



## **COMMITTEE OF THE WHOLE MEETING**

### **MINUTES**

**SATURDAY, NOVEMBER 26, 2016**

**9:00 a.m.**

**30 Honour House Court - Council Chambers**

**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 9:00 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 November 26, 2016 be approved.

**Motion Carried**

**3. DECLARATION OF CONFLICTS OF INTEREST**

Councillor LeBlanc announced that he would be declaring a conflict of interest regarding items pertaining to the Boys & Girls Club.

**4. CONTINUATION OF REVIEW OF PROPOSED 2017 BUDGETS**

Mr. Higson conducted a review of the Utility Budget. The budget includes a proposed increase in water and sewer rates for users from \$825 to \$845. This represents 2.42% increase over the current flat rate. He outlined that the fixed rate water and sewer bills must be set at a rate that will be sufficient to cover the operating expenditures including financing items from operations and debt service costs. He pointed out that the budget for water purchases from the City of Moncton in 2017 is consistent with the amount in the 2016 budget at \$1,370,000. However, this amount is expected to increase in 2018 by approximately 10% as a result of the new Water Agreement entered into with the City of Moncton. The rate set by Greater Moncton Trans Aqua for sewage treatment will remain consistent with the 2016 rate.

Mr. Higson noted that the debt service costs are lower in 2017 because there is no scheduled balloon payment as was the case in 2016 (\$1,040,000). The debt service costs include a cost associated with the debenture related to the new Operations Centre. It was determined that 40% of the overall debt related to the Operations Centre would be allocated to the Utility Fund. This is consistent with the normal allocations of most costs shared between the Public Works and Engineering General Fund and the Water and Sewer Utility Fund.

Total utility budget - \$7.3 million represents a 2.2% increase.

For the most part, the Utility budget is comprised of cost allocations. A couple of exceptions include the current water purchase agreement which includes a 1.5% increase per year and the sewage treatment costs. Allocation of property taxes relating to the new Operation Centre is \$62,000.

The budget includes debt service costs related to borrowing for new Operations Centre; 60% allocated in general fund and 40% in water & sewerage, \$620,000 capital purchases paid from current revenues.

Mr. Higson stressed the importance to build up the Utility Capital Reserves. This year we will transfer a small amount of \$47,000 to Utility Capital Reserve.

He pointed out that Water Pipe Maintenance and related Asphalt Patching are not allocations but rather actual expenditures. The members of Council expressed concern over the reduction to the street patching budget. It is difficult to predict this line item and there is some risks associated with the amount proposed in the budget which is directly related to the type of winter conditions we are faced with and the impact on the infrastructure.

The Director of Engineering of Works, Michel Ouellet, commented that the Town has been working away at water main replacement and have committed (as of 2016) to target 2 km per year. However, there are 40 kilometers of water mains that need to be replaced, and the Town has repaired approximately 12 kilometers to date. Watermain replacement is tied into local improvements as it makes more fiscal sense to conduct watermain replacement and street reconstruction simultaneously.

In response to an inquiry regarding capital reserves, Mr. Higson provided a brief history and rationale for previous decisions to put money into capital reserves or not. He pointed out that the Town is not permitted to pay down long term debt early and that balloon payments come due in specific years. The balloon payments may result in no additional funds to transfer into Capital Reserves.

It was noted that a \$10 increase in water and sewer represents approximately \$80,000 in revenue to the Town because there are currently approximately 8000 users. If the water and sewer rate were only increased by \$1, it would translate into an increase in the fund by \$8,000.

It was suggested that a proposed increase to the water and sewer rate could generate money which could be used to build up the reserves.

Mr. Higson reported that the total Utility Capital Budget for 2017 is \$2,720,000.

The Utility Capital Budget will be financed through a combination of sources including \$620,000 (capital from operating or “pay as you go”); \$754,000 from utility capital reserves (leaving \$300,000 in the reserves plus the \$47,000 we are putting in 2017); a Gas tax rebate - \$1,346,000 (in middle of 5 year agreement- last year is 2018).

The Utility Capital budget includes the underground work related to streets capital work in the General Fund as well as trench restoration on Harvey Road, Government Road and Wentworth Avenue.

The Utility Capital budget does not include any transfers to Capital Reserves for replacing existing capital infrastructure such as water towers, lift stations and piping.

