



## **COMMITTEE OF THE WHOLE MEETING**

### **MINUTES**

**THURSDAY, NOVEMBER 24, 2016**

**9:00 A.M.**

**30 Honour House Court – Council Chamber**

**Members Present:** Mayor Ann Seamans  
Deputy Mayor Cecile Cassista  
Councillor Lana Hansen  
Councillor John Coughlan  
Councillor Jeremy Thorne  
Councillor Wayne Bennett  
Councillor Andrew LeBlanc  
Councillor Tammy Rampersaud

**Staff Present:** C. Smith, CAO  
A. Crummey, Town Clerk  
D. Richard, Deputy Town Clerk  
R. Higson, Director of Finance  
M. Ouellet, Director of Eng & Works  
G. Cole, Director of Parks & Rec  
S. Thomson, Director of Economic Development  
D. Pleau, Fire Chief

#### **1. CALL TO ORDER**

Mayor Seamans called the meeting to order at 9:02 a.m.

**2. ADOPTION OF THE AGENDA**

**Moved by:** Deputy Mayor C. Cassista

**Seconded by:** Councillor J. Thorne

That the agenda for the Committee of the Whole Meeting of Wednesday, November 24, 2016 be adopted.

**Motion Carried**

**3. DECLARATION OF CONFLICTS OF INTEREST**

Councillor LeBlanc remarked that he would be declaring a conflict of interest on items pertaining to the Boys and Girls Club.

**4. REVIEW OF PROPOSED 2017 BUDGETS**

Mr. Smith remarked that the members of Council had recently been provided with all the pertinent information outlining the proposed 2017 budget. He noted that the conversation today will be driven by the questions of Council. He recounted that the Town has a proposed operating budget of \$27 million and 90 full time staff which gives Council a sense of the breadth and depth of the operation. Staff began early in September/October to formulate their budgets based on the financial result at the end of September for 2016.

A number of guiding budget parameters and assumptions were established in order to prepare the initial draft 2017 budget. To start the budget planning process, all departments were directed to prepare their 2017 non salary budgets with a 4% cut to the 2016 budget level. The proposed budget also included a number of assumptions including: overall the Town's assessment tax base will remain flat or have a slight increase of under 1%; the Town's unconditional grant will remain flat to the 2016 budget; and that Council will want to hold the line on the tax rate in 2017.

Mr. Smith stated that the proposed budget being presented today delivers a budget that maintains the tax rate at 1.5626 per \$100 assessment, \$2.8 million from the operating budget to support capital projects, salary contract settlements being covered, general fund debt ratio of approximately 16%, general capital budget that invests \$7.5 million in infrastructure projects and assets; and an increase of \$20 to the water and sewer rates in order to cover the

water rate increase from the City of Moncton, and general operating budget increases.

Staff also sought input from various sources in order to formulate the budget. This included Council's budget parameters and budget presentations from external groups. Staff also met with representatives from Service NB which revealed minimal assessment growth as the existing homes assessments were not growing as in previous years. By far the biggest wildcard in the draft budget is the unconditional grant figure which has not been released, at this point, by the Province. There are other considerations which impact the budget. Mr. Smith remarked that keeping the tax rate stable will have an impact on operations and investments in maintaining the Town's infrastructure; a balloon payment in 2017 of \$1.7 million, and a 16% debt ratio (Province caps at 20%); continue to earmark certain amount for Wellness Centre (\$250,000); approximately \$300,000 in operational costs cut in the proposed 2017 budget, minimal growth in expenses, limited growth; and an increase in Utility of \$5 per quarter (\$20 increase overall).

Mr. Smith commented that very few additions or new expenditures had been added to the 2017 General Operating budget due to constraints. Funds were added to create a new role/oversight for Facilities Management (\$50,000) of all Town buildings, expansion of the holiday lighting campaign (\$25,000) on the riverfront, establishment of local art purchasing fund (\$3,000) for the Town; and support the execution of the Town's new Marketing and Communication Strategy (\$50,000).

Mr. Smith reiterated that the staff delivered a budget that maintained the tax rate which has had minimal to no rate increase since 2003. However, the CAO recommended that this trend cannot continue. He pointed out that other communities faced with similar challenges have implemented an incremental increase over the years. He cautioned Council that all budget choices have an impact either through service cuts or increases in a source of revenue.

The members of Council entered into brief discussion on the debt ratio. It was noted that the previous councils had made a conscious decision to increase the debt ratio but also had a plan in place to justify it to the Province and demonstrated how it would be brought back down.

