



# MINUTES

County Council  
Regular Meeting

## County of Grande Prairie No. 1

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### April 18, 2013 BUDGET MEETING

Meeting Type : Regular Council Meeting

Date : Thursday, April 18, 2013

Start time : 10:00 AM

Location : County of Grande Prairie No. 1 Council Chambers

## MINUTES

### ATTENDANCE

Present were:

#### County Council

- Brock Smith
- Harold Bulford
- Leanne Beaupre
- Lois Dueck
- Mary Ann Eckstrom
- Pat Jacobs
- Richard Harpe
- Ross Sutherland
- Sharon Nelson

#### Directors Group

- Arlen Miller
- Barry Donovan
- Herb Pfau
- John Simpson
- Noreen Vavrek

#### Legislative Services

- Sheryle Runhart
- Amanda Oravec (Recording Secretary)

#### Communications

- Lesley Nielsen-Bjerke
- Sandra Shephard
- Jennifer Rubuliak

**Finance**

- Nichole Belcourt
- Michele Hoerner
- Veronica Gaudet
- Colleen Wessels

**Public Works**

- Steve Madden
- Gwynne Reid

**Media**

- Brad Whisker (Big Country)
- Aaron Hinks (DHT)
- Jeff Hensen (Free FM)

**CALL TO ORDER**

The meeting was called to order at 1:32 p.m.

**ADOPTION OF AGENDA**

**Resolution #CM20130418.2001**

**MOVED BY P. JACOBS** to approve the agenda for the April 18, 2013 BUDGET MEETING (2013/04/18) with addition as amended:

- addition of Terms of Borrowing for the Dino Project as item 6.2 on the agenda.

**CARRIED**

**2013 PROPOSED FINAL BUDGET**

(UNFINISHED BUSINESS)  
(Issue #20130408003)

Attached to the agenda package is the 2013 Proposed Final Budget. Note that any proposed adjustments to budget include items known to April 5th 2013. Any additional adjustments will need to be considered as new items at the budget meeting. Once final budget is approved a Property Tax Bylaw will be brought back to Council for approval. A copy has been provided to Council for insertion into their 2013 budget binders.

Mrs. Vavrek reviewed the 2013 Municipal Taxation rates and the final budget. She noted that the 2013 taxable assessment increased by 499 million (+7.7%) over 2012. This increase represents estimated new

growth of +\$363 million plus market value net increase of \$136 million. The preliminary budget package had estimated an overall increase in assessment of 4.1% (\$267 million). Any changes in market value will vary widely across the County for residential and non-residential properties.

At interim budget in December 2012, Council approved a 3% increase to an average residence based on estimated market value changes and no change to tax rates for nonresidential and machinery & equipment (the change in taxes paid for commercial and industrial properties will be based on market value change for individual properties). There will also be no tax increases for farmland properties. There is an additional \$2.2 million in tax revenue to help offset final budget adjustments and capital commitments. The average residence market value change of 3% estimated at interim budget has reduced slightly to 2.8%.

The Education tax decreased slightly by 2.1% for farm/residential and 1.3% for nonresidential. The overall requisition increased by \$1,123,740 (6.8%) to \$17.6 million going to the province. Equalized assessment have been averaged and they are no longer doing that; now on true live assessment. Our tax rates are calculated against live assessments.

The impact on an average resident assessed at \$303,300 which had a market value assessment increase of \$8300 or 2.8% would have an increase in municipal taxes of \$31 or \$2.58 per month, and pay a total of \$1128 in municipal taxes. The County is only a collector and remitter of the Education and Senior Foundation requisition taxes. An average resident will also see a \$5 increase in requisitions. Overall the combined increase including requisitions is 1.9% or \$36 for an average residence.

Non-residential (commercial/industrial) property assessment increased overall by 14% including an estimated 5% market value increase. The impact on individual properties will vary based on the various changes in market value. Farmland properties will pay the same municipal taxes as in 2012.

Councillor Nelson inquired whether, when referring to requisition of Education and Senior Foundation requisition taxes, we can identify the differences between the two for ratepayers. Mrs. Vavrek responded that the difference is included on the tax assessment forms ratepayers receive.