Mr. Higson indicated that it concluded the review of the Utility Budget. The members of Council moved on to discuss the three items carried forward for further discussion – two external groups seeking additional funding and the suggestion to add funds specifically for PTSD training for the Fire Department. Clarification was sought on attendance at the FCM conference and the UMNb conference.

First item to be discussed was the request for additional funding by the Boys and Girls Club.

Councillor LeBlanc declared a conflict of interest and left council chambers at 9:58 a.m.

Mr. Smith commented that the two external groups seeking additional funds were the same issue and that Council needed to determine whether to provide the additional funding or not. The next decision would then be to figure out where to source the funds. Options include increase tax rate, reduction from the items added; reducing the grant fund section by the corresponding amount. He cautioned that it would be difficult to find the funds out of operating as the Directors had already reduced their budgets by 4%.

Deputy Mayor Cassista commented that Council needs to be clear that it is a one-time situation. However, we should support the increase. Does not support on taking the funds off the top of amount for grants and donations.

Mr. Higson confirmed that there is a small surplus in 2016 grants but have many other line items that it could be used against.

Mr. Smith commented that the day care operated by the Boys & Girls Club is their source of revenue which enables them to offer free programs (or at very little cost) to the youth. The Town provides them free rent and other support. The actual grant would be to enable them to offer free programs to the youth.

Mr. Higson noted that the rental grant is not an actual transfer of money. The space is provided for free and is considered rental revenue for the Parks & Recreation Department. Previously the amount being “charged” was undervalued. A market study determined the value that should be charged for the space.

Mr. Cole added that the Town always tried to cooperate and accommodate the requests of the Boys & Girls Club. If anything did happen to them, the Town would have to take that over and could present a problem.

Mr. Smith clarified that Council was talking about a grant on top of the rental agreement. If the expectation is for Council to live up to this commitment, a letter could be written stipulating that the additional funding was a one-time situation. But each year the grants are considered and Council would have the opportunity to review and debate the requests brought forward. Council has the final decision.

A consensus was achieved to approve the additional funding request from the Boys & Girls Club in the amount of \$18,000.

The outstanding issue yet to be determined is where the funds will come from.

Mayor Seamans declared a break at 10:27 a.m. Councillor LeBlanc returns to Council Chambers at this time.

The meeting reconvened at 10:38 a.m.

The members of Council entered into a discussion on the request for additional funding from the Riverview Arts Centre.

Mr. Smith commented that since 2013 the financial request from the Riverview Arts Centre had increased by 64%. It was recognized that the Riverview Arts Centre is a great value and benefit to the municipality. The organization is volunteer based on structure which has been very successful in utilizing the volunteers. He cautioned that if they don't get the funding for a new position will the Town need to manage it the long run?

Councillor LeBlanc offered that the request for additional funds is for equipment replacement and it is a one-time request.

The members of Council briefly discussed possible revenue for the RAC sign.

Mr. Smith noted that often times the Town does not tend to get profiled as a sponsor. It is important to make sure those organizations educate their users about the Town's contribution and the benefit that they receive from the grants. The public needs to be aware of the Town's considerable contributions to the various groups and organizations.

A consensus was achieved to approve the additional funding request in the amount of \$19,600 to the Riverview Arts Centre. Council will determine where the funds are to come from at a later point.

Mr. Smith reported on the PTSD training. He noted that funds are available (\$3000- \$4000) which could be from within the Human Resources budget if this is truly a priority to address. He indicated that he would take the time to study and report back to Council. Mr. Smith noted that this is a new concern which has not been brought to his attention.

The idea was raised that it should be a specific line item as Council needs to send a strong message that we take it seriously. The request being made is to have 3 personnel given specialty training.

Chief Pleau outlined what is available and what is ongoing.

Mr. Smith committed to reassess what has been offered and what, if anything, needs to be done. If required, staff will find the way to find the dollars.

A consensus was achieved to accept the direction/commitment from the CAO.

The members of Council discussed the UMNb conference attendance.

Mr. Higson reported that the UMNb member fee for the municipality is \$7,000. An additional \$4,000 is attributed to the attendance at the annual UMNb conference.

Mayor Seamans said that the delegates are done through rotation both at the FCM & UMNb Conference.

