



**COMMITTEE OF THE WHOLE MEETING OF COUNCIL
MONDAY, MARCH 30, 2015
COUNCIL CHAMBERS
30 HONOUR HOUSE COURT
6:00 P.M.**

A Committee of the Whole Meeting of Council was held on Monday, March 30, 2015 at 6:00 p.m. in the Town Hall, 30 Honour House Court, Riverview, New Brunswick. The following persons were present at the meeting:

Ann Seamans
Russell Hayward
Ian Macdonald
Wayne Bennett
Andrew LeBlanc
Cecile Cassista
Tom Toner
Colin Smith
Robert Higson
Michel Ouellet
Shane Thomson
Chief Denis Pleau
Annette Crummey
Denyse Richard

Mayor
Deputy Mayor
Councillor
Councillor
Councillor
Councillor
Councillor
CAO
Director of Finance
Director of Engineering & Works
Director of Economic Development
Riverview Fire & Rescue
Town Clerk
Deputy Clerk

PRESS:

Times & Transcript

1. CALL TO ORDER

Mayor Seamans called the meeting to order at 6:00 p.m.

The Town Clerk advised that it has been determined that there is no need to extend the winter parking ban; therefore; the Special Meeting of Council will be cancelled.

2. ADOPTION OF THE AGENDA

A **motion** was made by Councillor Cassista and seconded by Councillor Macdonald that the agenda be adopted.

- **MOTION CARRIED** -

3. DECLARATION OF CONFLICTS OF INTEREST

NIL

4. PRESENTATION BY KENT ROBINSON – OBJECTION TO PROPOSED LOCAL IMPROVEMENT – TRITES ROAD, PHASE 2

Mr. Robinson provided a brief history of Greater Moncton Developments and the complications which have arisen due to the litigation among the shareholders. He stated that in 2012 the Moncton holdings of Greater Moncton Developments had been sold; however, the Riverview holdings are still on the market. He indicated that there are no current activities with respect to these land holdings other than to sell them “en block”. Mr. Robinson indicated that in 2009 the firm of Turner and Drake had been retained to conduct an evaluation of the land and that within the last month the evaluation had been updated.

Mr. Robinson remarked that as a result of the Phase 1 Improvements to Trites Road the assessed value of holdings had increased from \$296,000 in 2014 (taxes of \$8,249) to an assessed value in 2015 of \$2,702,000 (taxes in the amount of \$77,679). He indicated that the increase comes at a time when the company has limited resources.

Mr. Robinson reported that it is his understanding that the top coat for Phase 1 will be carried out in 2015 but the company still has not received an invoice for the local improvement carried out in 2014. He noted that in regard to Phase 2, the company will not know the final bill until 2016. Mr. Robinson indicated that this situation makes it very difficult to market the property given the amount of the liability is unknown. Mr. Robinson indicated that the company does not necessarily object to the local improvement but does object to the timing of the improvement. He reiterated that because Greater Moncton Developments does not know the amount of its liability on the proposed local improvement it places the company in a very difficult situation. Mr. Robinson suggested that the Town proceed with the local improvement but delay the improvements by a one year extension.

Mr. Robinson confirmed with Councillor Cassista that the timing of the notification is not an issue.

Mr. Robinson confirmed with Councillor Bennett that the property has been for sale for approximately three years. Councillor Bennett noted that given the past history of conflict among the shareholders something else could develop which could be cause for further delays in the proposed local improvement.

Mayor Seamans remarked that the local improvements that are being proposed will make the land more sellable and perhaps the owners would get a better price for the land.

Mr. Robinson confirmed with Mayor Seamans that an approximate cost figure for the local improvements would certainly be a help.

5. Presentation of Proposed Five Year Capital Plans & Ten Year Capital Plans

Mr. Smith remarked that this will be the first of many discussions with Council on capital planning. He noted that Council had been provided with a five and ten year long range plan. Mr. Smith pointed out that the proposed plans should be considered a short period in life span of a municipality. He indicated that the Town owns millions of dollars in infrastructure and will also continue to gain infrastructure. Mr. Smith remarked that it is important to look to the future and be able to effectively manage its infrastructure; thus, the benefit of long range planning.

