



Town of Vegreville

Meeting Minutes

April 27, 2020 - Regular Council Meeting - 07:00 PM

The Regular Meeting of the Town of Vegreville Council was called to order by Mayor Tim MacPhee on Monday, April 27, 2020 via Zoom video conferencing, commencing at 7:00 PM with: Councillor Berry, Councillor Brodziak, Councillor Lemko, Councillor Rudyk, Councillor Warawa and Councillor Waters.

Together with: Mr. Cliff Craig, Town Manager; Mr. Paul Casey, Corporate Services Director; Mr. Dale Lefebvre, Infrastructure, Planning & Development Director; Mr. Phil Rowe, Community Services Director; Ms. Sandra Ling, Recording Secretary; and Mr. Kaleb Brink, Communication Coordinator and Video Meeting Facilitator in attendance.

1. CALL MEETING TO ORDER

2. ADOPTION OF AGENDA

2020-04-15

Moved By: Councillor Lemko

That the Agenda of the Regular Meeting of Town Council held on April 27, 2020 be adopted.

Carried

3. ADOPTION OF MINUTES

2020-04-16

Moved By: Councillor Waters

That the Minutes of the Regular Meeting of Town Council held on April 15, 2020 be received and filed.

Carried

4. DELEGATION

5. UNFINISHED BUSINESS

6. CORRESPONDENCE

6.1 MS. SHANNON STUBBS, MP FOR LAKELAND - PRIVATE MEMBERS BILL C-221 THE ENVIRONMENTAL RESTORATION INCENTIVE ACT

2020-04-17

Moved By: Councillor Rudyk

That the correspondence from Ms. Shannon Stubbs, MP for Lakeland, be received and filed.

Mayor and Council,

On February 25th, 2020, I introduced my Private Members Bill C-221, The Environmental Restoration Incentive Act. It will be considered in the House of Commons in coming weeks.

Canadian oil and gas producers are world leaders in environmental remediation and reclamation. But a combination of economic, policy, legislative, and regulatory factors has led to a historic collapse in investment, businesses, and jobs in Canada's energy sector. One consequence is that record bankruptcies have caused the number of orphan wells to increase by over 300% since 2015. This is an urgent economic and environmental challenge in rural municipalities, in particular – for municipal governments, for landowners, on crown land, and for indigenous communities.

Small and medium sized oil and gas producers are the backbone of the sector, and want to fulfill their remediation and reclamation obligations, but have been hardest hit. The Supreme Court's 2019 Redwater decision makes it more difficult for financially vulnerable and at-risk producers to raise capital because lenders and investors know returns may be delayed or never recouped.

The Environmental Restoration Incentive Act will help struggling small and medium oil and gas producers, specifically, to

decommission old and inactive wells. Rural Municipalities face significant economic impacts with over \$173 million in unpaid property taxes. While this bill will not immediately recover all the taxes owing to municipalities, the benefits of Bill C-221 to municipalities are twofold: first, this bill will help producers to continue operating and paying taxes; secondly, this bill will help producers permanently decommission wells they no longer use, reducing future environmental liabilities in your community.

The current orphan well system is overwhelmed, and risks costing taxpayers 100% of associated costs for well closure, remediation, and reclamation – which is currently estimated between \$30 billion and \$70 billion, overall. Bill C-221 enables small producers to raise money from investors exclusively for decommissioning oil and gas wells. It will incentivize and ensure private sector proponents can fulfill environmental responsibilities at the lowest public cost. This will be accomplished using something called flow-through shares, which Bill C-221 requires the government to consider and report on.

Flow-through shares allow a company to attach a tax credit to a specific stock. In this way, the benefit of the tax credit ‘flows through’ to the purchaser of the stock which is typically an investment fund. The tax credit creates the profit margin on a stock that is not growing in value, creating an incentive for external investors to invest in companies with low growth potential to raise money from the private sector – Bill C-221 creates the specific tax credit for well decommissioning costs that will be attached to flow-through shares, which will be of immediate benefit.

Bill C-221 proposes the flow-through share ability as a short-term measure, ending by 2026, to encourage immediate action and job creation, and to deal with the pressing crisis of suspended and inactive wells. This bill applies only to small and medium producers, responsible for about one quarter of total Canadian oil production, and which have, on average, one well for every ten wells of large and multinational companies that don’t qualify for this tax credit.

A real difference can be made right away, with a tax credit that can only be used the year a well is decommissioned and will only be for small and medium producers that need it the most. It will help steward the environment, create jobs for oil and gas workers right away, and protect taxpayers.

