

ROTHESAY

Special Council Meeting
Rothesay Town Hall Common Room
Tuesday, November 26, 2019
7:00 p.m.



PRESENT: MAYOR NANCY GRANT
DEPUTY MAYOR MATT ALEXANDER
COUNCILLOR GRANT BRENNAN
COUNCILLOR TIFFANY MACKAY FRENCH
COUNCILLOR BILL McGUIRE
COUNCILLOR DON SHEA
COUNCILLOR MIRIAM WELLS

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

ABSENT: COUNCILLOR PETER J. LEWIS

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

1. APPROVAL OF AGENDA

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

CARRIED.

2. NEW BUSINESS – DRAFT 2020 ROTHESAY BUDGETS

- 2.1 2020 Utility Fund Capital Budget
- 2.2 2020 Utility Fund Operating Budget
- 2.3 2020 General Fund Capital Budget
- 2.4 2020 General Fund Operating Budget

Mayor Grant welcomed all in attendance, and invited Treasurer MacDonald to present the 2020 Draft Budget.

Treasurer MacDonald noted the following: input was sought from senior staff, Council priorities, projected 2019 financial results, capital priorities, operational issues; funding sources; various committees provided input; the purpose of the meeting is to allow Council and the public to provide further input; and once approved by Council the budget will be submitted to the Province for approval. Treasurer MacDonald reviewed the following: the budget process; key assumptions; draft general capital and utility capital projects and related funding/revenue; 2020 specific projects; draft operating and utility expenses for 2020, residential water and sewer rates, and the 2016-2020 tax rates.

Treasurer MacDonald highlighted the following:

- No change to the tax rate (\$1.24 per \$100 of assessment)
- No significant changes in Town operations
- No significant changes in the number of utility users
- A 2.8% increase in property tax assessment base
- A 2% wage increase for non-unionized personnel (recommendation from Personnel Committee)
- Significant grants to be obtained from Federal and Provincial governments to support capital projects

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- Capital expenditures will be funded first with revenue from operations at historical amounts (General Fund \$2.7 million, and Utility Fund \$700,000). These expenditures relate to annual activities required to maintain the current standards for streets, equipment, etc.
- The proposed budget does not include the Connector Trail project
- New debt will be issued with respect to major projects once plans are completed
- The capital water budget of \$900,000 includes annual water supply development, replacement of the water line on Station Road, and a tentative project on Shadowhill Court
- The water projects are dependent upon obtaining appropriate funding
- The capital sewer budget of \$2,775,000 includes preliminary design of the treatment facility (subject to external funding), and replacement of sewer lines in the area of Turnbull Court
- A 1.70% increase in water expenses, a 2.72% increase in sewer expenses, and a 9.82% increase in fiscal services
- No proposed changes to the water or sewer rates for 2020 (currently at a base water rate of \$1.15 per cubic meter and \$200 per annum fixed fee, and a sewer rate of \$370 per equivalent user)
- The aggregate cost for a “typical” utility customer would remain at approximately \$880
- Commercial and multi-unit residential apartment complexes pay a different per annum fixed fee
- Projected revenue for water in 2020 is less than the projected actual amount in 2019 due to an isolated incident that resulted in an unexpected increase in revenue
- The General Capital Budget is \$6.075 million funded from operating revenue, grants, new debt, Gas Tax resources, and reserves
- All capital spending is subject to Council approval, and approval by the Municipal Capital Borrowing Board, where applicable
- Specific 2020 capital projects include:
 - o Street surfacing of \$1.2 million dollars (includes asphalt and micro-sealing)
 - o Stormwater Management Plan (\$300,000)
 - o Sidewalk/curb projects (\$305,000)
 - o Designated Highway and related sidewalk of \$1,130,000 contingent upon Provincial funding
 - o Fleet replacement plan (\$615,000) –a vehicle scheduled for replacement in 2019 was deferred to 2020
 - o Scribner field relocation to Wells Park (\$550,000) subject to further planning
 - o Arena renovation (first phase) - \$1,000,000 subject to further planning
 - o Rothesay’s share of fire department capital expenditures, including a vehicle and purchase of Station 2 (\$480,000)
 - o Town Hall elevator (\$140,000)
- 2020 Expenses by Function:

o Protective Services	29.1%
o Transportation Services	19.7%
o General Government Services	12.6%
o Fiscal Services (P&I)	5.2%
o Capital Expenditures	15.0%
o Recreational and Cultural Services	11.5%
o Environmental Development Services	3.3%
o Environmental Health Services	3.6%
- Total 2020 General Operating expenditures increased by 2.72% over the 2019 budget
- External department and agency funding (fire, police, library, regional facilities, 911 communications) are based upon budgets submitted and approved by the external agencies
- Snow and ice removal projected costs have increased to reflect the changing climate and increasing demand for materials

