



# ROTHESAY COUNCIL

OPEN SESSION

Monday, November 17, 2014

MINUTES



PRESENT: MAYOR WILLIAM J. BISHOP  
COUNCILLOR MATT ALEXANDER  
COUNCILLOR PAT GALLAGHER JETTE (arrived 7:15 pm)  
COUNCILLOR BLAIR MacDONALD  
COUNCILLOR BILL McGUIRE  
COUNCILLOR MIRIAM WELLS

TOWN MANAGER JOHN JARVIE  
Acting TOWN MANAGER/(DPDS) BRIAN WHITE  
TOWN CLERK MARY JANE BANKS  
DIRECTOR OF OPERATIONS (DO) BRETT McLEAN  
DIRECTOR OF REC/PARKS (DRP) CHARLES JENSEN  
TREASURER DOUG MacDONALD

ABSENT: DEPUTY MAYOR NANCY GRANT  
COUNCILLOR PETER LEWIS

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

## 1. APPROVAL OF AGENDA

The agenda was accepted as circulated.

## 2. New Business – DRAFT 2015 Rothesay Budgets

- 2.1 2015 General Fund Operating Budget
- 2.2 2015 Utility Operating Fund Budget
- 2.3 2015 General Capital 5 Year Plan
- 2.4 2015 Utility Capital 5 Year Plan

Treasurer MacDonald gave a presentation to Council with respect to the draft 2015 Rothesay budget. He noted the following: this is a first draft and an opportunity to get comments from the public; input has been sought from senior staff, Council priorities, projected 2014 financial results; capital priorities and operational issues; funding sources, etc.; various committees have reviewed the draft; and tax assessment rates and unconditional grant numbers have not been received from the province yet. Treasurer MacDonald reviewed the following: budget constraints; key assumptions; draft operating and utility expenses for 2015; draft general capital and utility capital projects and related funding/revenue. The following general comments were made:

- general operating increase overall of 1.6%
- external agency budgets account for approximately 30% of the Rothesay budget
- utility operating increase overall of 3.7%
- revenue is 80% property tax and 16% utility fees
- there are reserves on the utility side but most, if not all, of the reserves on the general side have been exhausted
- proposed 2 cent tax rate increase
- potential for large projects – recreation project, Rothesay Common, Wells park and trail projects, Oakville Acres detention pond, facilities improvements (Works garage and Town Hall), paving/curb/sidewalk projects
- Rothesay operates with a “pay as you go” approach (meaning capital expenditures funded first from operating, then grants and capital reserves, and finally from borrowing)
  - \$2 million proposed in the 2015 general operating budget to fund capital projects

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- increase in tax assessment base would impact recommendation for a two cent increase
- anticipated reduction of \$100,000 in provincial grant is equal to almost one cent on the tax rate
- utility rates are competitive with Quispamsis and Saint John
- utility system is user-pay
  - \$500,000 proposed in the 2015 utility operating budget to fund capital projects
  - recommended rate increase of 6% on water rate fees (base rate from \$1 to \$1.06)
  - recommended rate increase for sewer fees to \$340
- proposed waste water treatment facility to meet new regulations conditional on tri-level funding
- need for further clarity on proposed two cent tax increase, taking into consideration the Council priority to maintain a stable tax rate
  - typically only increase for large projects (arena project would not be “shovel-ready” in 2015)
- potential for tax assessment growth over the next five years is unclear
- there are large-scale projects on the horizon it may not be appropriate to keep the tax rate artificially low and then increase it seven or eight cents

Scott Cochrane was in attendance and there was a brief discussion with respect to: available reserves; the proposed utility rate increases; the use of reserves for contributions to projects; the five year capital plan associated with the Gas Tax Fund (federal money managed by the province). Treasurer MacDonald noted there is a GTF spending plan and separate reserve account. Mr. Cochrane requested a copy of the draft budget to review the detailed information. Town Clerk Banks gave him a copy of the agenda package.

Treasurer MacDonald concluded his presentation by noting there may be some revisions to the proposed budget as this is the first draft and it is hoped the numbers will be received from the province in order to prepare a final budget for approval at the December 8<sup>th</sup> Council meeting.

### 3. NEXT MEETING

The next regular meeting of Council will be Monday, December 8, 2014.

### 4. ADJOURNMENT

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

**CARRIED.**

The meeting adjourned at 7:40 p.m.

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MAYOR

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CLERK