



ROTHESAY
COUNCIL OPEN SESSION
2017 DRAFT BUDGET
Rothesay Town Hall
Monday, December 5, 2016
7:00 p.m.



PRESENT: MAYOR NANCY GRANT
COUNCILLOR GRANT BREANAN
COUNCILLOR TIFFANY MACKAY FRENCH
COUNCILLOR PETER LEWIS
COUNCILLOR BILL McGUIRE
COUNCILLOR DON SHEA
COUNCILLOR MIRIAM WELLS

TOWN MANAGER JOHN JARVIE
TOWN CLERK MARY JANE BANKS
DIRECTOR OF PLANNING/DEVELOPMENT (DPDS) BRIAN WHITE
DIRECTOR OF OPERATIONS (DO) BRETT McLEAN
DIRECTOR OF RECREATION AND PARKS (DRP) CHARLES JENSEN
TREASURER DOUG MacDONALD
FINANCIAL OFFICER ELLEN STEEVES
RECORDING SECRETARY LIZ POMEROY

ABSENT: DEPUTY MAYOR MATT ALEXANDER

Mayor Grant called the meeting to order at 7:00 p.m.

1. APPROVAL OF AGENDA

MOVED by Counc. McGuire and seconded by Counc. Shea the agenda be approved as circulated.

CARRIED.

2. NEW BUSINESS – DRAFT 2017 Rothesay Budget

- 2.1 2017 General Fund Operating Budget
- 2.2 2017 General Fund Capital Budget
- 2.3 2017 Utility Fund Operating Budget
- 2.4 2017 Utility Capital Budget

Mayor Grant welcomed all in attendance and invited Counc. Breanan and Treasurer MacDonald to present the 2017 Draft Budget. Counc. Breanan noted the Finance Committee worked with staff to prepare the 2017 Draft Rothesay Budget. He highlighted the following: a 1.63% increase in the assessment base; a proposed \$0.01 increase in the tax rate; and the Town's general operating costs have increased 3% per year for the last few years, so there is not a lot of "wiggle room" in the budget.

Treasurer MacDonald gave a presentation to Council with respect to the Draft 2017 Rothesay Budget. He noted the following: input has been sought from senior staff, Council priorities, projected 2016 financial results, capital priorities, operational issues; funding sources etc.; various committees have reviewed the draft; the meeting is to give an opportunity for Council and the public to provide input; and once approved by Council the budget must be submitted to the Province for final review. Treasurer MacDonald reviewed the following: budget constraints; key assumptions; draft operating and utility expenses for 2017; grant requests; draft general capital and utility capital projects and related funding/revenue; the recommended property tax rate for 2017; and residential water and sewer rates. The following general comments were made:

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- General operating increase overall of 0.87% over the 2016 budget
- Overall property tax assessments up by 1.63%
 - Average increase 2013 to 2015 = 1.5%
- Proposed tax rate increase of 1 cent to \$1.22 per \$100 of assessment
- Third party expenditures account for approximately 40% of operating expenses
- No significant change in Town operations or the number of utility users
- Capital expenditures will be funded first with revenue from operations at historical amounts (i.e. general fund = \$2.3 million and utility = \$600,000)
- 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
- New debt issued regarding major utility projects
- Transportation Services reflect a decrease from the 2016 budget to reflect lower fuel and sand and salt expenditures
- Environmental Health Services includes garbage collection and disposal and has decreased due to a reduction in the volume of waste generated and a full year of curbside recycling
- Environmental Development Services includes anticipated expenditures associated with the first year of a Municipal Plan review
- Recreation and Cultural Services has increased to reflect operational increases including the maintenance of trail infrastructure, regional facilities, parks etc.
- Fiscal Services has increased by approximately \$150,000 to reflect the cost of new debt
- General Capital Fund highlights:
 - Total capital budget of \$3.6 million
 - Projects funded by operating revenue, Gas Tax reserves, no new debt incurred
 - Website upgrade and Town Hall Maintenance
 - Street surfacing of \$1.385 million (including asphalt resurfacing and micro-sealing)
 - Designated Highway and related sidewalk work of \$510,000 contingent upon Provincial funding
 - Wells Trail connector to Grove Avenue project of \$346,000 contingent upon external funding
 - Fleet replacement plan includes \$940,000 to replace aging equipment
 - Building and Equipment includes a diesel storage tank and asphalt recycler
 - \$2.2 million required from Operating
- Utility fund transfer increased to reflect a more accurate reallocation to the General Fund
- A decrease in Other Revenue reflects a significantly lesser surplus than available in 2016
- A change in overhead allocation from 70% sewer and 30% water to 60% sewer and 40% water
- Utility fund Capital highlights:
 - Capital Budget totals \$7.2 million
 - The water budget of \$500,000 includes annual water supply development and tentative projects on Station Road and Hampton Road
 - The sewer budget of \$6,700,000 includes completion of the first phase of the waste water treatment facility upgrades which includes improvements to sewer lines and lift stations and the preliminary design of the treatment facility (subject to external funding)
 - Sewer system allowance includes \$300,000 to upgrade existing lines
- Utility rates are competitive with Quispamsis, Saint John, and Riverview

