

**MUNICIPAL DISTRICT OF MACKENZIE NO. 23
SPECIAL COUNCIL MEETING**

Friday February 2, 1996

PRESENT:

Bill Neufeld	Reeve
Betty Bateman	Deputy Reeve
Ernest Dyck	Councillor
Jake L. Peters	Councillor
Walter Sarapuk	Councillor
Ernest Dyck	Councillor
Frank Rosenberger	Councillor
Bill Fedeyko	Councillor, by telephone conference call from St. Albert

ALSO PRESENT:

Dennis Litke	C.A.O.
Joanne Mitchell	Assistant Manager, Recording Secretary

DELEGATION:

Bob Van Hook	Ratepayer
Gerry Hosey	President, High Level & District Chamber of Commerce
Peter Chomiak	Ratepayer
Edwin Ward	Ratepayer

ABSENT:

Reuben Derksen	Councillor
Reg Scarfe	Councillor

Minutes of the special meeting of the Council for the Municipal District of Mackenzie No. 23, held on Friday, February 2, 1996 in the Council Chambers, M.D. Administration Building, Fort Vermilion.

CALL TO ORDER

1. a)

Reeve Neufeld called the special meeting to order at 10:08 a.m., welcomed the delegation and introductions were made.

Councillor Fedeyko attended the entire meeting by speaker telephone from St. Albert.

**ADOPTION OF
AGENDA**

b) **Adoption of Agenda**

MOTION 95-065

MOVED by Councillor Rosenberger to adopt the agenda as presented.

CARRIED

**ZAMA ACCESS
ROAD**

2. a) **Rescind Motion 96-050**

Manager Litke presented a written report on discussions with the M.L.A. and representatives of Alberta Transportation & Utilities, following the last Council meeting.

Points raised included whether or not the engineering costs were part of the total estimated cost of \$12.5 million, application to take over the License of Occupation road presently held by Penzoil and the maintenance on the balance of the road.

MOTION 95-066

MOVED by Councillor Bateman to rescind Motion 96-050.

Discussion in support of the Motion:

The Minister must deal with requests for funding from all M.L.A.'s and would find it difficult to approve 100% funding for this one project because of the other requests made by M.L.A.'s.

If the Council goes straight to the Premier, it undermines the Minister and could alienate us from him.

Negotiations on the funding can continue after the start of the first year's construction.

The Zama Road Committee has the right to negotiate with industry for funding.

The Province does not have to pay G.S.T. and if they pay for the first two years of construction, it will result in a savings of \$600,000.00.

It appears that if the M.D. does not agree to the Minister's funding proposal, the project would be delayed for a year.

The first two stages will take two years and the M.D. can use that time to get their funding in place.

The Minister has agreed to put this project on the top of the priority list.

Discussion in opposition to the Motion:

There may be a possibility of obtaining an additional 5% funding from the Province. The Zama Road Committee had set their strategy prior to meeting with the Minister and agreed that if the results of their meeting with the Minister was not to their satisfaction, they would go to the Premier and if that didn't work, they would go to the media. The Council followed through on the first two and are now going back on the Committee's decision. Zama is the only community in Alberta that is not served by a Public Road and all other roads to communities were paid for by the Province.

There is a general assumption that the survey will be done this year and another assumption on the License of Occupation being taken over by the M.D. There is not enough information available at this meeting to make a decision.

No one has met with industry to determine if they will provide any of the capital funding required for the road. Industry have a lot of lobbying power to go to the Premier with.

To rescind this motion means that the next motion will be to accept the Provinces proposal and we need to determine where the money will come from for the M.D.'s 25% first.

Councillor Fedeyko requested a recorded vote.

IN FAVOUR:

Reeve Neufeld
Deputy Reeve Bateman
Councillor E. Derksen
Councillor Dyck
Councillor Rosenberger
Councillor Peters

OPPOSED:

Councillor Fedeyko
Councillor Sarapuk

CARRIED

MOTION 95-067

MOVED by Councillor Bateman to go in camera at 10:40 a.m..

CARRIED

The delegation left the Council Chambers at 10:40 a.m.

MOTION 95-068

MOVED by Councillor Fedeyko to come out of camera at 11:05 a.m.

CARRIED

The delegation entered the Council Chambers at 11:05 A.M.

b) **Accept the Minister of Alberta Transportation & Utilities
Offer of Funding for the Zama Road**

MOTION 95-069

MOVED by Councillor Bateman to forward a letter to Dr. West to accept his offer of funding on a 75% - 25% basis for the road linking Zama to Highway #35, that the road be constructed in three stages with the Province funding 100% of the first two stages and that the M.D. would contribute it's 25% of the project in the third stage and that the project be initiated immediately to allow for the first stage of construction in 1996.

The Reeve invited the delegation to address the Council

Bob Van Hook: As a ratepayer, he agrees that we need the road to Zama. In his opinion, Council should not accept the proposal from the Minister. The Province is bullying the Council to accept the 25% saying they might risk losing it by postponing it for another year. Council should put some pressure back on the government by going to the Premier and if that fails, go to the press and tell the people that Zama is a community that doesn't have a road. Four million dollars is a lot of money for the M.D. to come up with and it could be spent in a lot of other places.

Peter Chomiak: Look at the results of what happened when the Doctors in Alberta went to the media and said if they didn't get their funding, they wouldn't operate, or the laundry workers in the hospitals or even the free trade agreement. When the delegation walked out, things happened. Hold fast and stand your ground. Write to Gary Friedel and he'll go to the Minister to get it approved. You've got nothing to lose by trying for 100% funding.

