

**Town of Drumheller  
COUNCIL MEETING  
MINUTES**

**September 5, 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  
Tara McMillan  
Sharel Shoff  
Tom Zariski

**CHIEF ADMINISTRATIVE OFFICER/ENGINEER:**

Ray Romanetz

**DIRECTOR OF INFRASTRUCTURE SERVICES:**

Darryl Drohmerski

**DIRECTOR OF COMMUNITY SERVICES:**

Paul Salvatore

**RECORDING SECRETARY:**

Linda Handy

**ABSENT:**

**COUNCILLOR** Pat Kolafa  
**DIRECTOR OF CORPORATE SERVICES**  
Barb Miller  
**DIRECTOR OF PROTECTIVE SERVICES:**  
Greg Peters

**1.0 CALL TO ORDER**

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

Councillor Tom Zariski was sworn in as Deputy Mayor for the months of September and October, 2017.

**2.0 MAYOR'S OPENING REMARK**

**3.0 PUBLIC HEARING**

#### **4.0 ADOPTION OF AGENDA**

Mayor Terry Yemen stated that the RFD – Purchasing Policy will be moved to Item 8.1.1 under the CAO.

**MO2017.109** Hansen-Zacharuk, Garbutt moved to adopt the agenda as amended. Carried unanimously.

#### **5.0 MINUTES**

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

5.1.1 Regular Council Meeting Minutes of August 21, 2017

**MO2017.110** Hansen-Zacharuk, Shoff moved to adopt the Regular Council Meeting Minutes of August 21, 2017 as presented. Carried unanimously.

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

5.2.1 Municipal Planning Commission Meeting Minutes of July 27, 2017

##### **5.3. BUSINESS ARISING FROM THE MINUTES**

#### **6.0 DELEGATIONS**

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

#### **8.0 REQUEST FOR DECISION REPORTS**

##### **8.1 CAO**

8.1.1 RFD – Purchasing Policy C-02-17

R. Romanetz advised that Administration undertook a detailed review of the Town's Purchasing Policy following Drumheller Chamber's Business Advocacy Committee's presentation to Council on May 8<sup>th</sup>, 2017. Administration researched an inclusion of a local preference clause with other municipalities. As well, several amendments to the Purchasing Policy were needed relating to the existing rules under the federal / provincial government's New West Partnership Trade Agreements as well as adding more definitions, a local preference clause and postings of opportunities and results on the Town's website. He further advised that the draft policy was forwarded to the Chamber on August 11<sup>th</sup> for their comments and as requested, Administration has included a clause that the Town will post bid opportunities for goods and services between \$5,000 and \$75,000 on the Town's website. No further recommendations have come forward and Administration recommends that Council approve the policy as presented.

**MO2017.111** Hansen-Zacharuk, McMillan moved to approve the Purchasing Policy C-02-17 as presented.

Questions from Council:

Councillor J. Garbutt asked if the Town's website was user friendly and what processes would be involved for interested bidders to find the opportunities and results?

D. Drohomerski explained that the Town's web designer has created a template and the Town's assigned staff would be trained to upload the documents for bid opportunities and results. R. Romanetz explained that staff will be packaging goods into larger quantities to make it more equitable and to reduce the redundancy of postings bids. He further explained that those items under \$5,000 (direct purchases) do not require this process. Councillor J. Garbutt requested two changes under Clause 8.1 "*Preference may will be given to suppliers operating from taxable property within Drumheller where all bids or quotations offered for consideration are deemed equal. Local suppliers may will be granted a pre-tax price differential preference of 5% over other suppliers on individual purchases up to Twenty-Five Thousand (\$25,000), provided that with the exception of price, all things are considered equal once specifications and terms have been reviewed.*" Council agreed to the change. Councillor S. Shoff questioned whether staff will continue to look at local prices first when making direct purchases? R. Romanetz advised that staff will be encouraged to buy as competitively and fairly as possible based on quotations however this is not exclusive to suppliers in Drumheller. D. Drohomerski stated that staff will compare prices prior to buying and as in the past, will not normally go outside of Drumheller for smaller purchases. He further explained that managers will be questioning staff to ensure they are following the policy.

R. Romanetz advised that opportunities for bidding will be posted from \$5,000 - \$75,000 as identified within the policy and as the Chamber requested. Councillor L. Hansen-Zacharuk asked how Council will be made aware of the bidding results? R. Romanetz stated bid results will be posted on the Town's website. R. Romanetz concluded by stating that the updated purchasing policy is consistent with what other municipalities are doing and it is modeled after the Agreement on Internal Trade and New West Partnership Trade Agreement so it reflects the new approach which is standard across the province, noting that a local preference is not available in every community. Cindy Clark, Chair of the Chamber's Business Advocacy Committee stated that they are very pleased with Council's recommendation for an updated purchasing policy and Council's leadership by implementing a local preference clause.

Vote on motion:

Carried unanimously.

