

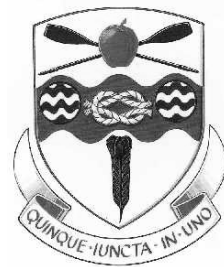


ROTHESAY COUNCIL

SPECIAL SESSION

Monday, December 16, 2013

MINUTES



PRESENT: MAYOR WILLIAM J. BISHOP
DEPUTY MAYOR NANCY GRANT
COUNCILLOR MATT ALEXANDER
COUNCILLOR PAT GALLAGHER JETTE
COUNCILLOR PETER J. LEWIS
COUNCILLOR BLAIR MacDONALD
COUNCILLOR BILL McGUIRE

TOWN MANAGER JOHN JARVIE
TOWN CLERK MARY JANE BANKS
DIRECTOR OF OPERATIONS (DO) BRETT McLEAN
DIRECTOR OF PARKS/REC (DPR) CHARLES JENSEN
DIRECTOR OF PLANNING/DEVELOPMENT (DPDS) BRIAN WHITE
TREASURER SUSAN JOHNSON
FINANCIAL OFFICER ELLEN STEEVES

ABSENT: COUNCILLOR MIRIAM WELLS

Mayor Bishop called the meeting to order at 7:00 p.m. He noted a letter of thanks had been received from the Community Garden Group on Scribner Crescent.

1. APPROVAL OF AGENDA

MOVED by Counc. Alexander and seconded by Deputy Mayor Grant the agenda be approved as circulated.

CARRIED.

2. NEW BUSINESS

2.1 2012 Audited Financial Statements Treasurer Susan Johnson

Peter Logan, Teed Saunders & Doyle

Treasurer Johnson thanked Town staff and the auditors for their assistance in preparing the Financial Statements, noting the challenges associated with the change in reporting requirements. She outlined the reasons for the change to PSAB reporting standards and the three main changes:

- tangible capital assets are now depreciated
- financial statements are consolidated with controlled entities and funds combined
- accruals are included for employment benefit liabilities

Treasurer Johnson advised the statements now include:

- Consolidated Statement of Operations
- Consolidated Statement of Financial Position
- Consolidated Statement of Change in Net Debt
- Consolidated Statement of Cash Flows

Each of the consolidated statements were reviewed (pp 3–6 audited statements) and general comments were made with respect to a positive variance in revenue and a negative variance in expenditures for 2012 and a surplus of \$1,866,853 has arisen due to the changes in the financial reporting rules. Budgeting is still done on a cash basis (for rate-setting) but the new format of financial statements takes into consideration that transfers to reserves, capital projects funded through operating and principal debt payment cannot be expensed. In addition, the new reporting format requires amortization of assets. Treasurer Johnson gave a general summary of the major variances in department budgets from actual vs. budgeted numbers.

ROTHESAY COUNCIL

Special Session
Meeting Minutes

-2-

16 December 2013

Treasurer Johnson noted the Consolidated Statement of Financial Position shows \$7.7 million in financial assets, \$20.317 million in financial liabilities and a net debt of \$12.542 million. Capital assets total \$72.570 million and the accrued surplus basically represents the investment in capital assets while the net debt represents future revenue requirements. She also noted that employment benefit liabilities are included as part of the financial reporting, which show \$1.5 million in accrued pension liability (unfunded), \$280,000 in accrued sick leave (unfunded) and retirement allowance \$697,000 (partially funded) . These figures include Rothesay's portion of the police and fire entities.

Treasurer Johnson noted there are many pages of notes to the financial statements that are integral to the statements. She indicated there are useful indicators to compare with other municipalities but further more detailed review is required and will evolve over time. She commented on the importance of Notes 2, 3, 13, 19, 24, 26, 27, 29, 32, and 33. The Statement of Change in Cash Flow adjusts for non-cash items, amortization of capital assets, changes in accounts payable/receivables and long term debt, and shows \$5.452 million was spent on capital assets in 2012

Treasurer Johnson gave a summary review of tangible capital assets inventory (p 24 in financial statements). She concluded with the following general comments:

- surplus \$344,000 more than budgeted
- net debt is lower in 2012
- long term debt is lower
- accumulated surplus increased
- debt service ratios – General Fund 6.3% and Water & Sewer 29.0%
- reserve balance \$5.5 million, including unspent gas tax \$2.6 million

There was a brief discussion with respect to Note 18 and accrued employment benefit liabilities – which is based on past experience and calculated by an actuary. It was noted the Police sick leave is combined with its retirement allowance and valuations are based on actual sick leave records to calculate future costs. Mr. Logan noted a study would be done again in 3 years.