Mr. Smith commented that Council has the option of disposing of Town owned land and to use those funds to manage the debt ratio or be placed into reserves. He suggested that his recommendation would be to use assets to reduce debt ratio. He pointed out that each municipality has the choice as to what their debt ratio is set at (providing it does not exceed 20%).

Regarding the sale of the former public works site it is the intention of the CAO to bring forward a Council Report containing recommendations for Council to consider but not during the budget process.

The point was made that if the status quo on the tax rate is retained it will eventually come down to either cutting services or investments in capital projects in future budgets as it is all a balancing act.

Mr. Higson stated that there are four major components of budget - General Operating, General Capital Fund, Utility General and Utility Capital.

He explained that the General Fund is the operational portion. Factors that come into play are the assessment growth which equals less than one half of one percent; last year was .7%; Keep in mind that a one cent change equals \$148,216 in additional revenue to the Town. Warrant to be raised represents 84% of revenue, equalization grant = 7% and other sources = 9%. There are limited sources of revenue which include the Fundy Chocolate River Station which will increase in rent by 10%; and the RCMP lease increase of 13.2%.

Mr. Higson touched on the General Government expenditures equaling \$4,861,147. The General Government budgets includes everything that essentially doesn't fall into the category of Engineering & Works, Park & Recreation and Protective Services. He highlighted some of the items included in this budget including provision for attendance at the Federation of Canadian Municipalities of the Mayor and 3 Councillors only; computer support & maintenance (\$80,000) (support -Strategic Technology, Diamond) software – Parks and Recreation registration, agenda management & records management) \$95,000 - asset facility management & program review; \$50,000 facilities manager plus \$45,000 -Opus; Ability Management \$5,000 - new category (ergonomics review, new civic relations); arts fund \$3,000 to allow for collection of local artwork; \$38,000 - Light Up Riverview campaign; Grants & Donations-

\$67,823 (same as in previous year), Capitol Theatre - \$74,730 (same as 2016 ask); increased in funding from RAC and Boys & Girls Club.

Councillor LeBlanc declared a conflict of interest and left the Council Chambers at 9:56 a.m.

Mr. Higson commented that traditionally the Town had not provided the Boys & Girls Club with a cash grant but rather town space which was valued at \$80,000. This was shown as rent income in Parks & Rec. He summarized the history of the space provided to the Club which has changed somewhat over the years due to increase need or opportunity.

Mr. Smith remarked that given the fact that all departments are being asked to reduce costs, staff did not want to automatically increase the grant amount without the direction of Council.

Mr. Higson confirmed that a 1 cent increase or decrease to tax rate is equal to \$148,216. He pointed out that an option to consider would be to reduce the grants & donation line item of \$67,823 by \$18,000 which would not impact the overall grant budget. However, this would mean that the Town would have less money to spend on the "one offs" throughout the year. Another option to consider would be a loan to the Boys & Girls Club of \$18,000 which could be repaid; or simply increase the grant to them over the next few years. If the unconditional grant figure comes in higher than expected perhaps Council would divert a portion of these funds to the additional cash amount sought by the Boys & Girls Club.

A consensus of Council was reached to grant the additional \$18,000 to the Boys & Girls Club.

Councillor LeBlanc returns to chambers.

The members of Council entered into a brief discussion on the number of delegates budgeted to attend the annual UMN B Conference. Mr. Higson remarked that the \$11,000 item included dues of \$7,000 plus all of council to attend UMN B.

Mayor Seamans proposed that attendance at the UMN B Conference be the same as FCM. That would include the Mayor and/or Deputy Mayor plus 3 councillors.

This would require a change to the current policy. It was also noted that in relation to FCM that no member of Council would attend during an election year.

The members of Council entered into a brief discussion on the request for additional funding from the Riverview Arts Centre. Mr. Smith pointed out that the financial statements from the Riverview Arts Centre reflect money remaining in their bank account which is really the Town's money (due to increased funding for signage which was intended as a one time ask but the same increased level of funding has been sought again the following year). He pointed out that the organization shows a deficit of \$41,000 - \$42,000 but town grant was \$59,000.

A consensus was achieved to give further consideration to the request for additional funding to the Riverview Arts Centre.

Priority items include -Boys & Girls Club & Riverview Arts Centre. A determination as to the source of the additional funding is an item for further debate.