My bill is not a perfect remedy to this complex challenge, which requires cooperation and multi pronged action from both federal and provincial governments. Because of limits on the scope and power of Private Member’s Bills, Bill C-221 cannot singlehandedly create the tax credit with flow through shares enacted immediately, but I am working in collaboration with all Members of Parliament of all parties and independents to secure support and to urge the timely implementation of flow-through shares for this credit.

While I am an aggressive advocate for Lakeland and for Alberta, I have a track record of working with other parties on previous initiatives. What matters most to me is doing the right thing and the advancement of meaningful initiatives, not politics. In the previous term, I accepted significant amendments from another party to my Motion 167 on rural crime, and it ultimately received unanimous support in the House of Commons from all parties.

Similarly, the current situation with orphan wells is escalating, with many different impacts, and I believe Members of Parliament are morally, politically, and philosophically obligated to find common ground to address this challenge.

In summary, my bill will incentivize and ensure private sector proponents can fulfill environmental responsibilities at the lowest public cost.

Please discuss Bill C-221 with your colleagues, and with your constituents. You may consider passing a resolution in support of Bill C-221, The Environmental Restoration Incentive Act, or contact me with your individual and/or collective support. I would appreciate it if you could scan and send a copy of your resolution to Shannon.Stubbs@parl.gc.ca and send an original copy to my office at:

Shannon Stubbs, MP
House of Commons
Ottawa, ON K1A 0A6

If you require any additional information, please contact my office at 613-992-4171, or Shannon.Stubbs@parl.gc.ca.

Thank you for your consideration.

Carried

6.1.1 MOTION OF SUPPORT

2020-04-18 **Seconded By:** Councillor Berry

That Town Council send a letter of support for MP Shannon Stubbs Private Members Bill C-221.

Carried

7. FINANCIAL

7.1 MONTHLY CASH STATEMENT FOR MARCH 31, 2020

2020-04-19

Moved By: Councillor Brodziak

That the Town of Vegreville Monthly Cash Statement for the month ended March 31, 2020 be received and filed.

Carried

8. MEMORANDA

8.1 PHIL ROWE, COMMUNITY SERVICES DIRECTOR - HEATHER CURLING CLUB REQUEST FOR RENTAL CANCELLATION

2020-04-20

Moved By: Councillor Waters

That Town Council approve the cancellation of the March 2020 rental fee for the Heather Curling Club in the amount of \$9,000.00.

BACKGROUND:

The Heather Curling Club pays \$9000.00/month rent for the use of the Vegreville multi-plex building as per the contract. Due to the COVID-19 pandemic, the Town of Vegreville was forced to close all public recreation facilities on March 16, 2020. The Social Center was also closed to events preventing the Heather Curling Club from holding their major fundraiser in March 2020. This fundraiser is used to off-set their rental payments for the club.

FINANCIAL IMPLICATIONS:

A loss of \$9000.00 in rental revenue for the multi-plex.

COMMUNICATION STRATEGY:

The Town of Vegreville would communicate to the Heather Curling Club in writing notifying them of the rental cancellation for March 2020.

Carried

8.2 DALE LEFEBVRE, INFRASTRUCTURE, PLANNING & DEVELOPMENT DIRECTOR - SETTLEMENT OF K&K RECYCLING SERVICES STATEMENT OF CLAIM

2020-04-21

Moved By: Councillor Berry

That Town Council offer a settlement of \$20,000.00 and advise Legal Counsel to proceed with obtaining the necessary releases for the Town of Vegreville, including all members of Council and Senior Management Team; and

Further that Town Council approve the transfer from the General Operating Reserve to the Operating Fund in the amount of \$20,000.00.

BACKGROUND

In the spring of 2017 following instruction by Council, the Infrastructure, Planning & Development Department cancelled the agreement between the Town and K&K Recycling Services for the provision of metal recycling services at the Vegreville Sanitary Landfill.

The Town received correspondence dated August 24, 2017 from K&K Recycling Services disputing the termination of the contract. The Town responded in a letter dated September 6, 2017 confirming the Town's decision. On April 3, 2018, the Town received notification from the Legal Counsel representing K&K Recycling Services that the Town is being sued.

On March 11, 2020, our Legal Counsel received a settlement offer from K&K's Counsel. This item was discussed with Town Council in the Closed Session at the Legislative Committee Meeting on April 7, 2020.

FINANCIAL IMPLICATIONS

In accordance with Policy FIN-6007, Council approval is required for this unbudgeted expense. A transfer of \$20,000.00 from the General Operating Reserve to the Operating Fund would be required.

COMMUNICATION STRATEGY

The Town of Vegreville Legal Counsel will be notified of Council's decision and request to proceed with obtaining the necessary releases for the Town of Vegreville, including all members of Town Council and the Senior Management Team.

