

**Town of Drumheller
COUNCIL MEETING
MINUTES**

December 10, 2018, 2018 at 4:30 PM
Council Chamber, Town Hall
224 Centre Street, Drumheller, AB, T0J 0Y4



PRESENT:

MAYOR:

Heather Colberg

COUNCIL:

Kristyne DeMott

Jay Garbutt

Lisa Hansen-Zacharuk

Tony Lacher

Fred Makowecki

Tom Zariski

CHIEF ADMINISTRATIVE OFFICER:

Darryl Drohomerski

DEPUTY CAO / DIRECTOR OF CORPORATE SERVICES:

Barb Miller

DIRECTOR OF EMERGENCY PROTECTIVE SERVICES:

Greg Peters

COMMUNICATIONS OFFICER:

Julia Fielding

RECORDING SECRETARY:

Linda Handy

1.0 CALL TO ORDER

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

2.0 MAYOR'S OPENING REMARK

Mayor Heather Colberg congratulated the DVSS for the amazing Seniors' Christmas Dinner. She thanked the DVSS administration and students for their hard work and dedication of providing this wonderful dinner to seniors for the past 25 years.

She congratulated Valley Bus Society on being the recipient of the Premier's Council on the Status of Persons with Disabilities Award which recognizes leadership and achievement for creating and promoting an inclusive community.

3.0 ADOPTION OF AGENDA

MO2018.209 Hansen-Zacharuk, Zariski moved to adopt the agenda as presented. Carried Unanimously.

4.0 MINUTES

4.1. ADOPTION OF REGULAR COUNCIL MEETING MINUTES

4.1.1 Regular Council Meeting Minutes of November 26, 2018

MO2018.210 DeMott, Hansen-Zacharuk moved to approve the Regular Council Meeting Minutes of November 26, 2018 as presented. Carried Unanimously.

4.2 MINUTES OF MEETING PRESENTED FOR INFORMATION

4.2.1 Municipal Planning Commission Meeting Minutes of November 1, 2018

4.2.2 Municipal Planning Commission Meeting Minutes of November 16, 2018

5.0 DELEGATIONS

6.0 REQUEST FOR DECISION REPORTS

6.1. CAO

6.1.1 Presentation of utility rate scenarios and comparisons with other communities

D. Drohomerski advised that Administration is recommending an increase of 5% for water rates and 2% for sewer rates. He stated that the rationale for the proposed rate increases has three components: to recover operating costs such as electricity, gas, wages, etc., to put dollars away for capital expenditures and to collect amortization dollars. He referred to Page 10 of the handout (prepared by Stantec and Bob Jenkins) and explained the three colored graph lines for water as follows: green is the amount of money needed to cover the depreciations and expenses; blue is the rate the Town of Drumheller proposed for 2015 – 2022; and red is based on the cost of service rate model. He further explained that the slope of the blue line is at a 5% increase every year until 2021 when it levels out and at that time, the Town will not have to increase the rates at the same percentage. He stated that as it sits today, there is a large gap between the green and blue lines because the Town was underfunding their ability to pay for the utility system and in 2021, the Town will be at the level to fund the system adequately.

He referred to Page 13 of the handout and he explained the wastewater colored graph as follows: blue is the proposed increased for sewer rates at 2%, green are the dollars required every year to operate and for depreciation, red is the cost of service rate model and orange is an option at an escalated rates at 5% annually until 2022. He stated that even with a 2% increase in wastewater rates the Town is not getting close to cost recovery even past 2022 and it is recommended that the Town flip the rate increases so that the Town charges an increase of 2% for water and 5% for sewer beyond 2022. He referred to Page 14 “funds available for infrastructure 2019” and stated that the Town is barely keeping up with the amounts to fund wastewater infrastructure improvements and not adequately funding amortization with the proposed 2% increase in rates for sewer. He explained that the Town recently submitted a renewal for the waste water license to Alberta Environment and expect that there will be upgrades needed. In addition, the

Town will need to replace the Nacmine forcemain to upper Newcastle by using old water main lines to save excavation costs (\$1.1M to do the work), as well replacing pumps at the Water Treatment Plant and Wastewater Lift Stations and replacing blower units at WTP (\$185,000 for unit itself).

In response to how we can offer a different rate model, D. Drohomerski stated that the Town has looked at other communities and explained that similar to Drumheller, Cochrane offers 80% discount, Calgary offers 90% discount and Airdrie offers no discount. He explained that the Town could look at different scenarios such as a wintering average model and then charge the average volume generated over the winter over the summer months. He further explained that all communities charge a minimum rate as well. He explained that any different rate model would require the Town to lengthen the line on the graph which would increase the rates well into the future. Councillor K. DeMott asked for clarification on the sewer rates proposed for 2019 and asked if the Town is charging \$2.25 and we should be charging \$3.00. D. Drohomerski confirmed yes.

Mayor Colberg stated that the Town has to educate the residents on the service model graphs because the Town knows that for over the next four (4) years the base rate will be going up about \$1.25 each year. She further asked that if the rate model has been set well into the future, can the Town pass a three year utility rate bylaw. D. Drohomerski confirmed yes. Councillor J. Garbutt stated that a 5% increase on the base water rate equates to .70 cents each month as well as a .09 cents cubic meter rate. He further stated that the Town is trying to reverse a system that for the past years was not sustainable and the Town needs to move forward with the cost recovery model.