Mayor Seamans declared a break at 10:41 a.m. The meeting reconvened at 10:56 a.m.

Mr. Smith commented that 3 Plus is reducing their "ask" by 10% which is a change from their budget presentation made to Council in October.

Mr. Higson commented on the increase in the amount paid to Province for property taxes which is due to the completion and occupation of the new Operations Centre.

Mayor Seamans remarked that residents need to be educated that not all the Provincial taxes come back to the municipality. The Town has to pay property taxes on its municipal buildings but only receive a small portion of the taxes being billed by the Province.

Mr. Smith responded to inquiries regarding the new role of a facilities manager. This individual would be responsible for overseeing all of the Town buildings. It is an important role as this individual would be accountable for overseeing many internal operational items such cleaning, snow removal, maintenance on all town owned buildings, and HVAC to name a few. There is a need to draw on expertise and will be a benefit to the Town as they will have the knowledge of all buildings. He suggests that it would result in a cost savings in the long run.

Another topic touched on by Council was the new item pertaining to Live Streaming at a cost of \$38,000.

Mr. Smith said that this figure included the approximate cost of software plus equipment. It was a reflection of a conversation with Council and was included in the budget as a way of bringing forth a dialogue.

Mr. Higson pointed out that \$38,000 are the capital costs but there are also annual costs of \$8,000 (\$4,000 Utility & \$4,000 capital).

Councillor LeBlanc stated that an RFP is being called for January which will provide the information that is being sought and would be provided in a Council Report Form.

Mr. Smith remarked that if no dollars are included in the budget the Town would not put out with an RFP.

Mr. Higson touched on items which impact the debt service costs. Allocation of a portion of the Op Centre. A percentage of costs will be allocated between the Utility Fund (40% = \$320,000) and the Engineering & Works General Fund. Total General Fund debt service cost are \$4.3 million dollars. He remarked that the total cost of the Operation Centre was \$16.5 million which includes everything associated with it (outside storage & furniture included).

Mr. Higson indicated that the Capital Paid from Operating also referred to as “pay as you go” was reduced by 11.1%.

Transfer to Capital Reserves - included \$250,000 in 2017. However, he cautioned that the Town needs to do a better job at putting money aside in the capital reserves. Mr. Higson pointed out that Moncton actually has a policy which provides for setting a certain amount aside annually.

RCMP - going to accrue the amount related to the June 4, 2014 incident of \$120,000 in 2016.

Mr. Higson touched on some items pertaining to the Fire Department. He noted the Department will receive revenue in the approximate amount of \$400,000 paid by the Province for services provided to the Local Service District. It was noted that a budget reduction has been made to equipment and maintenance. Fire Department covered the cost for a mechanic in Public Works to attend

specific training which has resulted in a cost saving as there is now the ability to perform some in house work.

Mr. Higson responded to questions regarding health & benefits as this rate is higher because Workers Compensation premiums increased significantly. The base rates increased as well as an increase to the Town's experience based rates. In our situation the Town is a relatively small employer and one or two cases can drive the figures up. The Town is placed in a higher premium classification because of its experience. It is simply the way the system works and that is why the Town is way above the average costs.

Health & Safety plays a big role in the Town's organization and it is continually working towards increasing the safety culture. It was noted that concern had been expressed by the firefighters that there was a lack of PTSD training.

Chief Pleau remarked that there are some funds included in the Fire Department budget (approximately \$1,000) and he was of the understanding that there were also funds in the Human Resources budget which, as in the past, could also be applied towards this type of initiative. It was his understanding that arrangements have been made with the consultant in January.

Mr. Smith also pointed out that Town staff can also utilize the Employee Assistance Program for various types of professional assistance.

#### Engineering & Works - Expenses

Mr. Higson highlighted some of the expenses in the Engineering & Works Department which included an increase for NB Power rates plus improved street lighting on Hillsborough & Buckingham -\$518,000; \$30,000 for a storm study in McAllister Park; Roundabout feasibility study - \$8000; and ongoing CAD & GIS licenses \$8,000; traffic signal repairs - \$18,000, garbage collection -\$418,000.

Workshops, Yard & Buildings - new \$34,000 heating (biomass at Op Centre) used instead of electrical heating.

Street patching - reducing to \$275,000 in order to meet the required 4% budget reduction.

The members of Council were concerned over the reduction to the street patching item and entered into a lengthy discussion.



