

**MINUTES OF THE SPECIAL MEETING OF COUNCIL
of the Town of Banff in the Province of Alberta
Town Hall Council Chamber
Tuesday, November 28, 2006 at 1:00 pm**

COUNCIL MEMBERS PRESENT

John Stutz	Mayor
Bob Haney	Councillor
Chip Olver	Councillor
Ossi Treutler	Councillor
Chris MacDonald	Councillor
Karen Sorensen	Councillor and Deputy Mayor
Justin Burwash	Councillor and Acting Mayor

COUNCIL MEMBERS ABSENT

ADMINISTRATION PRESENT

Robert Earl	Town Manager
Tom Maier	Manager of Corporate Services
Kelly Gibson	Senior Accountant
Jack MacIntosh	Fire Chief
Mike Dobbin	Manager of Operations
Randall McKay	Manager of Planning & Development
Mary Brewster	Manager of Community Services
Bruce Bedwell	Manager of Engineering
Michelle Gurney	Manager of Communications
Cheryl Hyde	Municipal Clerk (Recording Secretary)

1.0 CALL TO ORDER

The Mayor called the meeting to order at 1:02 p.m.

2.0 APPROVAL OF AGENDA

2.1. Meeting Agenda

COU06-316 Moved by Councillor MacDonald to approve the agenda of the November 28, 2006 special meeting of Council as presented.

CARRIED

3.0 DELEGATIONS

3.1. Small Business Association of Banff (SBAB)

Speaking on behalf of the Small Business Association, Rob McIntyre inquired about the philosophy of Council with respect to the anticipated reduction in the provincial school requisition and the use of these funds for funding the infrastructure deficit. Mr. McIntyre suggested that Council consider refunding any decreases in the school requisition directly to the taxpayer. Council provided the following response:

- It is Council's understanding that the province is reducing the school requisition specifically to allow municipalities to fund their infrastructure deficits.

- If the estimate of the reduction varies significantly, the budget would be re-opened and the transfer to capital would likely be reduced.
- Council expects that any savings from the province after the infrastructure is fully funded would be passed on to the taxpayer.

With respect to the Banff Refreshing project, McIntyre stated that summer construction would not be in the best interests of the SBAB members.

Administration confirmed that cost estimates for various construction schedules are expected in early December. Once the figures have been received, administration will schedule a meeting with representatives from SBAB. Council can expect debate on this issue at the December 11 meeting, or at the next earliest time possible, depending on when the cost estimates are received.

4.0 2007 CAPITAL BUDGET

The Senior Accountant presented the first draft of the 2007 capital budget for Council's consideration. A copy of the presentation is attached to these minutes for information.

Council discussed whether or not to direct administration to prepare a comprehensive site plan for the Operations Compound before funds are approved for any new buildings on the site. Debate will continue on GG 32-06 Operations Compound Building Replacement, GG new-3 Fleet Shop Expansion and GG new-4 Bus Storage Building at the next budget meeting.

COU06-317 Moved by Councillor MacDonald to remove \$41,000 from 2007 RC-3c Bow Falls View Point Rehabilitation and Upgrades for the design of washroom facilities.

**DEFEATED
MacDonald in favour.**

COU06-318 Moved by Councillor Burwash to increase GG 23-04 Street Pole Banner and Christmas Pageantry from \$25,000 to \$75,000, reduce the corresponding costs from 2009 and 2010, leaving \$25,000 in 2008 for costs associated with the 100 and 200 blocks of Banff Avenue, and to direct administration to obtain as many partnerships as possible to help offset municipal costs.

**CARRIED
MacDonald and Stutz opposed.**

5.0 INQUIRIES

There were no inquiries.

6.0 ADJOURNMENT

COU06-319 Moved by Councillor MacDonald to adjourn at 4:16 p.m.

CARRIED

John Stutz
Mayor

Cheryl Hyde
Municipal Clerk

2007-2011 Capital Budget



Capital Budget Process

- Brief presentation
- Individual Councillor's expectations including projects to be brought forward, pushed back or eliminated
- Year by year analysis and debate

Cost Drivers

- Labour market – primary cost driver in Alberta's construction market
- Interest rates – anticipated to drop between 0.25 and 0.5% in 2007
- Construction volumes – slowing but could increase with dropping interest rates
- Fuel prices – 25% of the cost of building a road

Cost Drivers

- INFTRA forecasted inflation rates
2006-2007 – 20 to 25%
2007-2008 – 15%
2008-2009 – 10 to 15%
2009-2010 – 7%
2010-2011 – 7%