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- Increases to individual line items have resulted in overall increases to General Operating expenditures such as:
 - o General Government (2.17%)
 - o Protective Services (5.79%)
 - o Transportation (4.7%)
 - o Environmental Health Services (2.01%)
 - o Environmental Development Services (*decrease of 6.77%*)
 - o Recreation (3.07%)
 - o Fiscal Services (*decrease of 1.36%*)

Counc. McGuire commented that the Turnbull Court project is substantial however the outcome is expected to eliminate concerns. DO McLean agreed adding the project is intended to replace infrastructure that may be susceptible to damage in the Taylor Brook area. Treasurer MacDonald clarified the capital budget includes estimates; actual costs may vary once proposals are received.

Council inquired about: well cleaning, unbudgeted revenue in 2019 for infrastructure grants (\$169,000 in the Utility Operating budget), and the increase in amount of interest earned in 2019 compared to the budgeted amount.

Staff responded with the following: the Utility Fund Capital budget includes roughly \$250,000 for well development, and \$187,000 is included in the Utility Operating budget for cleaning and maintenance of existing wells; the revenue for the infrastructure grant was included in the 2018 budget as expenditures for the first phase of the Wastewater Treatment Plant project were incurred in 2018, however the revenue was received in 2019; a conservative estimate is used to predict the amount of interest earned as it is unclear when the revenue may be received; the total amount of interest earned on delinquent accounts is estimated at upwards of \$300,000; and interest is calculated at 1.25%, compounded monthly.

Deputy Mayor Alexander noted Designated Highway funding was granted in 2019 for the portion of Hampton Road proposed in 2018. Since funding was not received for the Rothesay Road (East Riverside-Kingshurst Park to Fox Farm Road) project in 2019, the project was included in the 2020 budget. The Rothesay Road project, rather than the Hampton Road project, was intended for 2019 to avoid traffic congestion as work was already scheduled in the area of Church Avenue in 2019. However, as funds were received for Hampton Road the project was undertaken in 2019.

Counc. Shea questioned if it is a more cost effective approach to upgrade the existing Scribner Crescent ballfield rather than construct a new field in Wells Park. DRP Jensen advised the cost to upgrade the field in its current location would be in the range of \$350,000 – \$400,000 because the plan is to enlarge the size of the field to accommodate older age groups, and repurpose the Bicentennial field into a bantam level facility.

Mayor Grant reported the \$480,000 earmarked for the Fire Department includes Rothesay's share of the purchase of Station 2 as well as a new tanker.

Counc. Brennan requested clarification with respect to the Arena project. He noted Council voted to renovate the arena however the \$1,000,000 included in the budget is unlikely to cover the full cost of the work identified in the 2017 Arena Assessment report. Town Manager Jarvie advised it is expected the project will be completed in phases to prevent interruptions to regular operations. The amount proposed in the budget is intended to cover the cost of a hazardous materials assessment and subsequent work if required. When questioned, Town Manager Jarvie advised it is likely the project will begin in 2020.

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Counc. Brenan noted Rothesay typically receives roughly \$800,000 annually in Gas Tax funds. He requested clarification with respect to the \$1,560,500 listed in the General Fund Capital budget. Treasurer MacDonald advised the amount reflects the total general fund capital expenditures funded by the Gas Tax reserve fund; total Gas Tax spending for 2020 is estimated at \$2.1 million dollars. He added: the Federal government increased Gas Tax contributions for 2019 and Rothesay is expected to receive roughly \$1.6 million dollars; the Town is required to submit a Gas Tax Plan to obtain Provincial approval for use of the funds; and a portion of the Gas Tax reserve fund is earmarked for the Arena project.

