to Municipal Goals

It is always our intentions to ensure services that can reasonably develop social, cultural, economic and tourism potential.

Benefits

Offers an additional level of service to those renting the facility.

Agenda Item # 8.4.1

Disadvantages of other options:

1. The facility lacks the required lockable storage areas for adequate inventory control.
2. A Liquor Service Supervisor may be required to ensure proper guidelines and inventory control.
3. Staffing levels required to constantly offer this type of level of service could prove challenging.
4. Fundraising organizers will still want to provide their own service in order to maximize the funds they collect.
5. Possible increase to the town's liability as we would now be serving the liquor.

What are the budget implications?

There is no guarantee that the revenues generated from options 2 and 3 would cover the expenses created.

Requested by: Council

Alternatives: 1) Deny the request and recommendation 2) Modify the options of the request 3) Delay decision

Finance/Budget Implications: Revenue generated through options 2 and 3 would be minimal at this time however there would be additional expenses based on extra staffing requirements, equipment and secure storage facilities.

Operating Costs: Unknown at this time

Budget Available: None at this time

Budget Cost: Unknown at this time

Underbudgeted Cost: None

Source of Funds for other options: Some funds would have to come from the operational budget for the initial start up costs (some additional space and equipment as well as staff time) It would have to be a renter-pay service.

Communication Strategy: Website, Facebook, Townpage

Recommendations: It is administration's recommendation that the Town of Drumheller and the Badlands Community Facility proceed with Option *1b: Continue to allow the Self Service Model and prepare a local Request For Interest to determine capable, competent Liquor Service providers to develop a list of names that would be available to the renters inquiring.*

Report Writer:


Manager of Recreation Arts and Culture

Director Reviewed:


Director of Community Services

CAO Reviewed:


Chief Administrative Officer