



ROTHESAY
PUBLIC COUNCIL MEETING
Rothesay Town Hall
Monday, December 7, 2015
7:30 pm



PRESENT: MAYOR WILLIAM J. BISHOP
COUNCILLOR MATT ALEXANDER
COUNCILLOR PAT GALLAGHER JETTE
COUNCILLOR PETER J. LEWIS
COUNCILLOR BLAIR MacDONALD
COUNCILLOR BILL McGUIRE
COUNCILLOR MIRIAM WELLS

TOWN MANAGER JOHN JARVIE
TOWN CLERK MARY JANE BANKS
DIRECTOR OF REC/PARKS (DRP) CHARLES JENSEN
DIRECTOR OF PLANNING/DEVELOPMENT (DPDS) BRIAN WHITE
TREASURER DOUG MacDONALD
FINANCIAL OFFICER ELLEN STEEVES
ADMINISTRATIVE ASSISTANT LIZ POMEROY

ABSENT: DEPUTY MAYOR NANCY GRANT
DIRECTOR OF OPERATIONS (DO) BRETT McLEAN

Mayor Bishop called the meeting to order at 7:35 p.m.

Mayor Bishop welcomed everyone to an open meeting for Town Council and residents to review the proposed 2016 draft budget. The budget consists of the General Fund Operating Budget, the General Fund Capital Budget, the Utility Fund Operating Budget, and the Utility Fund Capital Budget. Mayor Bishop explained the process will involve opening remarks from the Finance Committee and then open the floor to questions from Council and residents. The budget will then be presented to Council for approval on Monday, December 14, 2015.

Counc. MacDonald referenced comments made in his email sent to Town Staff and Council. He gave a brief summary on the property tax rate and its changes from 2007-2014. Counc. MacDonald noted the following: expenses are increasing at a rate of 3-4% annually; it is Council's desire to maintain the same level of services such as protective and others (street maintenance, storm control enhancement, recreation opportunities etc.); there is an interest in borrowing funds only for larger capital projects; a one cent increase in the tax rate would generate sufficient revenue; and, particularly for the utility, changes to regulations have an impact on overall costs. Counc. MacDonald thanked everyone involved in the budget process for their efforts.

Treasurer MacDonald explained the documents provided to Council for review. He added the Council priorities are one of the driving factors behind the budget decision process as well as the projected 2015 results. Council priorities include: a stable tax rate, increases for major projects, sustainable infrastructure, and efficient and effective use of resources. The Town Committees are also involved by providing input and recommendations. The budget is then reviewed in great detail by senior staff, the Finance Committee, and Council. The final budget is then sent to the Province for approval.

A constraint that exists over the last four years is that there have been limited increases in the property tax assessment base (averaged at about 1.5% over the last four years). There has been a .81% increase in the assessment base for the current year. Treasurer MacDonald noted without increasing rates or fees, revenues do not change much. There have been enhancements made to the Rothesay area such as the Rothesay East trails, curbside recycling, and the Common project. These changes come at a cost.

ROTHESAY

Council Budget Meeting
Minutes

-2-

7 December 2015

Third party organizations include the Police Department, Fire Department, Regional Facilities Commission, Enterprise Saint John etc. Rothesay has some input into these budgets but no direct control and must reflect these budgets into Rothesay's own budget. Treasurer MacDonald gave an overview of third party expenditures and noted they represent 30% of operating expenses. The key assumptions were as follows: .81% increase in the property tax assessment base; no significant change in Town operations during the period; no significant change in the number of utility users; capital expenditures will be funded first with revenue from operations at historical amounts; gas tax plan as submitted to be approved by the Province; significant grants to be obtained from Federal and Provincial governments to support capital projects; and new debt issued regarding longer term larger projects.

Treasurer MacDonald directed Council's attention to a pie chart depicting the 2016 draft operating expenses by function. Categories were as follows: Fiscal Services (11%), General Government Services (12%), Protective Services (28%), Transportation Services (20%), Environmental Health Services (4%), Environmental Development Services (4%), Recreation and Cultural Services (12%), and Water and Sewer Services (9%). There was a brief discussion on what is included in Fiscal Services.

Treasurer MacDonald presented the projected general operating expenses for 2015 and the expected general operating expenses for 2016. He explained the Town's surplus in 2014 must come into revenue in 2016 and if a deficit were to occur it would be an expense in 2016. The total request for funds for the Police and Fire Departments has increased by less than 3%, which is lower than normal because they have had surpluses come forward that reduces the funding that is required. Treasurer MacDonald advised the Environmental Development services amount may seem higher than usual because of an amount in 2016 that represents an estimate for a secondary planning area review. The lower budgeted amount for Environmental Health services is a result of the cost of the recycling bins being covered in 2015.

Treasurer MacDonald advised the draft general capital fund does not include any carry-over costs for projects not completed in 2015. The funds allotted for these projects will be transferred over to Reserves and used as the projects reach completion. Specific projects in 2016 include: a Town Hall server, paving, curb, or sidewalk projects, master drive building upgrades, and works equipment. Designated highway funding is included however; the amount is only inclusive of Rothesay's 25% share.

Treasurer MacDonald reviewed the draft General Capital Funding and General Operating revenue analysis. Other revenue in 2015 appears higher than usual because it includes the revenue received from a legal issue that has since been resolved. Treasurer MacDonald explained the procedure in determining the recommended property tax rate.

Water expenses were over budget because of the increase in water treatment and well cleaning. Well efficiency and output improved significantly after the cleaning. New sources of water are still being explored. A description of the draft Utility Capital and Funding followed.