Treasurer Johnson noted some benefits of new reporting system, which include the removal of some discretionary adjusting in that surpluses could be reduced by paying cash for capital projects; statements are more comparable across municipalities and employment benefit liabilities are now reported. She noted that the method of reporting of government grants is difficult to understand and it has an impact on the surplus/deficit and while the statements are more complex and difficult to understand, they are a more accurate reflection of the Town's financial position.

Mr. Logan added that a key result of the entire exercise is the data collection and resulting inventory of capital assets of the Town. He noted the format of reporting is different and is positive in that it clearly shows the capital asset valuation but is negative in that the government grant reporting results in a surplus which is not actually "cash on hand".

Mr. Logan concluded by noting the audit was a long time in the making and required a major undertaking on the tangible capital asset side to get a final valuation number. He noted the Town's GIS system has asset data which is beneficial for capital planning on a go-forward basis and advised that Dillon Consultants was involved in determining values as well as Town departments that provided valuable information to make adjustments. It is hoped the 2013

ROTHESAY COUNCIL

Special Session
Meeting Minutes

-3-

16 December 2013

audit will be back on regular reporting time (April) and he briefly commented on the challenge in allocating shared entities with Quispamsis. It was noted the actuaries were involved in determining the pension liability, both communities now have detailed information and the liability will be paid out over time.

Mr. Logan thanked Town staff and recognized the effort involved in the process but noted the Town has a better set of financial statements on a go-forward basis. Mayor Bishop also thanked Mr. Logan and Town staff.

Counc. MacDonald advised the Finance Committee reviewed the statements earlier in the day and there are some minor revisions to the statements, mainly to the notes, prior to signature. Treasurer Johnson distributed a copy of changes, mainly to the notes, as identified by the Finance Committee. It was noted the apartment rental and Town Hall rental will be combined into one number (page 34).

MOVED by Counc. MacDonald and seconded by Deputy Mayor Grant resolved that Council approves Rothesay's 2012 audited financial statements and authorizes the Mayor and Treasurer to sign the financial statements.

CARRIED.

MOVED by Counc. MacDonald and seconded by Deputy Mayor Grant resolved that Council authorize the Mayor and Treasurer to sign the audit communication letter from Teed Saunders Doyle & Co.

CARRIED.

MOVED by Counc. MacDonald and seconded by Deputy Mayor Grant resolved that Council appoints Teed Saunders Doyle & Co to complete the audit of Rothesay's 2013 financial statements.

CARRIED.

2.2 Water and Sewer Fund Reserve Motions

13 December 2013 Memorandum from Finance Committee

MOVED by Counc. MacDonald and seconded by Counc. Gallagher Jette **RESOLVED** that \$100,000 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for water and sewer connection fees.

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. Lewis **RESOLVED** that \$270,000 be transferred from the General Capital Reserve Fund (Gas Tax) to the Utility Capital Fund to cover project costs.

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. McGuire **RESOLVED** that \$3,800 be transferred from the Utility Operating Fund to the Utility Capital Reserve Fund for Rothesay's contribution to the Sewage Outfall Reserve.

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. Alexander **RESOLVED** that \$10,136 received from Quispamsis for Sewage Outfall be transferred to the Utility Capital Reserve Fund.

CARRIED.

ROTHESAY COUNCIL

Special Session
Meeting Minutes

-4-

16 December 2013

MOVED by Counc. MacDonald and seconded by Counc. Alexander **RESOLVED** that Council authorizes the expensing of Utility Capital Expenditures through the Utility Operating Fund up to \$500,000.00.

CARRIED.

2.3 General Fund Reserve Motions

13 December 2013 Memorandum from Finance Committee

MOVED by Counc. MacDonald and seconded by Deputy Mayor Grant **RESOLVED THAT** the sum of \$501,367.51 be transferred from the General Capital Reserve Fund to the General Capital Fund to cover the costs of Capital Equipment purchases.