Michel Ouellet indicated that there is still a significant amount of funds to address this work plus the investments carried out on local streets through local improvement will alleviate the problem. As the Town continues with the older streets through the local improvement program it will gradually be addressed. The winter conditions have a direct bearing on winter maintenance and it is difficult to predict the type of winter and the climate which we can expect.

Mr. Smith remarked that this is an example of one of the operational choices made in order to meet budget constraints.

Michel Ouellet remarked that if the need to exceed the patching budget becomes a reality through the year then there is still the option to seek authorization from Council to exceed budget, if a situation arises.

Michel Ouellet confirmed that the closure of the potash has resulted in the road salt being scarce which is a factor that is out of our control. In 2017 our source will honour our prices but the Province is looking into options for the future. Mr. Ouellet remarked that this cost has the potential to increase in years to come.

It was agreed that the reduction to the street patching budget would be an item for additional discussion in the Saturday budget session.

Mr. Smith cautioned that an increase to this budget could result in people and services being reduced in other areas in order to increase the street patching budget.

Council concurred to retain the street patching figure as it stands.

Mayor Seamans declared a lunch break at 12:25 p.m. The meeting reconvened at 1:02 p.m.

Parks & Recreation – Rental revenue has been reduced accordingly to reflect the Boys & Girls vacating the Kinsmen Centre.

It was noted that the budget does include an increase in ice rental rates as currently the Town is the lowest in area.

Mr. Cole reported an increase by 5% to the ice rental rates but 2% goes to HST. The Department has been making provisions to increase the rate over next few years but the Town needs to allow for the users/user groups to make provision for any increase.

Mr. Higson touched on a few of the notable expenses in Parks and Recreation including \$25,000 for the Wellness Centre study - (\$12,500 to be spent in 2016 and \$12,500 in 2017); Operations Centre allocation - (20% share allocation of operating costs) for the Parks & Recreation staff some of whom will be located there equals \$55,900.

The matter of training related PTSD was revisited. There was some confusion as to how much money is dedicated to this item as traditionally the funds have been accounted for in the Fire Department training budget (\$1,000) and also the Human Resources budget in employee crisis management (\$2,000).

Chief Pleau remarked that critical emergency training had previously been conducted and that there is a need to build on that training -for post traumatic stress training. The Firefighters feel that it is necessary to have more training and/or a program in place.

Mr. Smith inquired what on top of what we are doing next year needs to be put into the budget? The Town has recognized the concerns and put things in place to address this issue by allocating \$1,000 in the Fire Department budget for 2017 for the consultant who is scheduled for January 2017. He suggested that more funds could probably be found in the HR budget which, as in the past, has already been allocated. He also pointed out that Town employees also have access to professional services through the Town's Employee Assistance Program.

Mayor Seamans suggested that this item is being addressed by the Human Resources Department as well as the Fire Department.

Mr. Smith suggested that Council assign a dollar value if what is currently in place is still a concern. He pointed out that Council will not have a staff recommended specific dollar before the budget process is concluded as it requires investigation.

The members of Council achieved a consensus to add \$4,000 to address the issue of PTSD as a budget item for further consideration.

Mr. Higson moved on to highlight the General Fund - Five Year Capital Plan.

General Government - computer hardware/software - \$26,000 ; new -Live streaming - \$38,000; purchase bus - \$578,205; Green Municipal Fund (town share) Dobson Landing - \$78,000; Waste receptacles (new) \$5,000; building upgrades(new) \$25,000 totaling \$750,205.

#### Protective Services -

Fire Station - Structural issue - \$100,000; turn out gear \$29,000; replace vehicle medic 19 - \$75,000; replace building security camera (new) \$6,000; replace portable radios/pagers (new) \$9,000; trunk mobile radio (new) new \$50,000; replace thermal imaging camera (new) \$15,000 totaling \$354,000.

The members of Council conducted a brief discussion on the structural damage to the fire station, replacement of generator and 30 portable radios which are assigned to the fire trucks as well as other related vehicles such as the brush trucks and the tankers.

#### Recreation & Cultural Services -

Some noteworthy items in this section include playground equipment – (Ridgeway Park) - \$175,000; Winter Wonderland Park- \$100,000; park/swimming pool- outdoor (Ken Gabbey Lions) - \$600,000 (originally had in \$995,000); Mill Creek Park-\$270,000; and Active Transportation Trail upgrades - \$32,000.

