



**TOWN OF HINTON
Regular Council Meeting
February 4, 2014**

PRESENT: Mayor Rob Mackin, Councillors Dale Currie, Ryan Maguhn, Marcel Michaels, Stuart Taylor, Glen Barrow, Matthew Young

ABSENT:

SECRETARY: Rhonda West – Legislative & Administrative Services Coordinator
ALSO PRESENT: Bernie Kreiner - Town Manager
Denise Parent - Director of Corporate Services
Mike Schwirtz – Director of Infrastructure Services
Laura Howarth – Director of Community & Protective Services

ORDER

Mayor Rob Mackin called the Regular Council meeting to order. The time was 4:55 p.m.

ADOPTION OF AGENDA

BARROW- That the agenda of the Regular Council Meeting held February 4, 2014 be adopted as presented.

Carried

CITIZENS "MINUTE WITH COUNCIL"

Jacqueline Delisle representing the YRAF Society spoke to Council to let them know that the festival is continuing for the year and is scheduled for April 25-May 2, 2014 with grand concert taking place on May 8, 2014.

Arif Khan from the Hinton & District Chamber of Commerce invited council and citizens to the Chamber's social this Thursday from 4-6 pm. It will be an opportunity to meet fellow business owners in town. He also reminded Council that next Thursday is the Alberta Transportation strategy meeting at the Holiday Inn and hoped to see as many people as possible to turn out.

DELEGATIONS AND PRESENTATIONS

1. **AltaLink Update**

Ed Toupin of AltaLink appeared before Council to provide an update on the services that AltaLink provides to the community. Ed has been in the transmission business for over 40 years. One message Mr. Toupin conveyed to Council is that a strong transmission system provides access to safe, reliable and economic energy.

2. **Pedestrian Traffic Safety Education in Hinton**

Leanne Weik gave an informative presentation to Council on Pedestrian Traffic Safety. Information was also presented on how to improve pedestrian safety in the community. Benita


Initial

Smit and Dave McKenzie also spoke to Council about the great program that was developed in Hinton and funding options that are available from the Province.

3. **Hinton Nordic Centre**

Terry Dodge, President, attended before Council to provide them with an update on the Hinton Nordic Skiers Society and the Hinton Nordic Centre and their funding goals for 2014. Mr. Dodge spoke about the club's request for Quality of Life grant money and the 2015 Canadian and North American Biathlon Championships. He indicated that the province has committed to paying for a signage overhaul at the Nordic centre and the race funds but no commitments on annual funding.

Mayor Mackin called for a brief recess. The meeting resumed at 6:14 p.m.

COUNCIL MINUTES FOR ADOPTION

1. Regular Meeting of Council Minutes – January 21, 2014
2. Standing Committee of Council Minutes – January 23, 2014
3. Standing Committee of Council Minutes – January 28, 2014

Councillor Taylor noted that the minute wording for Issue VI (Philosophy of who pays for growth) of the Off-Site Levies Policy Options action item at the January 28, 2014 Standing Committee meeting did not reflect what he had agreed to. The proposed wording change is as follows:

There was consensus to accept administration's recommendation as follows:

“Support the philosophy of finding a sound balance of interests better aligned with Council's Strategic Plan vs. the current absolute growth pays for growth position and refer to the Municipal Development Plan update process for incorporation.”

CURRIE - That the Minutes listed above be approved as amended.

Carried

ACTION ITEMS

Refer to the Regular Council Meeting Agenda package for February 4, 2014 for detailed background information on these decisions.

1. Innovista Phase I Lot Sale Pricing

Council had identified a desire to look at Innovista and ways to increase sales. With only 40% of Phase I being occupied or in private hands, Town Manager, Bernie Kreiner, presented Council with options to help stimulate sales activity. The recommendation is brought forward as a result of discussion at Standing Committee and In Camera.

MAGUHN - That Hinton Town Council approves a reduction of 25% of Innovista Phase I lot prices.

Carried



CURRIE - That Council direct Administration to report back on Innovista lot sales interest and activity at the first regular council meeting of May, 2014.

Carried

2. Advance Approval of Airport Funding

Bernie Kreiner presented Council that the action item before them was the next step in the process, and if successful, further work needs to occur to confirm an arrangement with a scheduled air carrier and undertake physical improvements to the Edson airport which is best suited in the region to receive scheduled service. Edson and Yellowhead County have already approved.

MICHAELS - That Hinton Town Council commit advance budget approval of \$15,000 to support engaging IMPACT Consulting and interVISTAS to undertake a strategic advocacy plan for commercial air service to and from the Edson Airport and related government relations support, as Hinton's equal share in partnership with Yellowhead County, Town of Edson, Municipality of Jasper and Jasper Tourism.