Cash Flow

- Short-term debt potential for 2008
- Positive cash flow at end of 2011
- 2 projects identified having debt funding
 - (2008) Lighting upgrades \$1.3M over 10 years
 - (2011) Bow River Watermain Project \$1.1M
- Large projects scheduled for 2012-2016

Current Borrowing Rates

ACFA Rates as of Nov. 27/06

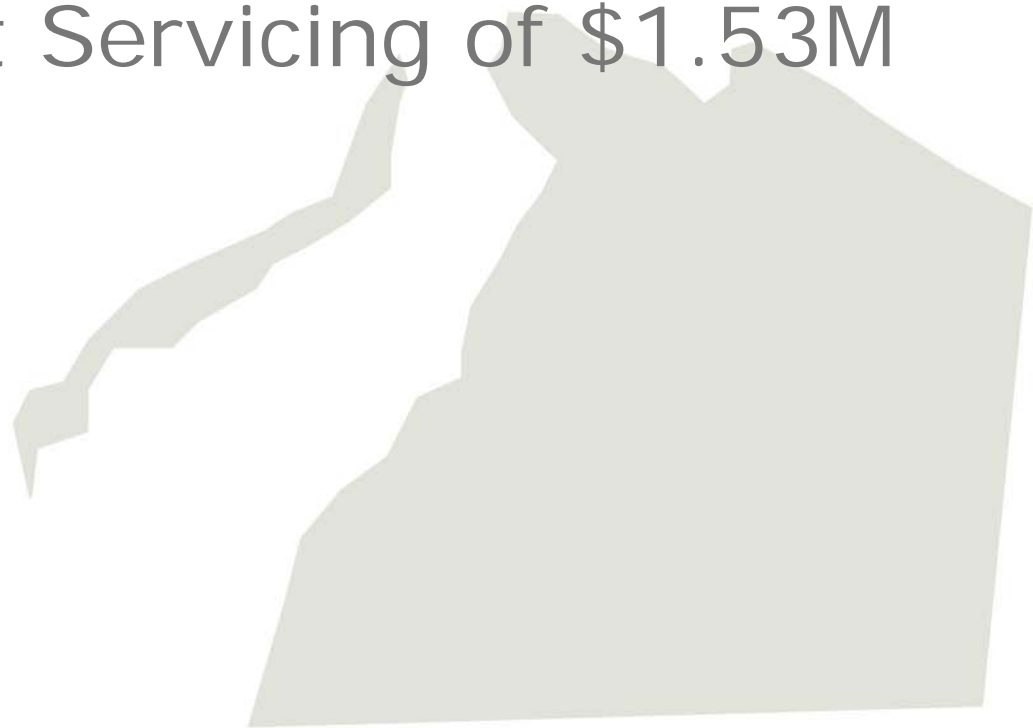
■ 3 year	4.178%
■ 10 year	4.265%
■ 15 year	4.401%
■ 20 year	4.505%

Borrowing Restrictions

- 2005 Audited Debt Limit \$27.3M
- 2005 Audited Debt Servicing \$4.5M
- In 2005 2% of limit was used for both debt limit and servicing
- 2007 up to \$3.5M of debt servicing is assigned to BHC
- 2007-2009 up to \$8.9M of debt limit and \$895,000 of debt servicing is assigned to Rocky Mountain Co-operative Housing Association

Long-term Borrowing

- \$20M over 20-year
- Annual Debt Servicing of \$1.53M



Short-term Borrowing

- \$6M over 3-year
- Annual Debt Servicing of \$2.15M
- The intent of short-term borrowing to fund a project not larger than approx. \$10M
- Delayed because of cash flow but subject to a higher rate of inflation than cost of borrowing

2006 Projects Re-Budgeted

- Banff Child Care Centre Flooring \$60,000
- 40 Mile Creek Dam \$40,000
- Neighborhood Parks \$31,000
- Bow Falls Cliff Top \$50,000
- Joint Use School Grounds \$30,000

Banff Refreshing

- Project carried form 2006 to 2007 and 2008
- Anticipated inflation on costs of \$4M added for cash flow purposes
- Report requesting additional funds anticipated January 2007

What's new in 2007

- Transit
- Fire Services
Equipment/Vehicle
- Mobile Stage

What's Missing?

- Recreation Centre
 - Community Centre \$4.6 million removed from 2008 – 2009
 - Expected budget amendment from report coming Q1 of 2007 on revised Multi-Plex Recreation Facility project
- Pedestrian Bridge
 - Currently in 2012-2016



Council Deliberations