Mrs. Vavrek referred to page 7 of the agenda package and discussed

debt information. She noted that the new debt for 2013 budget is estimated at \$8.3 million: \$6.96 for Highway 43 East (McRae) servicing and other water servicing for south of Sunrise Estates (\$0.16 million) that will be coming from the Local Improvement Tax Levy. Debenture debt at the end of 2012 is \$41.5 million of the \$112 million debt limit (or 36.9%).

Reeve Beaupre inquired that of the 36.9% debt limit, what portion is Local Improvement Levy and debentures. Mrs. Vavrek responded that of the 36.9%, 22% is by local improvement at the end of 2013 and is supported debt; there was 31% from future reserves, 26% for reserve road debt, 22% local improvement, and 6% in reserve/dividends. Bill Rogan noted that the reserve road debt is also supported.

Councillor Smith commented that 46% of the debt is unfunded. Mrs. Vavrek noted that the future grants is MSI funding.

Council reviewed the Budget Adjustments Worksheet on page 8 of the agenda package. Capital Plan changes and reserves shows tax rate comparison and example properties.

Councillor Harpe commented that he would like to have an item added to the worksheet for budget deliberations: a salt shed for Beaverlodge. Currently the trucks have to come to Grande Prairie to fill up on salt and it takes a long time to get back out to Beaverlodge. It will cost about \$200,000. Herb Pfau noted that the cost was \$98,000 for the shed at the County when constructed several years ago.

Reeve Beaupre asked Councillor Harpe to allow discussion on the addition of the salt shed to the budget worksheet before making a motion.

Councillor Nelson noted that she has an issue with this item because the department is not suggesting it to Council. Mr. Pfau noted that Public Works has two trucks that run from the South fire hall; one was in an accident this year so the one remaining truck was running 24 hours a day. Since then, the one is being fixed through insurance and the next purchase was upgraded to another plow truck; Public Works will have a total of 4 plow trucks with one as a spare once the damaged unit is fixed through insurance. The trucks leave from the County office and rotate because they have to come back to re-load; Public Works had previous thought about putting a salt shed in Valhalla. They have wanted to have

one at a Beaverlodge location eventually and a truck could be parked and run out of there because it will save on time and costs. This will be showing on next years budget.

Councillor Nelson commented that with the new construction for Public Works/IT building they are spending a lot of money; she would like to have the salt shed come back next year for the 2014 budget.

Bill inquired whether Council would like to discuss the rest of the budget worksheet to see if there is a potential surplus; some items have been directed to budget and only 1 or 2 items that have been referred for budget discussions. He believes that Council should make a decision after the discussions have taken place.

Councillor Jacobs inquired whether Public Works had discussed the salt shed with Beaverlodge. Mr. Pfau responded that there has been some discussion with the town foreman and Public Works about 6 months ago and if the shed was installed Beaverlodge would like to purchase it from County Public Works.

Councillor Smith commented that he is in favour of Councillor Harpe's salt shed motion because he would like to have the same service given to Beaverlodge as is given to Clairmont. He noted the Beaverlodge area has a lot of pavement now and the shed needs to be considered.

Councillor Eckstrom noted that she is in favour of Councillor Harpe's salt shed motion as it is a safety issue for the ratepayers in the County, it is important to address the concerns.

Councillor Harpe noted that Public Works cannot secure a salt site, but they are adding 10-12 miles of pavement in the west this season. He noted that last year there were safety issues because the salt truck were not getting enough done before having to come back and refill.

Councillor Dueck posed a question for Public Works in regards to the salt shed at the industrial park in Beaverlodge. Mr. Pfau responded that there is a temporary one owned by the highway maintenance contractor and they are not returning his calls. It was noted that they cannot sell salt because they have a contract with the Alberta Government. Councillor Dueck inquired about what type of building will be constructed. Mr. Pfau responded that the shed will be on reinforced concrete pad with a Quonset.

Reeve Beaupre commented that the shed is not necessarily a question of safety, it is the process that needs to be done. There is a need but they still need to speak with more people about this. Councillor Harpe responded that it is a safety issue because over the winter sometimes North Valhalla wasn't addressed for a whole week.