- Utility system is user-pay
 - No recommended increase for water rate fees (base rate remains at \$1.15 per cubic metre and \$200 per annum fixed fee)
 - Recommended rate increase for sewer fees to \$370 per equivalent user (\$20 increase)

Council inquired about the following: the ten year fleet replacement plan; Town share of the preliminary design for the proposed new fire station; and the cost to groom the trails in the Wells Recreation Park.

The following responses were provided: an analysis of all Town vehicles was undertaken to create a ten year fleet replacement plan; depending on the age and nature of use some vehicles may require replacement before others; Rothesay's share of the preliminary design for the proposed new fire station is approximately \$45,000 which is 41% of the total design cost of \$110,000; and costs will be minimal to groom the trails as the equipment has already been purchased and no additional staff are required.

Mayor Grant noted approximately \$86,000 is included in the draft budget as a contribution to Enterprise Saint John (ESJ). She added given the concerns of the Regional Oversight Committee, a six month assessment will occur to determine if the Town's partnership with ESJ is mutually beneficial. Mayor Grant noted she would report back to Council regarding updates from the Regional Oversight Committee.

There was general discussion with respect to the Wastewater Treatment Facility. It was noted: a five year projection was completed when the funding application was submitted; and the five year projection, using a cost of approximately \$7.5 million dollars for phase one and \$15 million dollars for phase two, resulted in a total increase of \$100 upon project completion. It is difficult to determine the operational costs of the facility without a final design; and operational estimates of costs are expected to be received during the design process. There was a brief discussion with respect to the process for receiving funding for the Wastewater Treatment Facility.

Mayor Grant invited questions and comments from the public. The following people spoke: Blair MacDonald, 27 Burnett Terrace; and Michael Edwards, 9 College Hill Road. Inquiries were made with respect to: inequality of rate distribution among utility users resulting from a sewer rate increase without an increase in the water rate; the projected actual cost of Fiscal Services; the recommendation for a lower contribution to KV Oasis than requested; the list of streets to be repaved; Designated Highway funding; Gas Tax Fund use for resurfacing roads; categorization of the Wells connector project; and the reasoning behind budgeting less than the 2016 projected actual cost regarding operational costs for the Rothesay Common.

Council and Town staff responded with the following: the projected Fiscal Services reflects the projected change in operating from capital; the recommendation for the Town's contribution to KV Oasis considers the purpose of the request and the \$5,000 suggested is believed to be adequate; also taken into consideration are KV Oasis' other revenue sources; a list of streets to be repaved does exist however costs need to be determined before the list is finalized; \$285,000 is the Town's 25% share of the Designated Highway funding; Designated Highway funding does not include funding for sidewalks; \$225,000 will be used from the Gas Tax Fund for sidewalks; \$346,000 is the Town's share of the Wells connector project; the Gas Tax fund will be used for street resurfacing; categorizing the Wells connector project as Transportation rather than Recreation does not have an effect on funding; and some costs are not reoccurring which enables the overall budgeted amount for the Rothesay Common in 2017 to be less than the 2016 projected actual amount.

Mayor Grant thanked all in attendance.

3. NEXT MEETING

The next regular meeting of Council will be Monday, December 12, 2016.

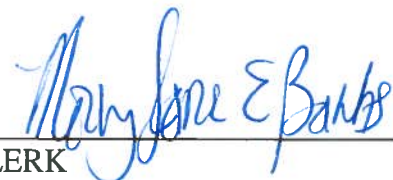
4. ADJOURNMENT

MOVED by Counc. McGuire and seconded by Counc. Lewis the meeting be adjourned.

CARRIED.

The meeting adjourned at 7:51 p.m.


MAYOR


CLERK