He stated that the short term goal at the end of the session is to acquire Council's approval of the five year capital plan in order to proceed with the Capital Borrowing process through the Province of New Brunswick. He pointed out that the capital budget for 2015 was approved on December 8, 2014 and remains unchanged. He indicated that it is the first time Council has been presented with a ten year review which will allow for improved longer term planning. He suggested that the most significant benefit from the session will be the ability to discuss and debate the long term sustainability of the Town's long range capital budget plans.

Mr. Smith remarked that he is a big proponent of planning. He outlined the value of long range capital planning. For instance it can be used as a planning tool for the coordination of Council's priorities and Strategic Plan objectives, providing direction to Town Management in the preparation of annual capital and operating budgets and plans; providing staff direction to coordinate major project timelines, deliverables and budgets, providing clarity to Council, staff and residents on what the major town and departmental infrastructure priorities are and capital plan priorities which help establish operating budget priorities and parameters.

Mr. Smith identified the outcomes achieved by committing to long term planning which include providing for appropriate and stable reinvestment in existing infrastructure; addressing the Town's existing infrastructure deficit; providing proper planning for

major investments in the future as the Town grows and develops; and ensuring the Town does not miss future opportunities. He pointed out that the objective achieved with the proposed long range plan would be the implementation of the Town's Strategic Plan priorities, a plan to address the backlog of streets in 11 years and the expansion of outdoor recreational facilities. He inquired whether those were the objectives Council wanted to achieve?

Mr. Smith indicated that the plan reflects the general direction given by Council; however, he pointed out that if Council provided other parameters a more tailored plan would be produced.

Mr. Smith cautioned that there are a number of things to remember with this type of long range planning such as the fact that cost estimates for projects are preliminary, that the document is fluid and subject to change for a variety of reasons, that projects may not be completed within the proposed timeframes; that projects may shift because of changing Council and community priorities; and that projects could be moved to improve coordination and execution. Mr. Smith suggested that if you have the discipline in the plan, you can manage it and make it happen.

Mr. Smith pointed out that there were key assumptions factored into the development of the proposed plan in the first five years such as the tax rate to remain relatively stable, the debt ratio to be in the range of 16% -17%, the continuation of making balloon payments on debt instead of refinancing; and the reinvestment in existing road infrastructure, as well as taking into account the key projects included in Strategic Plan to be identified in five and ten year plans.

Mr. Smith noted that he has received general direction from Council suggesting that the tax rate be stabilized and also to stay within the 16% -17% debt ratio and to pay down the debt; however, he suggested it is not possible to do both.

Mr. Smith outlined factors for Council's consideration in the proposed plan including a higher debt ratio as compared to other municipalities in NB (average 10%). He pointed out that the decisions in later years of the 10 year plan will need to be made to reduce debt ratio within Provincial requirements. Mr. Smith also pointed out that the capital requirements for the Town's building are not fully understood in order to properly address in the current proposal and further that building condition assessments will be required. He also suggested that Council may choose to make some projects contingent on external funding. Mr. Smith remarked that within the proposed plan there is limited room for new opportunities/development.

Mr. Smith reiterated that the short term goal of Council is to approve the 5 year capital budgets (either proposed or amended) for submission to the Province and that a motion to recommend would be in order at this meeting. He also recommended that Council

participate in a budget parameter planning session in advance of the 2016 budget deliberations in order to establish specific direction for management. He indicated that this session would include direction on the tax rate for 2016 and targets for future years; debt ratio target for long range capital plan; establish investment guidelines for existing versus new municipal infrastructure; and to give consideration to the “pay as you go” philosophy.

Mr. Higson provided comments in regard to the Five Year General Capital Budget. He stated that the Town has applied for funding through the Province under the Building Canada Fund for two public transit buses (\$475,000 each); Pine Glen Road – Phase 4 (bridge across Mill Creek), Mill Creek Dam refurbishments; and Bridgedale Boulevard. He noted that these items may not be contingent on obtaining government funding.

Mr. Higson pointed out that in the proposed Five Year Capital Plan there is \$50 million dollars of capital improvements of which 80% is allocated to Engineering & Public Works under “transportation”. He noted that this is consistent with the information received from the 2010 Citizens Survey wherein streets/infrastructure was given the highest priority by our residents.

Mr. Higson indicated that the Town is limited in its funding sources in order to finance these capital projects. He stated that these include either Capital from Operating or “pay as you go”, Capital Reserves, Gas Tax Funding or borrowing. Mr. Higson remarked that if Council proceeds with the proposed Five Year Capital Plan the Town will be required to borrow approximately \$30 million in the next five years. He also commented that it very important to link the capital plan to the operating plan.