Councillor Nelson also commented that the request is not about safety and requesting the building, it is about the procedure. She noted that this request has never been discussed prior today and that she also has asks for budget deliberations but did not think it was appropriate to be brought up mid-discussion.

Councillor Eckstrom responded that the the discussion on the salt shed is happening within this meeting and if Councillor Nelson wants to she can bring projects forward as well.

### **Resolution #CM20130418.2002**

**MOVED BY R. HARPE** to put a salt shed for Public Works by Beaverlodge to a cost of no more than \$200,000 to save on transportation costs and time for County Public Works staff.

**CARRIED**

Councillor Ecksterom inquired if Council can revisit how much is paid to community halls for utilities as the costs keep increasing each year. She asked than an extra \$1500 per hall be put into the budget line on the worksheet.

### **Resolution #CM20130418.2003**

**MOVED BY M. ECKSTROM** that utility costs be added to the final budget to support the 16 halls for up to an additional \$1500 per hall, to help offset the costs of utilities.

Councillor Smith commented that he is in support of this motion.

**CARRIED**

Council reviewed the budget worksheet by line.

Councillor Jacobs commented on the contribution to the Grande Prairie Museum (\$1 per capita plus 75 cents per school program) which she believed was included without a request. Bill noted that he is not sure if this is still happening. Councillor Jacobs noted that Council should add other museums at the same cost in order to be fair.

Councillor Dueck noted that the Beaverlodge Museum has extensive school programs for kids and that they depend on funding and use volunteers. She noted that there has been a swell in use and the funding is not being spent on bussing, it is being spent on programs for the kids. Councillor Jacobs feels that the Beaverlodge Museum should receive funding as well.

Reeve Beaupre inquired whether it would be appropriate to ask the museum to come back in and discuss with Council what the funding is used for. Councillor Dueck responded that it is very appropriate to have them come back in and make a presentation on what the funds contributed by the County of Grande Prairie are being used for.

Reeve Beaupre commented on the deferred ask for Odyssey House and inquired whether it was over a 2 year period or just one year as was presented in the package. Bill responded that it is shown in the options to fund over one or 2 years, it is at Council's discretion which period to use for funding. Reeve Beaupre noted that she believes it should be funded over two years as it will allow them to begin moving forward with the transitional housing building.

\$0.5 million going towards the Bridge Reserve.

Bill noted the shingles for the Administration building. They had originally received a rebate from the builder because there had always been issues with the roofing and leakage. He asked Council whether the County should repair or replace the shingles on the roof.

Councillor Sutherland inquired how long the shingles have been on for already. Bill responded they have been on for 12 years and the rebate

that was received was contributed towards the Dino museum. Some repairs had been done previously but there have already been issues occurring this year.

Councillor Harpe noted that the shingles did not have a 30 year warranty and the \$50,000 was paid by the main contractor, Kaldon.

Councillor Eckstrom commented that the shingles need to be done right now and it needs to be done right as they are currently working on the shop so the roof on the Administration building can be addressed as well.

Reeve Beaupre inquired if we can get a better price for the Public Works building. Mr. Pfau responded that it will cost \$4000 more, and there are two separate tenders for the two different roofs.

Grant for the Hythe Fire truck.

Increase in MSI operating budget this year but it will be decreasing in future years.

Bear Hill study: smaller scale study than the one done for Saskatoon Mountain. It was noted that the County can use staff for most of this.

Bill noted that they had asked the federal government for larger funding for Pipestone Creek and we received \$50,000 for water/sewer. They were only partially successful as there is still a \$125,000 shortfall. The amount in the worksheet can be reduced if Council wants. Reeve Beaupre inquired about the requirement to have matching funds from the federal grant. Bill responded that the County have more than matched that amount.

Elmworth sign: Councillor Dueck had inquired previously about having a new hamlet sign installed there; it was not committed but has been deferred to budget deliberations.

Teepee Creek Lift Station: Mr. Pfau noted there were some emergency repairs done last week and they are being split with Peace Wapiti. Peace Wapiti will take over or install a new lift station and look after it from now on but the County is still responsible for \$50,000. The amount given will put a Grinder pump into each house (four total) and there will also be an upgrade to the system and have the line put into the easement for a low pressure system which will remain there for Peace Wapiti to access.