Gerry Hosey: Lives in the Town of High Level but represents the High Level & District Chamber of Commerce. With enough pressure from different groups in the area as well as the media, the government could be persuaded to move on this issue. Even if the project is delayed for one year, it would still tie up the rest of the funding. If the motion passes, does that mean the M.D. agrees to fund 25% and is it on an open ended contract or is there a maximum amount?

Councillor Bateman: The Province will pay 74% of whatever the tenders come in at. Many people in the industry feel the estimates on this road are high because there are no pipelines to cross on the route going east of Zama.

Edwin Ward: You are only asking for something that the government has been paid for a thousand times over in what they have collected in taxes from this area. This revenue to the Province is a good argument to make to them. The Province won't want to get the media involved as it looks like they are beginning to prepare for an election.

Reeve Neufeld: The first request for this road was made to then Minister Peter Trynchy and his response was that industry fund 1/3, the municipality fund 1/3 and the Province would fund 1/3 so 75% funding is a big improvement over those first negotiations.

Bob Van Hook: If you were able to go from 1/3 to 75%, then hang in there and get 100%. Once you sign the paper that says you accept 25%, then they'll hold you to that. We all want the same thing but if you accept the 25%, you just cost the tax payers \$4 million.

Councillor Rosenberger: If the Province builds for the first two years and we have no money to continue with the third year, then we just stop.

Councillor Bateman: The negotiations will not break down. The people in Zama don't want anything that will jeopardize the commitment made right now. Industry is already paying big bucks not only for the road but their taxes and maintenance and use of the road.

Reeve Neufeld: None of this is written in stone but this is the best deal we have been able to negotiate over many years. Council agrees that it should be 100% funded but this is the best we can do.

Councillor Bateman: Industry has indicated to her that they would be willing to go to the Province and negotiate with them for the other 25% and they are the ones who pay the majority of the taxes now.

Bob Van Hook: Go to the government and tell them you want the government to pay for all of the road. They built a bridge in Peace River for Diashowa. There should be some pressure applied by the M.L.A. if he said there may be another 5% available. This is the only M.D. or community in Alberta that has to go and find money for a road that is the Provinces responsibility.

Councillor Bateman: We are not just considering money here but lives as well. The existing road is only five meters wide and is dangerous.

Councillor Fedeyko: The previous Council had the chance to include this road in their road transfer negotiations with Alberta Transportation. Waiting another year won't hurt but if you go to industry and ask for money they will say you made an agreement and didn't even ask us about it then, so now you live with it. They have the LOC now but we will get the calls to grade the road and look after all maintenance.

Reeve Neufeld: We still have the option of applying a 1/2 mill levy on industry but it would have to apply to all industrial accounts.

Councillor Fedeyko: They will tell you they are already paying 80% of the taxes collected.

Councillor Dyck: This issue has been discussed many times by Council and now that they have agreed to go the east-west route, he is supporting it and feels it is time to do something for Zama right now.

Councillor Fedeyko requested a recorded vote.

IN FAVOUR:	OPPOSED:
Reeve Neufeld	Councillor Fedeyko
Deputy Reeve Bateman	
Councillor Dyck	
Councillor E. Derksen	
Councillor Sarapuk	
Councillor Peters	
Councillor Rosenberger	

CARRIED

MOTION 95-070

MOVED by Councillor Fedeyko that the 1996 budget include \$1.3 million for the Zama road.

Debate:

Councillor Fedeyko: Now that Council has agreed to the 75% 25% funding, we need to be sure we have made the commitment to provide the funds for our 25% share and this must be the first commitment this Council makes this year.

Councillor Fedeyko requested a recorded vote.

Councillor Bateman: We won't know how much it will cost the M.D. until we negotiate with the oil companies.

AMENDMENT

MOVED by Councillor Bateman to amend the motion to read "\$1.3 million for the first year be referred to budget time."

NOT ACCEPTED

Reeve Neufeld ruled the amendment was not acceptable because it changed the intent of the motion.

VOTE ON MOTION 96-

IN FAVOUR:	OPPOSED:
Councillor Bateman	Councillor E. Derksen
Councillor Fedeyko	Councillor Rosenberger
Councillor Peters	Councillor Dyck
Councillor Sarapuk	Reeve Neufeld

DEFEATED ON A TIED VOTE

Gerry Hosey left the Council Chambers at 12:00 noon.
Edwin Ward left the Council Chambers at 12:10 p.m.

MOTION 95-071

MOVED by Councillor Bateman that approximately \$1.3 million for the Zama road be referred to the 1996 budget meeting.

Debate:

Councillor Fedeyko: How can we send a letter to the Minister until we have a commitment from this council? We should be handling this issue in an orderly and proper fashion, being reasonable and systematic.

Reeve Neufeld: The original motion commits us to the project.

CARRIED

Bob Van Hook and Peter Chomiak left the Council Chambers at 12:15 p.m.

c) **Authorize the Commencement of Work on the Zama Road**

Manager Litke reported two invoices, totaling approximately \$9,500.00, were paid to E.X.H. Engineering for consulting to Council and the Committee. No decisions were made regarding open tenders or invitational tenders on the project.

ADJOURNMENT

MOTION 95-072

3.

MOVED by Councillor Peters to adjourn a 12:20 p.m.

CARRIED

These minutes were adopted this 15th day of February, 1996.



Reeve



Manager