Carried

INFORMATION ITEMS

1. Council Information Package #1 - previously circulated January 22, 2014
2. Council Information Package #2 - previously circulated January 29, 2014

Councillor Young noted the letter in the Information Packages regarding the TransMountain Pipeline Expansion Project.

YOUNG – To direct administration to draft a letter of support for the TransMountain Pipeline Project.

Motion Withdrawn

Council agreed to refer the matter to the Regular Meeting of Council on February 18, 2014 to allow them to review additional information (specific location maps) for how/where pipeline goes through Hinton.

Councillor Taylor excused himself from the next item declaring a pecuniary interest as he owns shares in Teck Coal and left the Council Chambers.

Councillor Currie excused himself from the next item declaring a pecuniary interest as the matter relates to his employer and left the Council Chambers.

YOUNG – To direct Council to send a letter of congratulations to Teck for being named to the Global 100 Most Sustainable Corporations List.

Carried

Councillors Taylor and Currie returned to the Council Chambers.

Mayor Mackin noted the letter from Minister Bhullar, Minister of Human Services, looking for community members to apply for membership on the Family and Community Engagement Councils (FCECs). The closing date for applications is February 14, 2014. Additional information including the application form can be found on their website at www.human.services.alberta.ca/fcec.

YOUNG - That Council Information Packages #1 and #2 be accepted for information.

Carried

REPORTS FROM MAYOR, COUNCIL, TOWN MANAGER

1. Council Reporting (Training/Conferences/CEAC, Listening Teams, All Other Committees)

Councillor Matthew Young reported:

- Couch surfing at the mall was great; met lots of people and had good interaction with residents on Mountain Street where speeding still seems to be an issue; February 10-16 is Random Acts of Kindness week and challenged council to do one act each day during the week.

Councillor Dale Currie reported:

- Couch surfing – great discussion between citizens and council; looking forward to more sessions
- Attended a meeting along with representatives from the Chamber, CFWY and staff regarding the creative fronts pilot project. The collaborative pilot project looks to fill vacant store fronts with art work to promote a vibrant art and business community. Phase I is to have three art installations into the most visible vacant storefront for citizens and visitors to enjoy. Don Engerdahl is the overseer of the project.

Councillor Glen Barrow reported:

- Noted that the proposed budgets are very important and expects the public to come out and voice their opinions to himself and fellow Councillors;
- Commented that he notices speeding issues on Mountain Street more in the evening.

Councillor Marcel Michaels reported:

- Had some great talks at the couch surfing event at the mall and Mountain Street came up quite often;
- Got together with the CHEERS group who are having their AGM on February 20, 2014 at 4:00 p.m. at the Youth Centre to get the group up and running.

MICHAELS – To direct administration to work with area attraction organizations including the Nordic Centre to explore options that will increase visibility of access signage along Highway 16.

Carried

Councillor Ryan Maguhn reported:

- On January 22, 2014 he and Councillor Barrow were in attendance at The Old Grind for the Hinton Policing Committee public engagement session to collect feedback from the community on targeted area for the RCMP in the upcoming year. Please provide feedback to Councillor Maguhn or Councillor Barrow;
- Attended Hetty's retirement at the library on January 31, 2014 and noted it was a fantastic, classy event for a classy lady;
- Couch surfing – great process and input; looking forward to feedback on budget; get your voice heard.

Councillor Stuart Taylor reported:

- Councillor Taylor introduced a Notice of Motion for the February 18, 2014 Regular Meeting of Council agenda in relation to review the 2014 draft budgets specifically looking at staffing levels and program delivery service. In preparation for the discussion, Councillor Taylor requested administration to provide information relating to the cost of hiring an independent accounting firm to perform the review for the February 11, 2014 Standing Committee meeting;
- Councillor Taylor presented his thoughts on the draft budgets. A handout of Councillor Taylor's comments was provided to Council members, media and those members of the public in attendance at the meeting. A copy of the handout will form part of the minutes.

Mayor Rob Mackin reported:

- Noted that community engagement sessions are coming up and he is looking forward to input from the citizens. The theme of the draft budget is to hold the line and put aside money for future capital projects. He noted that it is important to get feedback from citizens as to the direction of the Town. A session will be held in the Teck Coal room at the library on Monday, February 10, 2014 from 1-4 p.m. and again from 6:30-9:00 p.m. at the Legion. Council will forward the feedback received the next Standing Committee meeting and then finally on February 18, 2014 at the Regular Council meeting;
- Loved Literacy Day at the library;
- Participated in a session of the Municipal Government Act review hosted by AUMA. A further session is scheduled for March 5-7 in Edson;
- Tickets are on sale this week for Arts on Fire event scheduled for February 22, 2014 where a number of local artists will be recognized.