A consensus was achieved that the Mayor and/or Deputy Mayor plus 3 councillors were to attend the annual UMNb conference. Previously all members of Council were permitted to attend. It was noted that this change should be reflected in the policy.

Mr. Higson pointed out that the proposed increases consented to by Council reflect an increase to the budget of \$38,000. The options to offset this amount include an increased tax rate or a reduction to line items. The Grants & Donations Budget in 2017 equals \$292,726.

Mayor Seamans indicated that the unknown factors in the budget are the unconditional grant amount and the property tax base.

Mr. Smith commented that because of conflict of interest previously declared we need to separate the two items and discuss how to fund the request from the Boys and Girls Club.

Councillor LeBlanc declared a conflict of interest at 11:22 a.m. and left the Council Chambers.

Deputy Mayor Cassista remarked that she is not in support of increasing tax rate; and is perhaps premature at this time. She indicated that there is not sufficient information on the new item pertaining to live streaming which equals \$38,000.

It was proposed that this item be removed and the funds diverted to the grants to cover the two additional requests.

Mayor Seamans pointed out that Councillor LeBlanc is the chair of the Live Streaming Committee.

A consensus was achieved to eliminate \$38,000 for Live Streaming.

Councillor LeBlanc returns to the Council Chambers at 11:30 a.m.

Mr. Smith advised that there is the potential removal of one of the capital items (moved to future years) - Live streaming. He suggested that Councillor LeBlanc needs to be part of the discussion.

Councillor LeBlanc suggested that if the item was to be voted down he would seek input from Council as to their questions and specific requirements. He indicated that there are multiple ways to do on line streaming which was why the Committee was moving in the direction of an RFP to seek input and expertise. He noted that he is in favour of live streaming as it is another way to engage the public. The quote from Ivan's is specific - \$14,000 cameras/monitors; \$13,000 monitoring system and he wanted to be able to provide Council with solid estimated figure for this item.

It was suggested that the Town go through the process and then decide whether to proceed. Mr. Smith cautioned that by going through the RFP process the Town is giving the market the expectation that the work is going to be done.

Mr. Smith commented that he understands that Council is very much interested in the openness and transparency provided through live streaming; however, that is available through the attendance at meetings and council highlights.

A consensus was achieved for the removal of \$38,000 in the 2017 budget for live streaming and deferred to 2018.

Note: Have not determined at this point to simply transferring the money into grants & donations, Council wants to wait until the two unknown figures are confirmed - i.e. unconditional grant and tax assessment.

Councillor Hansen stated that if we have to increase the tax rate because of the lack of unconditional grant/tax base then the live streaming option could be put back on the table for 2017.

Council entered into a brief discussion on the structural damage to the Fire Station and how that may impact the budget.

Mr. Smith remarked that Council still has a sizable unknown and if the unconditional grant comes in less, what is the expectation of Council?

Mr. Higson pointed out that the 2019 budget incorporates a debt balloon payment. Municipalities have enjoyed the benefits of increased tax base but



because now the growth rate in the tax base had essentially disappeared we will need to increase the tax rate just to maintain the status quo. Over and above we want the Town to grow and the money has to come from somewhere. On top of that, we are not putting enough money away in reserves to address such instances such as the fire station and the structural repairs that need to be carried out.

The members of Council debated a proposed tax rate increase. It was suggested that small incremental raises in the tax rate would be easier for people to deal with in order to make provisions for the future.

Mr. Higson commented that the decision as to how much to raise the tax rate depends specifically on what Council wants to do and when it is to be done. He suggested that the completion of Asset Management Plan will define what is needed.

Deputy Mayor Cassista stated that she does not support the tax increase as that would mean that Council increased taxes to give the additional grant money.

Mr. Smith pointed out that is not the case as it would translate in a shift from capital to operating.

A consensus was reached to increase the tax rate by 2 cents. Deputy Mayor Cassista requested that it be duly recorded that she did not support the tax rate increase.

NOTE: If the unconditional grant amount comes in higher and/or the tax assessment then Council could revisit the live streaming amount of \$38,000.

## **5. ADJOURNMENT**

**Moved by:** Councillor A. LeBlanc

**Seconded by:** Councillor W. Bennett

That the meeting be adjourned at 12:30 p.m.

**Motion Carried**