Reeve Beaupre inquired if Peace Wapiti is alright with the easement agreement. Mr. Pfau responded that the agreement has not been drawn up and signed but they are happy with the agreement.

Sexsmith Spray Park: committed dollars.

Sponsorship for Dino Ball is \$5000 for a table. Reeve Beaupre commented that since we are now the largest funder, we should be granted silver sponsorship and given a table. Councillor Sutherland noted that he does not agree with Reeve Beaupre because we need to set an example for sponsorship because why would the other sponsors buy a table if we do not buy one. Councillor Eckstrom commented that the County of Grande Prairie should automatically be a silver sponsor.

### **Resolution #CM20130418.2004**

**MOVED BY R. HARPE** to remove sponsorship of a table for the Dino Ball in the amount of \$5000 from the 2013 Budget that was coming from the Community Assistance Line.

**CARRIED**

### **Resolution #CM20130418.2005**

**MOVED BY B. SMITH** to fund the Odyssey House request of \$450,000 over two years.

**CARRIED**

Discussion continued in regards to the budget worksheet.

Nustadia: because of the late opening of the fieldhouse there is an increase in the deficit. Reeve Beaupre inquired whether this deficit reflected opening two months later than schedule. Bill noted that it does include the delayed opening. Councillor Eckstrom commented that she would like Nustadia coming to Council meetings more often with budget and other update reports (revenue, etc.). Bill noted that we will get them in to discuss changes in seasons and management shortly. Councillor Harpe commented that they had originally wanted to have a committee formed, but that has not happened yet.

Removal of STEP Grant program: the grant of \$12,000 that was previously used to hire temporary students has now been suspended has been budgeted.

Completion of Sportsplex interior work, landscaping, and additional FFE: \$1 million to be funded from Facility capital reserve.

Reserve transfers: small decrease of \$3348. Mrs. Vavrek noted that they received a better price so unused funding is going back into reserves. This is for the Advanced Divisional miles in 2012, which will go back into Councillor Eckstrom's division.

Bridges: add \$500,000 to the reserve for bridge work. The reserve is currently at \$1 million and the additional \$500,000 will be in 2013 budget.

Addition of Local improvement water services for Sunrise Estates; \$163,116 from debenture borrowing.

Purchase of gravel pit from Infrastructure Reserve (\$180,000).

Increase to Education requisition 6.8%: total requisition is \$17,667,721. Increase to Education tax levy per the requisition increase.

Increase to Grande Spirit Senior Foundation requisition 7.1% (total is \$311,902).

Additional Municipal tax revenue from growth in market value: 2.8% increase to an average resident will create new revenue in the amount of \$2,201,727.

Bill noted that the only item in the worksheet that requires a discussion is the Elmworth hamlet sign. Councillor Smith inquired about the population in Elmworth. Councillor Dueck noted there are houses, store, and a school in Elmworth. Councillor Nelson commented that she is not sure that the County should be spending the \$21,000 for a sign for an un-identified hamlet as it is a very small area. Councillor Dueck commented that it is for Council to decide whether the money should be spent or not.

**Resolution #CM20130418.2006**

**MOVED BY S. NELSON** to have the \$21, 039 for the Elmworth Hamlet sign removed from the 2013 budget deliberations.

Reeve Beaupre noted that the small sign is a responsibility of AB Transportation.

Councillor Jacobs inquired what the cost was for the Goodfare sign. Councillor Smith responded that the cost was about \$200, but they had to get the permission from AB Transportation to put it up. The cost of the Goodfare sign was also noted to be about \$300. Councillor Jacobs thinks that \$21,000 is very expensive for the one sign. Mr. Pfau noted that the sign issue started as a replacement for the old cedar signs and has grown since then. He also commented that Public Works can order signs through the supplier and get a smaller one done for less money.

Councillor Eckstrom spoke against the motion as there are many hamlets that have better signs and we need to have a uniformity with the signs within the County. Reeve Beaupre commented that the hamlets would probably rather have the money for their area instead of being spent on a sign.

**MOVED BY S. NELSON** to rescind the original motion and change the motion to have \$20,000 removed from the Elmworth hamlet sign budget and leave \$1,039 for Public Works to purchase a suitable sign.