Carried

8.3 PAUL CASEY, CORPORATE SERVICES DIRECTOR - 2020 TAX SALE

2020-04-22

Moved By: Councillor Brodziak

That Town Council approve the 2020 Tax Sale to be held on Tuesday, September 8, 2020 at 10:00 a.m.: sale by Public

Auction and the terms of the sale to be cash.

BACKGROUND

Properties that are in tax arrears for more than two years are placed on Tax Notification through the Land Titles Office. If the properties on tax notification remain in arrears at March 31 in the year following the notification, the municipality must offer these lands for sale by public auction before March 31 in the following year. This year, the Town has 7 properties eligible for tax sale. Authorization is requested that Administration proceed with the 2020 Tax Sale on Tuesday, September 8, 2020 at 10:00 a.m. in the Council Chambers.

Carried

8.4 PAUL CASEY, CORPORATE SERVICES DIRECTOR - ADJUST 2020 OPERATING BUDGET FOR CHANGE IN PROPERTY TAXES

2020-04-23

Moved By: Councillor Lemko

That Town Council approve the amendment to the 2020 Operating Budget through reduction of the property tax revenue in the 2020 Budget by \$93,108, offset by a transfer from the general operating reserve of \$93,108.

BACKGROUND

With many community members and businesses impacted by COVID-19, The Town of Vegreville has decided to remove the 1% increase in property taxes as passed in the 2020 Operating budget on December 17, 2019. The reduction in property taxes will be offset by a transfer from the general operating reserve so there will be no financial impact on the 2020 Operating Budget.

FINANCIAL IMPLICATIONS

Property tax revenue in the 2020 Operating Budget will be reduced by \$93,108 and will be offset by a transfer from the general operating reserve in the amount of \$93,108. The total revenue from taxation, other sources of revenue and transfers will remain unchanged in the 2020 Budget.

COMMUNICATION

The Town will make this information publicly available by posting this information on its website and social media sites.

Carried

9. BOARD MOTIONS

9.1 VEGREVILLE TOURISM ADVISORY BOARD - NEW MEMBER APPOINTMENT

2020-04-24

Moved By: Councillor Waters

That Town Council appoint Donna Williams as a member-at large representative to the Vegreville Tourism Advisory Board, with the term to expire in April 2022. This appointment will be in accordance to Bylaw 10 – 2019 Section 4.3 (g).

And furthermore, it is recommended that Town Council move Len Bullock's appointment from a member-at-large representative to Economic Development Representative, with the term to expire in March 2021. This appointment will be in accordance to Bylaw 10-2019 Section 4.3 (c).

BACKGROUND

Effective January 20, 2020 VTAB Economic Development Representative Member Franco Matina resigned from the board due to a change in his employment locally. At the April 20, 2020 Vegreville Tourism Advisory Board meeting, Donna Williams' application to become a member of the board was discussed. Currently having no vacancies for an 'at-large' member, the Board would like to move Len Bullock's appointment to Economic Development Representative.

Carried

10. BYLAW

10.1 BYLAW NO. 07-2020 TAX RATE BYLAW

Bylaw No. 07-2020 was presented to Council for the purpose of authorizing the rates of taxation and tax penalties to be levied against assessable property within the Town of Vegreville for the 2020 Taxation Year.

Mr. Cliff Craig exited the meeting at 7:40 PM.

Mr. Cliff Craig rejoined the meeting at 7:42 PM.

10.1.1 FIRST READING

2020-04-25

Moved By: Councillor Berry

That Bylaw No. 07-2020 be read for the first time this 27th day of April, 2020 A.D.

Carried

10.1.2 SECOND READING

2020-04-26

Moved By: Councillor Waters

That Bylaw No. 07-2020 be read for the second time this 27th day of April, 2020 A.D.

Carried

10.1.3 UNANIMOUS CONSENT FOR THIRD AND FINAL READING

2020-04-27

Moved By: Councillor Brodziak

That Bylaw No. 07-2020 be given unanimous consent for third and final reading.

Carried

10.1.4 THIRD AND FINAL READING

2020-04-28

Moved By: Councillor Warawa

That Bylaw No. 07-2020 be read a third and final time this 27th day of April, 2020 A.D.

Carried

11. COUNCIL REPORTS

11.1 COUNCILLOR BERRY

Councillor Berry reported and/or attended on the following:

- Vermilion River Watershed Alliance Meeting via Zoom Video Conferencing - April 17, 2020
- Legislative Committee Meeting via Zoom Video Conferencing - April 21, 2020
- Council Photo at Pysanka Park in Support of Nova Scotia Mass Shooting - April 23, 2020
- Regular Meeting of Town Council via Zoom Video Conferencing - April 27, 2020

Councillor Lemko exited the meeting at 8:00 PM.