6.1.2 Bylaw 22.18 being a bylaw for the purpose of implementing a tax incentive program for owners of an existing non-residential vacant building – first reading

D. Drohomerski explained that Bylaw 22.18 proposes to provide a tax incentive for owners of existing non residential buildings that have been vacant for one year and the business owner provides proof of startup of a new business. He further explained that the bylaw allows for the business owner to apply to Council for the cancellation of the municipal taxes only after one year of business operations. He explained that this bylaw differs from Bylaw 19.18 in that this bylaw is for owners of a vacant non residential building and Bylaw 19.18 is geared towards the new business owner not the building owner.

MO2018.211 Lacher, Zariski moved first reading of Bylaw 22.18. Carried unanimously.

6.2 DEPUTY CAO / DIRECTOR OF CORPORATE SERVICES

6.2.1 RFD – Write Off of Bad Debt – Utility Accounts

B. Miller stated she is seeking authorization to write off bad utility debt accounts. She stated that Section 553(1) of the MGA provides municipalities with the legislation necessary to mitigate bad debt of utilities by granting authority to transfer outstanding balances to the tax roll providing that the utility account holder is also the property owner. She explained that prior to the 2017 adoption of Bylaw 02.17 Water and Wastewater, the Town allowed utility accounts to be created in a tenant's name, negating the protections afforded by Section 553(1) and consequently, the water and wastewater operating results would include preventable bad debt expense on an annual basis. As of November 14,

2018, there are 20 utility accounts that remain outstanding from 2017 and 1 account from March 2018 totaling \$4,646.99 (which has been referred to third party collection agency).

MO2018.212 Hansen-Zacharuk, DeMott moved to approve the write off of non-active utility accounts listed and attached hereto, in the amount of \$3,646.99. Carried unanimously.

6.3 DIRECTOR OF INFRASTRUCTURE SERVICES

6.4 DIRECTOR OF EMERGENCY PROTECTIVE SERVICES

6.5 REVIEW OF STRATEGIC BUSINESS PLAN WORK PRIORITIES

7.0 PRESENTATION OF QUARTERLY REPORTS BY COUNCIL AND ADMINISTRATION

8.0 PUBLIC HEARING TO COMMENCE AT 5:30 PM

8.1. Mayor Colberg called the Public Hearing to order at 5:30 PM

Mayor Colberg stated that the purpose of the hearing is to consider Public Hearing to consider Bylaw 18.18 being a bylaw for the purpose of closing a portion of an unused and undeveloped street (Riverside Avenue on Plan 6561 CO)

Mayor Colberg asked Secretary, L. Handy is there was any correspondence. L. Handy stated AltaGas has responded advising that the Town will need to enter into an easement agreement for the infrastructure they have in this area.

Mayor Colberg stated there were no speakers in attendance.

Mayor closed the Public Hearing at 5:31 PM.

8.2 Mayor Colberg called the Public Hearing to order at 5:32 PM

Mayor stated that the purpose of the public hearing is to consider Bylaw 16.18 being a bylaw to amend the Land Use Bylaw 10.08 to redesignate Plan 4317CQ, Block 1, Lots 24 and 25 from Hwy-C (Highway Commercial) District to R-1a (Residential District)

Devin Diano, Planner provided a report as follows:

“An application was submitted by the landowners Hansine and Michael Kostelecky to redistrict (rezone) this property from Highway Commercial District (HWY-C) to Residential District (R-1a). There is currently an existing Single Detached Dwelling on the property that has functioned as both a residence as well as an office in the past. However, the current and the future intended use of this property is to be used as a residence only. Changing the land use classification to Residential District (R-1a) will ensure the proper zoning is in place for the current residential use of the land.”

He explained that the bylaw was granted first reading by Council on November 26, 2018. Administration confirmed that newspaper advertising for the Public Hearing was completed in accordance with Section 606(2) of the MGA. Additionally, notices of the proposed bylaw were sent directly to nine (9) external referral agencies and thirteen (13) property owners within 60 metres of the property. There have been no objections or concerns raised.

He concluded by stating that Palliser Regional Municipal Services has no concerns with the proposed rezoning of the subject property as presented.

Mayor Colberg asked Secretary, L. Handy is there was any correspondence. L. Handy stated there was no correspondence

Mayor Colberg stated there were no speakers in attendance.

Mayor Colberg closed the Public Hearing at 5:36 PM.

9.0 PUBLIC HEARING DECISIONS

9.1 Bylaw 16.18 – second and third readings

MO2018.213 Zariski, Lacher moved second reading of Bylaw 16.18.

Councillor L. Hansen-Zacharuk stated that the property should be rezoned as there are no objections from neighboring properties and there is no highway access.

Vote on Motion: Carried unanimously.

MO2018.214 Garbutt, Hansen-Zacharuk moved third reading of Bylaw 16.18.

Carried unanimously.

10.0 UNFINISHED BUSINESS

11.0 NOTICE OF MOTION

12.0 COUNCILLOR REPORTS

13.0 CLOSED MEETING MATTERS

MO2018.215 Zariski, DeMott moved to go into closed meeting of Council at 5:35 PM. Carried unanimously.

14.1 Strategic Planning Session (FOIPP Section 23 – Local Public Body Confidences)

MO2018.216 Lacher, Hansen-Zacharuk moved to revert to open meeting of Council at 9:07 PM. Carried unanimously.

There being no further business, Mayor Heather Colberg adjourned the meeting at 9:07 PM.

Regular Council Meeting Minutes
December 10, 2018

Chief Administrative Officer

Mayor