Mr. Higson remarked that in developing the long range plan, Town staff had followed a number of core assumptions which were previously touched on by the CAO. He noted that other assumptions that were factored into the plan with respect to revenue were the expectation to increase the non-tax revenue by \$10,000 (which is a conservative figure). He noted that although the amount of the equalization community grant has decreased from 2014 to 2015 the same 2015 figure (\$1,691,000) was utilized for this exercise. He indicated that government funding not factored in plan (other than \$14 million in the years 2022 & 2023 with respect to the Wellness Centre (\$10 million government funding & \$4 million community fund raising). The debt borrowing assumed at a 5% interest rate, the assumption of a 3.75% growth in municipal tax base, an estimation of a \$300,000 increase in annual operating costs as a result of the new Public Works Operation Centre. Mr. Higson stated that inflation had not been built into the plan in terms of capital costs. He also pointed out that \$250,000 will be Transferred to Reserves in the years 2016, 2017, 2018, and 2019 in order to build up funds for the Wellness Centre in 2022 & 2023. Other assumptions were the increase in base expenditures of 3.5%, and the increase of \$450,000 in expenditures for new Codiac RCMP building.

Mr. Higson touched on the debt ratio and its fluctuation over the years. He noted that part of the reason for the fluctuation in the debt ratio is the provision of balloon payments in order to pay down debt. He noted that the Town has opted to pay the balloon payments rather than refinancing the balloon payments. Mr. Higson remarked that the Town is trying to concentrate on maintaining a stable tax rate as well as an acceptable debt ratio. He stated that the question to be answered by Council is what is the acceptable level? Mr. Higson also pointed out that the plan does not include any proceeds from the sale of Town owned lands/property (i.e. current Public Works building/site). He indicated that any proceeds would be another source of revenue which could be used to reduce the Town's borrowing requirements.

The members of Council posed questions to staff regarding balloon payments, increased RCMP costs attributed to the June incident, duplication in growth of recreational components, the staggered purchase of two Codiak transit buses, the allocation of \$300,000 for water costs associated with Fire Department which is legislated by the Province (requested further explanation).

It was also noted that it is difficult to make decisions without the benefit of information on such projects such as the renovations/improvements to the Ken Gabbey Lions Pool area which is valued at \$1.9 million dollars.

The suggestion was made to invite the local MLAs and MPs to discuss the projects being proposed to make them aware of Council's priorities and to determine whether any assistance can be provided from their level of government. This would be considered an action item.

Mr. Smith remarked that the intent of this process is for Council to come forward with a motion to recommend the approval of the proposed and/or amended capital plan and subsequently ratify the motion at the Regular Meeting of Council on April 13, 2015. He stated that staff is seeking clear parameters from Council and once this direction is established staff can tailor the plan accordingly. He encouraged the members of Council to confer with one another and determine whether they are satisfied with the level of service being offer to the tax payers, whether Council wants to maintain the tax rate, the level of debt ratio, the projects being proposed - as all these factors come into play and will influence the short term and long range capital plans. Mr. Smith also noted that it is important to coordinate the utility work to be carried out with the capital aspect as ultimately it will impact the timeline for projects and streets.

It was noted that the 5 Year Utility Budget does not need to be submitted to the Province.

A **motion to recommend** was made by Councillor Bennett and seconded by Deputy Mayor Hayward that the Committee of the Whole recommend to Council to approve the proposed (or amended) Five Year General Capital Budget Plan and that the budget is submitted to the Province of New Brunswick Municipal Capital Borrowing Board for approval.

- MOTION CARRIED -

Mr. Higson touched on the Five and Ten Year Capital Utility Plans which are currently being worked upon. However, he noted that there are a number of activities which will impact the plan such as the ongoing Water Rate Study being undertaken by the City of Moncton. He pointed out that the current water rate agreement with the City expires in 2017 and the results of the study will definitely have an impact on the Town. Mr. Higson indicated that the \$100 million dollar capital improvements by Greater Moncton Trans Aqua will also impact the Town of Riverview as the method of financing this endeavor is uncertain.

6. ADJOURNMENT

A **motion** was made by Councillor Cassista and seconded by Deputy Mayor Hayward that the meeting be adjourned at 8:25 p.m.

- MOTION CARRIED -