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. McGuire **RESOLVED THAT** the sum of \$200,000 be transferred from the General Capital Reserve Fund (Gas Tax) to the General Capital Fund to cover costs of certain Capital Works projects

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. McGuire **RESOLVED THAT** the sum of \$10,000 be transferred from the General Operating Fund to the Capital Reserve Fund (Town Hall) for the year 2013. (\$7,275 from District 6).

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. McGuire **RESOLVED THAT** Gas Tax Funding in the amount of \$904,356 for the year 2013, be transferred to the General Capital Reserve Fund.

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. Lewis **RESOLVED THAT** the full amount of the Developers' Capital Reserve be transferred to the General Capital Reserve in the amount of \$8,394.92.

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. Alexander **RESOLVED THAT** the sum of \$1,300,000 be transferred from the General Operating Fund to the General Capital Reserve Fund for the year 2013.

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. McGuire **BE IT RESOLVED THAT** the sum of \$61,681.12 be transferred from the General Operating Fund to the Land for Public Purposes Reserve Fund for external contributions.

CARRIED.

MOVED by Counc. MacDonald and seconded by Counc. Lewis **RESOLVED THAT** Council authorizes the expensing of General Capital Projects through the General Operating Fund up to \$2,000,000.

CARRIED.

2.4 Tangible Capital Assets Policy

Draft Tangible Capital Assets Policy

Mayor Bishop noted the draft policy governs the actions with respect to Tangible Capital Assets for the Town. There was a brief discussion as to whether the policy had to be approved this evening. Counc. Gallagher Jette suggested she would like additional time to

ROTHESAY COUNCIL

Special Session
Meeting Minutes

-5-

16 December 2013

review the policy.

MOVED by Counc. Gallagher Jette the Tangible Capital Asset Policy be tabled.

Motion lost due to lack of seconder.

Mayor Bishop asked Treasurer Johnson to provide a summary of the policy. She advised the policy is required to comply with the new financial reporting requirements and will provide consistent treatment of capital assets. The major components of the policy relate to the definition of a capital asset, when an item becomes a capital asset and its useful life. Treasurer Johnson noted the province issued useful life guidelines for the different types of municipal assets and Town staff selected them based on consultation with the Town Engineer and other municipalities.

Counc. MacDonald noted this policy was followed in preparing the 2012 Financial Statements and should be adopted this evening. He noted it had been reviewed twice by the Finance Committee and some minor changes were recommended. Counc. Gallagher Jette was satisfied the policy had been reviewed by the relevant parties.

MOVED by Counc. MacDonald and seconded by Deputy Mayor Grant the Tangible Capital Asset Policy dated December 13, 2013 be adopted by Council.

ON THE QUESTION:

Treasurer Johnson noted the threshold is \$10,000 in the policy. She further noted the policy is not written in stone and should be reviewed every year.

CARRIED.

2.5 Rothesay Common Covenant

13 December 2013 Memorandum from Town Manager Jarvie
Proposed Private Members Bill

13 December 2013 Letter from G. McCracken, Vice President Rothesay Heritage Trust
Counc. Gallagher Jette requested clarification as to when the Private Member's Bill would be submitted to the Legislature and whether it needed to be dealt with at this meeting. Mayor Bishop advised the intent is to submit it for the February sitting. Town Manager Jarvie reiterated the required steps as outlined in his memorandum of December 6th, noting it has to be reviewed by the Attorney General's office, then translated and advertised prior to being tabled in the Legislature. Counc. Gallagher Jette asked if staff's recommendation has changed as a result of Mr. McCracken's letter dated December 13, 2013. Town Manager Jarvie noted it is a decision of Council whether the project proceeds and his memorandum has outlined the required procedure should Council decide to approve the Private Member's Bill submission.

Counc. Alexander noted the numerical values for Y and X in the memorandum dated 13 December 2013 for the area of the circle are (Y) 452 m² and approximately (X) 2.4% of the area of the land parcel. Town Manager Jarvie noted the area is larger than the footprint of the building to allow for some flexibility, which is about half the area of the circle (Y) or representing 1 to 1½% of the total land area of the Common. It was noted the building edge corners are approximately 2 metres from the edge of the circle.

MOVED by Counc. McGuire and seconded by Deputy Mayor Grant Council approve the attached Private Member's Bill – An Act Respecting the Rothesay Common for submission to the Legislature.

NAY vote recorded from Counc. Gallagher Jette.

ROTHESAY COUNCIL

Special Session
Meeting Minutes

-6-

16 December 2013

CARRIED.