Councillor Lemko returned to the meeting at 8:01 PM.

11.2 COUNCILLOR BRODZIAK

Councillor Brodziak reported and/or attended on the following:

- Legislative Committee Meeting via Zoom Video Conferencing - April 21, 2020
- Vegreville Economic Development Advisory Board Meeting via Zoom Video Conferencing - April 22, 2020
- Council Photo at Pysanka Park in Support of Nova Scotia Mass Shooting - April 23, 2020
- Regular Meeting of Town Council via Zoom Video Conferencing - April 27, 2020

11.3 COUNCILLOR LEMKO

Councillor Lemko reported and/or attended on the following:

- Vegreville Tourism Advisory Board Meeting via Zoom Video Conferencing - April 20, 2020
- Go East of Edmonton Tourism Board Meeting via Zoom Video Conferencing - April 21, 2020
- Family and Community Support Services Advisory Board Meeting via Zoom Video Conferencing - April 21, 2020
- Legislative Committee Meeting via Zoom Video Conferencing - April 21, 2020
- Council Photo at Pysanka Park in Support of Nova Scotia Mass Shooting - April 23, 2020
- Regular Meeting of Town Council via Zoom Video Conferencing - April 27, 2020

11.4 COUNCILLOR RUDYK

Councillor Rudyk reported and/or attended on the following:

- AUMA How to Run Effective Electronic Meetings Webinar - April 17, 2020
- Vegreville Rural Physician and Health Professionals Attraction & Retention Committee Meeting via Zoom Video Conferencing - April 20, 2020
- Legislative Committee Meeting via Zoom Video Conferencing - April 21, 2020
- Federation of Canadian Municipalities Rural & Remote Forum via Skype - April 22, 2020
- Vegreville Economic Development Advisory Board Meeting via Zoom Video Conferencing - April 22, 2020
- Zag Creative Covid-19 Mitigation and Business Support Campaign Information - April 24, 2020
- Meeting with Minister Maryam Monsef and Parliamentary Secretary Gudie Hutchings with Rural and Remote Forum via Skype - April 27, 2020
- Regular Meeting of Town Council via Zoom Video Conferencing - April 27, 2020

11.5 COUNCILLOR WARAWA

Councillor Warawa reported and/or attended on the following:

- Vegreville Tourism Advisory Board Meeting via Zoom Video Conferencing - April 20, 2020
- Family and Community Support Services Meeting via Zoom Video Conferencing - April 21, 2020
- Legislative Committee Meeting via Zoom Video Conferencing - April 21, 2020
- Council Photo at Pysanka Park in Support of Nova Scotia Mass Shooting - April 23, 2020
- Regular Meeting of Town Council via Zoom Video Conferencing - April 27, 2020

11.6 COUNCILLOR WATERS

Councillor Waters reported and/or attended on the following:

- Vegreville Rural Physician and Health Professionals Attraction & Retention Committee Meeting via Zoom Video Conferencing - April 20, 2020
- Legislative Committee Meeting via Zoom Video Conferencing - April 21, 2020
- Council Photo at Pysanka Park in Support of Nova Scotia Mass Shooting - April 23, 2020
- Regular Meeting of Town Council via Zoom Video Conferencing - April 27, 2020

11.7 MAYOR MACPHEE

Mayor MacPhee reported and/or attended on the following:

- Talk of the Town with Country 106.5 - April 16, 2020
- Legislative Committee Meeting via Zoom Video Conferencing - April 21, 2020
- Council Photo at Pysanka Park in Support on Nova Scotia Mass Shooting - April 23, 2020
- Talk of the Town with Country 106.5 - April 29, 2020
- Regular Meeting of Town Council via Zoom Video Conferencing - April 29, 2020

12. CLOSED SESSION ITEMS

2020-04-29

Moved By: Councillor Lemko

That Town Council close the session at 8:16 PM.

Carried

12.1 FOIP ACT, DIVISION 2, SECTION 16 - DISCLOSURE HARMFUL TO BUSINESS INTERESTS OF A THIRD PARTY

Paul Casey, Dale Lefebvre, and Phil Rowe exited the meeting at 8:58 PM.

Councillor Rudyk left the meeting at 8:59 PM.

12.2 FOIP ACT, DIVISION 2, SECTION 17 - DISCLOSURE HARMFUL TO PERSONAL PRIVACY

Councillor Rudyk returned to the meeting at 9:30 PM.

12.3 OPEN SESSION

2020-04-30

Moved By: Councillor Berry

That Town Council return to open session at 9:44 PM.

Carried

13. ADJOURNMENT

There being no further business to be brought before Council, Mayor MacPhee declared the Meeting adjourned at 9:44 PM.