In regard to the Ken Gabby Lions Pool, Mr. Cole remarked that he was given the impression that it would be best to do it all at once due to the nature of the work all at once as opposed to in two phases. He noted that the Town had received over \$100,000 funding from Canada 150 Funding; and \$10,000 from the Lions Club. Mr. Cole pointed out that a letter of intent is in place as to what the Lions Club are contributing toward this project. The name of park is already established and is town owned.

Mr. Cole responded to an inquiry about the Winter Wonderland Park which was broken down into number of phases. He noted that next year is the final phase with the construction of a building. The Town will focus on the Mill Creek Rotary Park which is a 25 year plan and makes provision to link it to the Trans Canada Trail.

Mayor Seamans declared at Break 2:18 p.m. The meeting reconvened at 2:23 p.m.

#### Transportation Services -

Michel Ouellet remarked that the numbers would seem to indicate that the Operation Centre is \$430,000 under budget but invoices are still trailing in. He

stated that of those funds he is seeking to carry over \$120,000 for asphalt seal on driveway entrance and a sign at entrance. New items which were included in the budget are a floor cleaner, old PW building/site demolition.

#### Roads & streets

Over \$800,000 will be invested through the Town's Street Pavement program. The following streets will receive Asphalt seal – Woolridge (\$50,000), Beverly (\$60,000), Hawthorne (\$150,000- includes sidewalk), McClelan (\$110,000), Chesswood (\$70,000)& Lumsden (\$85,000) and Turtle Creek Road – (\$305,000).

Local Improvements - Hawkes (\$485,000); Ashburn (\$650,000); Wentworth-Sussex to Traynor (\$625,000); Prescott (\$420,000); Olive (\$220,000); Fatima (\$245,000) - sidewalks proposed on both side of Fatima. The cost for the pre design work for the future local improvements is \$60,000.

Active Transportation projects - \$200,000 which includes an additional sidewalk on Cleveland (from the schools to Grenville), trail development at Hawkes and a subdivision agreement with Dobson Landing.

#### Vehicles & Equipment

The new items under this category include: hydroseeder (\$10,000); Wood chipper (\$50,000) Traffic counter (\$10,000)

The total cost for transportation services capital is \$5,005,000.

It was noted that residents need to understand the process, what is involved with the work that is being proposed and what to expect during construction and the end result.

Mr. Ouellet remarked that the Town is working to improve its communication in relation to the local improvement process. Currently working on a communication plan and will seek assistance from the Communications Department.

An inquiry was made with respect to local improvements being proposed for Devere (Pine Glen to Montgomery) which is proposed for 2018. Mr. Ouellet remarked that the Department has been working for some time with the School District to help resolve the traffic issues in this area. The District is proposing a number of solutions including a new drop off area off Pine Glen Road which will

loop back onto Pine Glen Road. If this transpires then the Town should be prepared to implement at the same time which is estimated to be in 2018.

Mr. Ouellet confirmed that the proposed local improvement to Fatima Drive includes a side walk for both sides of the street. Will need to determine if it is the right thing to do for all users of the street. Will seek input from the church as well.

Mr. Higson stated that the 2017 Capital plan that is proposed totals \$7,513,205. He reviewed the financing sources which are as follows:

\$2,885,000 pay as you go (capital from operating); \$604,950 Federal Funding (gas tax); New Building Canada \$1,391,175; Federal Funding (Canada 150) \$132,000; Provincial Funding - \$566,000.

Resulting with additional borrowing of \$1,934,080 in order to finance capital items. Plus \$2,431,000 for the balance of the Operation Centre- Total new borrowing is \$4,365,080.

#### Tax Rate & Debt Service Ratio

Mr. Higson provided the following projection figures for the tax rate:

2017 - 1.5626; 2018 - 1.5752; 2019 - 1.6825; 2020 - 1.5842; 2021 - 1.6274

He noted that a Tax rate increase is inevitable and the Town needs to take precautions.

Mr. Higson provided the following projection for the Debt Ratio:

2017 - 15.71%; 2018- 13.48%; 2019 - 16.51%; 2020 - 10.34%; 2021 - 11.66%

When preparing the 10 year plan we have to be aware of all the factors that come into play and also have to set aside funds in the capital reserves for unforeseen circumstances or opportunities that may arise. He commented that in the proposed budget approximately \$15.4 million dollars had been moved out of the 10 year Capital plan.

5. **ADJOURNMENT**

**Moved by:** Councillor A. LeBlanc

**Seconded by:** Councillor J. Thorne

That the meeting be adjourned at 3:46 p.m.

**Motion Carried**