Treasurer MacDonald highlighted the following: the base water rate will increase to \$1.15 per cubic meter, the fixed water charge to \$200 per annum, and the sewer rate to \$350 per equivalent user. The effect of the change is a "typical" Rothesay utility customer would incur annual charges of approximately \$850 per year or an increase of 5.5%.

Mayor Bishop thanked Treasurer MacDonald for his presentation. He invited questions from Council. Concern was expressed regarding the need for tree guards as well as the cost of the bike racks. A discussion on bike racks followed.

ROTHESAY

Council Budget Meeting
Minutes

-3-

7 December 2015

MOVED by Counc. Alexander and seconded by Counc. McGuire to remove tree guards for Hampton Road from the 2016 draft budget.

ON THE QUESTION:

It was suggested similar trees be planted in another area to replace any trees on Hampton Road should damage occur. It was noted trees can be purchased at various levels of growth. Council also proposed should an accident occur the tree guard would likely be damaged as well.

CARRIED.

MOVED by Counc. McGuire and seconded by Counc. Lewis to remove bike racks from the 2016 draft budget.

ON THE QUESTION:

It was suggested setting a cost limit for the bike racks and allowing Staff to decide within that limit the quality and quantity to purchase. Counc. Wells noted with the Town's support of Active Transportation and the Heritage style present in Rothesay, the quantity and quality of bike racks is very important. Clarification was requested on the process used to arrive at Staff's decision to request the specific amount for the bike racks. Town Manager Jarvie advised the request was based on bike racks in the vicinity of Saint John. Staff was under the impression similar bike racks would appeal to Rothesay residents. Town Manager Jarvie advised if Council felt the cost to be too high, a number could be decided on and Staff would purchase a reasonable amount of good quality bike racks within the budgeted amount.

YAY votes recorded from: Councils. Alexander, Gallagher Jette, Lewis, MacDonald, and McGuire.
NAY vote recorded from: Council. Wells.

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. Lewis to allocate \$10,000 for bike racks in the 2016 draft budget and refer to the Public Works Committee for a recommendation on quality and quantity.

CARRIED.

Clarification was requested on the budgeted amount for the EMO Director/Committee. Treasurer MacDonald advised \$15,000 is budgeted for a staff person or director and the remaining \$10,000 is for operational expenses, including a mock exercise in the new year. He also noted the KV Committee for Disabled Persons has sent a letter notifying the Town they are not requesting funds for 2016. Council. Lewis inquired about security cameras and the three tonne service vehicle, requesting the year and mileage of the vehicle. Treasurer MacDonald advised he spoke with the insurance agent and security cameras were added to the budget under their advisement as the best method to deal with vandalism.

The service vehicle was noted as a 2007 Dodge 2500. Council. Lewis inquired about Dofred Road and tree-trimming. Treasurer MacDonald noted Dofred Road was not on the 2016 municipal streets list, McGuire Road was removed and Chantale Street was added to the list of roads to rebuild. Clarification was requested on the decision process and the reasoning behind why Chantale Street was chosen. A list of possible roads to rebuild that have a rating of 5 was requested. It was noted Chantale Street is rated a 5 (significant deterioration) and can be fixed within the budgeted amount. With limited funds in the 2016 budget Council agreed tree-trimming could be budgeted for in the future.

ROTHESAY

Council Budget Meeting
Minutes

-4-

7 December 2015

There was a brief discussion regarding borrowing for the Common project. It was noted the interest for the Common project can be found under Fiscal Services. Clarification was requested on Common operating costs addressed on page six and page eleven of the draft budget. Treasurer MacDonald advised the amount on page six is reflective of incremental operating costs for the Common whereas the amount on page eleven is a capital cost. Council. Gallagher Jette inquired about the reduction in the Reserve Funds. Treasurer MacDonald advised the reduction is a result of higher expenses but the total allocated to "capital from operating" is only slightly lower than budgeted in 2015. Council. Gallagher Jette questioned if Professional Fees included Legal Fees. Treasurer MacDonald advised Legal Fees are found in the Solicitor category and are also allocated to the respective capital projects. The amounts are allocated by function which can lead to certain amounts being spread out into various functions.

Mayor Bishop invited comments or questions from the audience. Scott Cochrane of 24 Shadow Hill Court, thanked Mayor Bishop and commended Council and Staff on the budget presentation. He added a one cent increase is very good management. Mr. Cochrane inquired as to why the cost of water treatment has gone up if the number of users has not increased. Treasurer MacDonald advised the cost of maintaining and cleaning the wells was significantly more than anticipated which is why the water rates have increased. Town Manager Jarvie added the Town is regulated by the amount of water that can be taken out of the well field daily. The Town is in the process of obtaining approval to increase daily output. There are also variable costs associated with the well cleaning process. Mr. Cochrane questioned if the wages have gone up, has the transfer from general fund to utility fund increased as well. Town Manager Jarvie noted it had by 5%. Mr. Cochrane requested the cost for a two and a half inch meter for 2016.

Mayor Bishop advised the 2016 draft budget will be on the agenda at Council's next regular meeting on Monday, December 14, 2016, with the changes as noted.

10. NEXT MEETING

Monday, December 14, 2015

11. ADJOURNMENT

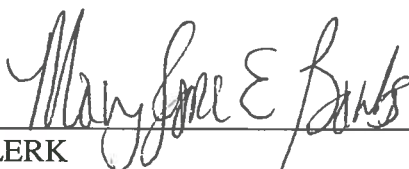
MOVED by Council. Gallagher Jette and seconded by Council. McGuire the meeting be adjourned.

CARRIED.

The meeting adjourned at 8:49 p.m.



MAYOR



CLERK