MOVED by Counc. Alexander and seconded by Counc. Lewis the letter from G. McCracken, Vice President Rothesay Heritage Trust dated 13 December 2013 be received/filed.

CARRIED.

3. NEXT MEETING

The next meeting of Council will be held on Monday, January 13, 2014.

4. ADJOURNMENT

MOVED by Counc. Gallagher Jette and seconded by Counc. Alexander the meeting be adjourned.

CARRIED.

The meeting adjourned at 8:10 p.m.

MAYOR

CLERK

An Act Respecting the Rothesay Common

WHEREAS the lands identified by the Provincial Property Identifier as number 441816 are locally known as the Rothesay Common; and

WHEREAS the Rothesay Common is owned and maintained as a public park and open space by Rothesay, the town; and

WHEREAS the former Village of Rothesay acquired the Rothesay Common by deed from Mary A. Robertson and Grace E. Nichols dated November 29th, 1934; and

WHEREAS the deed was registered in the Kings County Registry Office on April 23, 1935 in book 25 at page 476 as Number 89355; and

WHEREAS the Village of Rothesay became the Town of Rothesay by The Town of Rothesay Act, 5 Elizabeth II, 1956, c.127 on March 29th, 1956; and

WHEREAS Rothesay became the owner of all assets of the former Town of Rothesay by Regulation 85-6 under the Municipalities Act, Chapter M-22 of the Revised Statutes of New Brunswick, 1973; and

WHEREAS the deed included the following covenant, 'And the said Grantees for itself its successors and assigns hereby covenants, promises and agrees to and with the said Grantors their heirs and assigns as follows: 1. That no building shall be erected on the lands hereby conveyed and said lands shall be used and developed as a public park and for no other purpose. 2. That the Grantees its successors and assigns will not by itself or by any other person acting for it with its permission in or upon the said lands sell store or offer for sale any spirituous fermented or intoxicating liquors.'; and

WHEREAS despite the covenant there exists a building on the Common constructed in approximately 1967 by the Town Council of the day; and

WHEREAS Rothesay acting in the interests of its citizenry and in keeping with the overall objective of the covenant wishes to make improvements to the Common including an artificial ice rink, basketball courts and other recreational facilities so that it may be better used as a public park; and

WHEREAS these improvements include the construction of one or more buildings and structures that may be construed to be buildings; and

WHEREAS by resolution dated 9th, December, 2013, the Council of Rothesay has passed a resolution directing that the first clause in the deed be amended so as to allow the construction of such buildings and structures; and

WHEREAS the Council of Rothesay prays that it be enacted as hereinafter set forth;

THEREFORE, Her Majesty, by and with the advice and consent of the Legislative Assembly of New Brunswick, enacts as follows:

1. The first clause in the covenant to the Deed registered as document Number 89355 in book 25 at page 476 is amended as follows, '1. That no building shall be erected on the lands hereby conveyed and said lands shall be used and developed as a public park and for no other purpose, **save and except that a building may be erected on that portion of the property outlined in red on the plan attached hereto as Schedule "A" (the "Lands"), the said building to be ancillary to the operation of a public outdoor rink and recreational use of the Lands.**'
2. The Register for the Kings County Registry Office is hereby ordered to file this in the Registry with reference to the lands identified by the Provincial Property Identifier as number 441816 effective with its enactment.

- The End -

N.B. Grid North

Gondola Point Road

Street Line

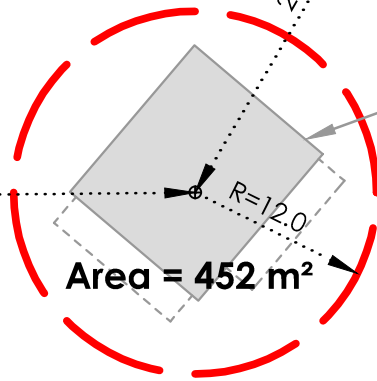
Street Line

Church Lane

20.12

24.5

32.5



Proposed Building

Area = 452 m²

Rothesay Common
 Town of Rothesay
 PID's 441816 & 30227540
 Total Area = 1.88 hectares

Schedule A
to an Act Respecting the
Rothesay Common

Church Lane
 Town of Rothesay
 Kings County, N.B.



Scale = 1:500

Dated: December 12, 2013

File No. 85-0089

Service Associates
 Limited
 PID 256677



Dwg. No. T-0555