Councillor Jacobs commented that she would like a sign for Huallen as well.

Mr. Pfau referred to rural addressing and they signs that were done to accommodate the specification of rural addressing; the signs cost around \$1000.

Council voted on the motion.

**CARRIED**

Council discussed the additions to the 2013 budget worksheet that were made at the beginning of the meeting.

Salt Shed in the amount of \$200,000.

The increase of commitment to halls in the amount of \$24,000. Mrs. Vavrek noted a correction, the total amount will be \$19,000 not \$24,000. Reeve Beaupre spoke in favour of the \$19,000 increase for offsetting utility costs for the community halls. She further noted that at fall budget Council can discuss increasing the contribution further. Councillor Nelson inquired whether the Seniors Centre were to receive the hall funding as well. Bill responded that only community halls will be receiving the funding.

**Resolution #CM20130418.2007**

**MOVED BY R. HARPE** to transfer the balance of surplus, \$699,550, to the Infrastructure Reserve.

Councillor Smith inquired about funding in the Municipal Reserve.

Councillor Jacobs inquired about Saskatoon Mountain and whether there is any funding needed to host open houses on potential planning for Saskatoon Mountain. Bill responded that we have the \$20,000 grant which can be used for a hall rental and other necessities for the open houses.

Councillor Jacobs also posed a question about Pipestone Creek in regards to the safety of the water and sewer located there. Mr. Pfau responded that he is not aware of any safety issues and that the upgrades will be to the sewage as well as having a trailer dump installed. Arlen Miller, Director of Community Services, noted that this is being done as a result of the study that was done and there will also be electrical going in at the camp sites as well.

Council returned to the motion.

**CARRIED**

The total surplus will be \$699,550 with the salt shed and hall increases included in the budget. Council referred to the options page for balancing the 2013 budget.

Bill referred to Option C and the \$125,000 from Municipal Reserve for Pipestone Creek water and sewer upgrades.

Councillor Eckstrom commented that if the funding is taken from reserves we are still spending the money. Bill noted there are still upcoming projects and any surplus should be put to the Capital Facility or Infrastructure Reserve.

**Resolution #CM20130418.2008**

**MOVED BY R. HARPE** that mill rates stand as discussed at interim budget and that the tax rate bylaw be prepared reflecting a 2.8% increase to an average residence, no change to farmland, and non-residential changed based on market value change.

Mrs. Vavrek noted that the tax rate bylaw will be brought back to Council on April 29th, 2013.

**CARRIED**

**COUNTY  
SPORTSPLEX  
FOOD SERVICE  
AMENITIES  
TENDER  
AWARD**  
(NEW BUSINESS)  
(Issue #20130415002)

John Simpson, Director of Planning, noted that the County Sportsplex Food Service Amenities Tender Opening was conducted on April 18, 2013 with the following bids received:

<b>Fillmore Construction Management Inc.</b>	<b>\$555,000.00</b>
<b>Johnston Builders Ltd.</b>	<b>\$598,000.00</b>
<b>K. Shaw &amp; Sons Contracting Ltd.</b>	<b>\$720,155.00</b>

\*The bids include a cash allowance for kitchen equipment

Due to changes in project scope, the interior finishing for food services amenities was not completed with the original building construction contract and was tendered separately.

Proposed final budget includes an estimate of \$514,233.00, to be funded from Facility Capital Reserve. An additional \$10,767.00 from Reserve is required to award to the low bidder.

Mr. Simpson recommends that the contract for the construction of the Sportsplex Food Service Amenities be awarded to the low bidder Fillmore Construction Ltd. for their bid amount of \$555,000.00, with the balance of the funding required from the Facility Capital Reserve.

**Resolution #CM20130418.2009**

**MOVED BY R. HARPE** that the meeting be recessed at 2:49 p.m. for a 5 minute break.

**CARRIED**

The meeting was reconvened at 3:02 p.m.

**Resolution #CM20130418.2010**

**MOVED BY R. HARPE** that the contract for the construction of the Sportsplex Food Service Amenities be awarded to the low bidder Fillmore Construction Ltd. for their bid amount of \$555,000.00, with funding from the Facility Capital Reserve.