2. Town Manager Report

Town Manager Bernie Kreiner reported:

- Congratulated the library staff in organizing Hetty's sign-off;
- He will be on vacation February 11-18th and Denise Parent will be acting Town Manager during his absence.

MOVE IN CAMERA

MICHAELS - That the Regular Council meeting move in camera.

Carried

The time was 7:18 p.m.


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MICHAELS - That Regular Council meeting revert to regular session.

Carried

The time was 8:41 p.m.

ADJOURNMENT

CURRIE - That the Regular Meeting of Council adjourn.

Carried

The time was 8:42 p.m.



Mayor



Director of Corporate Services

Initial

Dear Fellow Councillors:

I recognize that in my role as a Council Member, part of my responsibility is to bring constructive ideas to the Council Chamber, and to help ensure there is vibrant debate.

To that end, I have three questions I would like to toss out:

- a) “How might an across-the-board double-the-rate-of-inflation tax hike be justified in this Council’s very first budget, in light of the fact that most of us were elected, at least in part, on a promise of fiscal restraint?”;
- b) “Is growing the overall cost of government for an ill-defined capital reserve tantamount to creating a slush fund?”;
- c) “When considering fiscal prudence is it best to create a capital reserve fund or to pay off debt? And if both are considered viable options, – which of the two should come first?”

The context within which Council is making its financial decisions at this time includes the following set of facts:

1. The inflation rate is 1.2%.
2. Hinton has experienced flat or negative population growth for a decade or more. This alone makes tax hike comparisons between us and other towns irrelevant.
3. Between 2007 and 2012, we’ve had 12 departments in which spending in key areas increased over 60%.
4. We currently spend \$1.4 million per year on debt servicing, which is between \$25,000 and \$30,000 per week.
5. Council currently controls capital funds previously earmarked for projects that have been cancelled. These funds could easily be reallocated.
6. We had tax increases last year in the 7 % range, when the annual inflation rate was 1.5%.

In light of the above data, is hiking taxes two and a half times the rate of inflation a responsible decision? And, in what way would such a decision substantially distinguish the fiscal performance of this Council from the performance of the previous council? I would submit it would not.

Raising taxes across the board by two and half times the rate of inflation, in order to put that money into a loosely designated fund doesn’t reflect good financial management; nor does it reflect fiscal accountability to ratepayers. Let me explain why:

Saving for an identified objective is a good idea. But growing the cost of government by two and a half times the rate of inflation for no clearly defined objective is tantamount to creating a slush fund that is without accountability.

The problem with government slush funds is that they do not carry with them the same level of review, accountability, and public scrutiny that is associated with designated funds.

If a large pool of capital is designated by means of a plebiscite, and Council sometime later decides to reallocate that money, a public discussion and explanation would be part of the process. Our local media pays attention to the deliberations of Council and would report on the change. Ratepayers would be permitted the opportunity to consider what we want to do and why. And that's the way it should be because we work for them and are accountable to them.

How many of us would own a business, and at that business allow an employee to accumulate and control a large pool of our money for a purpose that he or she has not made clear? If a reasonable business person would not endorse such a process, why should Hinton's ratepayers be expected to do so?

Building a non-designated capital reserve fund through double the rate of inflation tax hikes is likely the very last option Council should be exercising at this time.

If Council decides to set aside funds for a swimming pool, or as a contingency for a water treatment plant, the starting point should be:

1. To divert existing funds that were saved by reducing the scope of the Switzer Drive Project (\$1 million);
2. Divert funds saved and/or possible proceeds from revamping the Innovista Project;
3. Carefully review the existing capital budget, considering initiatives that we deem premature or unwise, and diverting those funds where appropriate.

I'd add that it would be a wise move by Council to perhaps review existing debt instruments to consider if there are viable options at this time for accelerated debt repayment. Perhaps there are not. However, such an analysis would clarify for all Council Members the exact nature of the town's indebtedness.

My objective in sending these ideas your way is to encourage each of us to think yet again about the full scope of our options. As best as I can tell, an across the board tax hike of two and half times the rate of inflation when our population growth is flat, is a complete renegeing on the commitment to fiscal accountability that so many of us made during the last election campaign.

Stuart Taylor Member of Council: Staylor@hinton.ca