Counc. Brenan inquired about Other Revenue from Own Sources. Treasurer MacDonald advised the \$108,150 relates to licenses and permits, special payments, fire department administration costs, interest, and miscellaneous revenue. He added reimbursements for flood costs would be included under special payments. Counc. Brenan expressed concern that increases are anticipated for the annual contribution to the Regional Facilities Commission due to talks of legislative changes to include capital costs. Treasurer MacDonald noted the impact of the proposed changes may not occur until 2021 therefore additional funds were not included in the budget. Deputy Mayor Alexander clarified that any proposed changes would be provincially mandated, and expressed concern that Rothesay was not consulted with respect to discussions of the proposed changes.

Counc. Shea requested a breakdown with respect to the increase in Protective Services. Treasurer MacDonald advised there is roughly a \$120,000 increase in operating costs for the Fire Department, and roughly a \$160,000 increase for the Police Department over the 2019 budget.

Town Manager Jarvie expanded more on the proposed changes to the Regional Facilities Commission budgets. He noted staff have inquired if existing debt will be included in the shared costs, and are waiting for a response. He added the inclusion of Hampton, St. Martins, and local service districts in the Regional Facilities Commission will alter the governance structure and may result in a minor reduction to the Town's contribution (roughly half a percent); and capital expenditures must be approved by the Regional Facilities Commission. There was discussion with respect to planning for capital expenditure requests and ownership of the facilities. Mayor Grant reported the budget includes an increase of roughly \$25,000 for the Regional Facilities Commission. For 2019, but this is related to an increase in net operating costs for the facilities and not the pending legislative change.

Treasurer MacDonald highlighted a 5% estimated increase in insurance costs; the actual cost has not been confirmed. Mayor Grant clarified the increase in remuneration for Council is for the incoming Council members rather than the current members. Treasurer MacDonald commented on an expense in the amount of roughly \$50,000 to replace the lighting in Town facilities with LED fixtures. DO McLean added there is expected cost savings of \$12,000 due to a rebate, anticipated energy consumption savings in the range of 49%-69%, and there is an expected payback period of six years or less. Counc. Shea questioned why the amount for Street Lighting in 2020 is less than the 2019 budget and the 2019 year end outlook. DO McLean reported this is due to the transition to LED fixtures as well as an expected reduction in overall power costs. Treasurer MacDonald noted the following: an increase in the compost tipping fee from \$28 to \$40 per ton; the reduction in Environmental Development Services is due to the conclusion of the Municipal Plan review process; and the Town's contribution to Economic Development of Greater Saint John is comparable to last year. There was further discussion with respect to the proposed changes surrounding the Regional Facilities Commission.

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In response to an inquiry, Treasurer MacDonald advised the Rothesay Hive Advisory Committee’s request for \$10,000 for the Hive was included in the budget under General Government. Mayor Grant listed the 2020 streets for asphalt resurfacing: Highland Avenue (Kingswood Avenue to Grove Avenue), College Hill Road, Eydie Drive, Wharf Road, French Village Road, Jordan Lane, and road raising for Elizabeth Parkway, and Park Drive. DO McLean advised the streets included in the 2020 microseal program are: Donald Road, Dykeman Crescent, McKinney Court, Ryan Drive, and Terri Street. Treasurer MacDonald explained there is a timing issue that has led to the appearance of a significant decrease in principal and interest payments in 2020.

Mayor Grant invited attendees from the gallery to speak.

Bill Bishop, 175 Gondola Point Road, commented on the tax, water, and sewer rates maintained by the Town compared to other municipalities. He commended the Town for continuing a trend of fiscal responsibility.

Town Manager Jarvie noted as decisions of external agencies, such as the Regional Facilities Commission, can have an impact on Town operations it is important the implications of such decisions be conveyed to the public. Mayor Grant expressed disappointment with respect to Rothesay not being consulted for decisions that are expected to impact the region.

3 NEXT MEETING

The next meeting is scheduled as follows:

Regular Council Meeting Monday, December 9, 2019

4 ADJOURNMENT

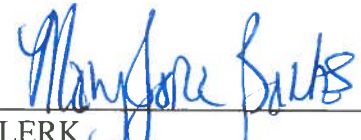
MOVED by Counc. McGuire and seconded by Counc. Brennan the meeting be adjourned.

CARRIED.

The meeting adjourned at 8:20 p.m.



MAYOR



CLERK