**CARRIED**

**TERMS OF  
BORROWING  
FOR DINO  
MUSEUM**

(ADDENDUM)  
(Issue #20130418002)

The motion that was passed during the Dino Project meeting stated that the stipulated amount from PCL will be up to \$24, 757, 751 and they will continue to work on cost savings where available. It was noted that the motion should also reflect that the project will move forward as long as they are successful with passing the borrowing bylaw. Councillor Sutherland noted that the motion can be changed to reflect that as that was the intent of his motion.

Direction is required for a borrowing bylaw by Finance. Mrs. Vavrek reviewed the following debt servicing options including timelines and interest rates over 10, 15, and 20 years.

- 10 year debt servicing: \$594, 585 (2014 forecast with interest); \$330,000+ for operating deficit in 2015-16,
- 15 year: \$442,670 (2014 with interest); same operating deficit as 10 year

Councillor Eckstrom inquired how much will be paid in interest in total for the 15 years debt servicing based on borrowing \$5 million. Mrs. Vavrek responded that the interest will be \$1.6 million for 15 years, and \$945,000 interest for 10 years. She further noted that they cannot lock in the rate because it is variable and with the longer terms the rates will increase.

Bill inquired about the differences in rates between the different periods of borrowing. Mrs. Vavrek responded we can lock in up to 25 years but the longer the term the higher the rate. For 10 years the rate is 3.42% and for 15 years the rate is 3.87% (both including the 1% cushion allowing for any changes).

Councillor Harpe commented that he is in favour of a 10 year borrowing period.

Councillor Smith commented that even with the borrowing we are still going to be \$6.3 million short for the project. The anticipation is that sponsors will come and the shortfall can be raised.

### **Resolution #CM20130418.2011**

**MOVED BY R. HARPE** to approve a 10 year debt servicing term for the borrowing bylaw in the amount of \$5 million for the construction of the Dino Museum.

Councillor Harpe further suggested that Council increase the borrowing bylaw by \$1.6 million to ensure that they will not have to come back for more money but the motion had already been made. Bill inquired what would need to be done to increase borrowing after the bylaw is passed.

Mrs. Vavrek commented that Council can have an amendment to the motion to increase the amount but the increase would have to be advertised. Reeve Beaupre noted that they will need to have the bylaw brought back for first reading; Councillor Harpe's motion is for the bylaw to be done up with 10 year term for the borrowing for the construction and the bylaw will be prepared for the April 29, 2013 Council meeting.

Councillor Eckstrom inquired whether we will have to re-advertise if the amount on the borrowing bylaw is changed. Mrs. Vavrek advised that according to the MGA if the amount exceeds 15% of the original cost estimate it needs to be re-advertised.

Councillor Nelson commented that she agrees with Councillor Harpe but the intent is to keep it regional; she thinks there should be time over the next two years for the fundraising to take place.

Council returned to the motion.

**CARRIED**

**Resolution #CM20130418.2012**

**MOVED BY B. SMITH** to remove the Executive Director of PCDI from the Coordinator position of the Philip J. Currie Museum Building Project to allow him to focus on fundraising effort for the project.

Reeve Beaupre inquired if we table this motion and have it brought back to another Council meeting to allow for review of the contract.

**MOVED BY S. NELSON** to table the motion and have it come back at the April 22, 2013 Council meeting so a copy of the contract can be sent to all Councillors for review prior discussion.

**TABLED**

**Resolution #CM20130418.2013**

**MOVED BY B. SMITH** that when the re-negotiation of the contract for the Executive Director for PCDI occurs in September 2013 it be brought back to Council to decide on terms of renewal.

Councillor Sutherland commented that he has an issue with this motion because this is a personnel issue not a public forum. Reeve Beaupre responded that Mr. Brake is a contractor and his position can be discussed in public.

Councillor Eckstrom spoke in favour of the motion because the County is paying his salary and it is important that Council has a say in his contract.

Council returned to the motion.

**CARRIED**

**ADJOURNMENT**

**Resolution #CM20130418.2014**

**MOVED BY L. DUECK** that the meeting adjourn at 3:29 p.m.

Reeve Beaupre thanked all members of the County Staff for their work on the 2013 budget.

**CARRIED**

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REEVE

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COUNTY ADMINISTRATOR