8.1.2 Presentation by Stantec:

Infrastructure Financing Strategy / 2017 – 2026 Infrastructure Plan / Asset Management Program

R. Romanetz advised that the Town was able to access MSI grant dollars to develop the Asset Management Program of which the Infrastructure Financing Strategy is a large component. He further advised that the document is an accumulation of two and a half (2 ½) years of work by Town Administration and Stantec and it has not been updated since 2011. He asked Darwin Durnie, Principal - Stantec to provide an overview of what has been accomplished to date. D. Durnie stated that the Town first developed a financial strategy about twenty (20) years ago with an update in 2011. He

explained that updates are needed as it is important that Council have a comprehensive view of the Town's assets and how to fund future infrastructure expenses for the next ten (10) years (2017-2026). He further advised that Drumheller has established an excellent financial position to manage its infrastructure and it is necessary to consider the entire wealth invested in Drumheller's infrastructure and how to fund replacement and / or future capital projects. He explained that the document is not an absolute but provides guidelines for future spending with opportunities for optimization, i.e. replacement strategy on roofing systems, asphalt, etc. He introduced the Stantec team – Lauren Chorney – Bridge Engineer and Asset Management Certified; Dallas Kuzak – Professional Engineer, Land Surveyor and Asset Management Certified; and Bob Jenkins - CLGM and Asset Management Plans and Water Rate Reviews throughout the Province.

Bob Jenkins explained that although the Infrastructure Plan, Strategy and Asset Management Plan go hand in hand, the focus today is the Infrastructure Financing Strategy which looks at whether the Town can fund infrastructure projects without a major impact. He stated that the Infrastructure Plan and the Strategy needs to be reviewed annually in conjunction with each other, looking at four key factors for prioritizing projects: risk; levels of service (public expectation/regulations); inventory (tangible capital assets) and condition. He explained that in February 2017, he along with Town Council, Administration and Stantec reviewed an initial draft of the ten (10) year Infrastructure Plan. He explained that based on an update of the infrastructure plan, the strategy sets out an approach for future funding of infrastructure expenses and identifies target levels for reserves, debt, amount of general revenues and utilities sales revenues that need to be set aside for renewal, upgrading and / or replacement of infrastructure. He further explained that the strategy is dependent on specific program and project grants with the assumption that the grants will be available at the same level for the next ten (10) years. If this is not the case, the infrastructure plan and strategy would have to be revisited. He explained that a portion of operating revenue would be available for non utility infrastructure; for instance, in 2017, \$1.4M from operating revenue would be remaining after the normal operating expenses and debt payments are paid. He explained that the strategy assumes a similar magnitude of funds available in future years with adjustments for retirement of old debt and addition of new debt. Of the \$1.4M, it is proposed that 5% remain with operations for unanticipated expense or operating reserves; 10% for contingency reserve with the remaining 85% for infrastructure projects or reserves and allocated as follows: equipment – 30%; facilities – 25%; streets and roads – 35%; and storm – 10%. In 2026, the overall contingency would be capped at \$4M. He encouraged borrowing for infrastructure expenses in the present low interest rate environment and in consideration of the time value of money; for instance, the methodology of matching infrastructure cost to those who benefit. He further explained that the Town is well below the maximum levels in the Town's borrowing policy. In conclusion, B. Jenkins stated that the strategy focuses primarily on maintaining and / replacing existing infrastructure from 2017 – 2026 in the amount of \$59.9M and does not include funding for major new infrastructure projects.

Questions from Council:

Councillor T. Zariski asked how Drumheller compares with other communities in terms of being able to finance infrastructure projects? B. Jenkins stated that every municipality has different circumstances, noting that when looking at Drumheller's compared to other municipalities, although Drumheller does not have much growth, Drumheller is in good shape financially with good reserve dollars and a plan / strategy that takes into account future infrastructure needs. He advised that a community that is within 40% of legislative debt limit is in good shape. Councillor J. Garbutt asked who is responsible for grant researching? R. Romanetz explained that he receives communiqués from FCM, AUMA and various government departments and if applicable, these opportunities for grant dollars are discussed with the Management Team and when additional information is required, the Town would bring in a consultant.

In conclusion, D. Durnie stated that whether the viewpoint of the document is optimistic or pessimistic, the document serves as a tool for a number of reasons; to influence the government for grants; to review cash flow for borrowing requirements; to be aware of the impact of debt; to provide for good stewardship and for prioritization of future infrastructure needs. R. Romanetz advised that two flood mitigation grant applications are being prepared that will be tied together – one to the Province and one to the Federal government. If successful, the Federal government will fund 50% of the projects and Drumheller shouldn't have to contribute any dollars. He further advised that it is a working document that provides leadership in how Drumheller will fund future infrastructure projects and is based on assumptions. He further noted that if the priorities / the environment change, Council will review the document annually to make sure programs are still relevant, and if assumptions are not valid they can be corrected. He further noted that contingencies for operational and capital are built into the document for unforeseen occurrences.

#### 8.1.3 RFD – 2017 Infrastructure Financing Strategy

R. Romanetz advised that further to the presentation today by Stantec, the strategy outlines the Town's long term capital reinvestment needs as well as the sources of funding for the capital requirements. He further advised that if approved, the strategy will become the primary planning document for future annual capital budgets. Administration is recommending that the 2017 Infrastructure Financing Strategy be approved as presented.

**MO2017.112** Zariski, Shoff approve the 2017 Infrastructure Financing Strategy as presented. Carried unanimously.

#### **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**

**MO2017.113** Garbutt, McMillan moved to go in camera at 5:58 PM. Carried unanimously.

**14.1** Land Matter

**MO2017.114** Zariski, Hansen-Zacharuk moved to go out of camera at 6:45 PM. Carried unanimously.

There being no further business, the Mayor declared the meeting adjourned at 6:45 PM.

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Chief Administrative Officer

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Mayor