

# ROTHESAY

## PUBLIC BUDGET PRESENTATION BY VIDEOCONFERENCE



Pursuant to the *Local Governance Act* and the Province of  
New Brunswick State of Emergency (declared 19 March 2020)

**Monday, November 16, 2020 at 6:00 p.m.**



**PRESENT:** MAYOR NANCY GRANT  
DEPUTY MAYOR MATT ALEXANDER  
COUNCILLOR GRANT BRENNAN  
COUNCILLOR PETER J. LEWIS  
COUNCILLOR TIFFANY MACKAY FRENCH  
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 REC/PARKS (DRP) CHARLES JENSEN  
TREASURER DOUG MacDONALD  
ADMINISTRATIVE ASSISTANT LIZ POMEROY

**ABSENT:** DIRECTOR OF OPERATIONS (DO) BRETT McLEAN

Mayor Grant called the videoconference to order at 6:00 p.m. noting she, Town Manager Jarvie, and Town Clerk Banks are present in the Sayre Room at Rothesay Town Hall, observing physical distancing requirements, and wearing masks. Council members and staff were connected remotely.

Mayor Grant explained due to COVID-19 meeting restrictions the budget process for public input has been modified from the practice followed in prior years. Residents are invited to submit written comments to rothesay@rothesay.ca before noon on Tuesday, November 24, 2020. The comments will be presented to the Finance Committee for a final recommendation to Council. A final budget will be presented to Council at a special meeting (videoconference) on Monday, November 30, 2020 at 6:00 p.m.

### **1. APPROVAL OF AGENDA**

**MOVED** by Deputy Mayor Alexander seconded by Counc. Shea the agenda be approved as circulated.  
**CARRIED.**

### **2. New Business – DRAFT 2021 Rothesay Budgets (Presentation by Treasurer)**

- 2.1 2021 General Fund Operating Budget
- 2.2 2021 General Fund Capital Budget
- 2.3 2021 Utility Fund Operating Budget
- 2.4 2021 Utility Fund Capital Budget

Treasurer MacDonald advised the documents are in draft format and may change once inputs such as the insurance, and Worksafe New Brunswick premiums are confirmed. He noted the agenda package includes a PowerPoint presentation highlighting key information, and a copy of the detailed draft budgets.

Treasurer MacDonald explained similar to prior years the budget was comprised using input from senior staff, Council priorities, projected 2020 results, operational issues, capital priorities, funding sources, Town committees, discussion documents, assumptions, Council, and the public. He reiterated the new process noting residents are invited to submit written comments to rothesay@rothesay.ca before noon on Tuesday, November 24, 2020. The comments will be presented to the Finance Committee for a final recommendation to Council. A final budget will be presented to Council at a special meeting (videoconference) on Monday, November 30, 2020 at 6:00 p.m. Following final Council approval, the budget will be submitted to the Province as required.

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Treasurer MacDonald highlighted the following:

- A 3.09% increase in the property tax assessment base (confirmed earlier than previous years)
- There will be no significant change in Town operations during the period (ex. no major staff changes, service delivery, activities - all are expected to be maintained at current levels)
- A 2% wage increase (in line with the collective agreement)
- No significant change in the number of utility users
- Capital expenditures will be funded first with revenue from operations (General Fund: \$2.7 million dollars, and Utility Fund: \$700,000)
  - Since these amounts have been static for some time, an increase may be advantageous in the future to accommodate the changing demand
- Capital projects are dependent upon grants to be obtained from Federal and Provincial governments
- New debt issued for major projects once plans are completed
- 2021 estimates for capital projects include some items carried forward from 2020
  - Funding carried over will be put in Reserves for use in 2021
  - All capital projects require Council approval to proceed, and actual costs may differ from estimates depending on bids received
- Total Utility Capital Expenditures of \$3,938,000
  - Specific projects include: water supply development, watermain upgrades on Station Road and Shadowhill Court (possible local improvement levy), carry forward of College Hill waterline project, Turnbull Court sewer project (carryover of Phase 1, and start of Phase 2), and engineering and design work for the Wastewater Treatment Upgrade project (subject to external funding)
- Utility Operating Budget (\$3,568,000)
  - Expenses
    - 8.90% increase in water expenses, mainly well cleaning and maintenance to reflect actual costs
    - Water expenses may be reduced pending the outcome of the Town's investigation into expanding the Town's water supply
    - Rise in sewer expenses a reflection of actual costs to operate the utility
  - Revenue
    - A 2.5% increase in water rate usage fees (\$1.18, and a fixed annual charge of \$205)
    - An increase in equivalent user sewer rate to an annual amount of \$400
    - Transfer from General Fund for Fire Protection
    - "Other" includes connection fees, and the surplus from 2 years prior
    - Total annual water and sewer charge for residents \$924, up from \$880 in 2020
      - First increase in five years
      - Total charge less than, but comparable to, Saint John and Quispamsis
- General Capital Budget (\$5,260,000)
  - Town Hall HVAC
  - Annual Street Resurfacing program
  - Paving, curb, or sidewalk projects:
    - Highland Avenue – Phase 2
    - College Hill Road
    - Designated Highway (subject to other government funding)
  - Stormwater Master Plan
    - Currently underway but will carryover to 2021
  - Signalization of Spruce Street/Clark Road intersection
  - Fleet Replacement program
  - Scribner Ball Field Replacement (includes carryover)
  - Arena Renovations (includes carryover)

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- \$2.7 million dollars funded from operations, \$960,000 funded from Gas Tax, and \$475,000 funded from Reserves
- General Operating Budget
  - Expenses
    - 4.59% increase in General Government reflection of 2% wage increase, COVID-19 expenses, and assessment cost increase of 3.09%
    - Considerable increase in Waste Collection (despite award to lowest bid received)
    - Increase in Environment Development due to change in delivery of Economic Development Services to a regional approach (up roughly \$50,000 from prior years)
  - Revenue
    - Assessment increase of 3.09% for a total of \$17,002,000
    - Rate increases for Rothesay Arena, and Town fields
      - Comparable to neighbouring municipalities
    - “Other transfers” includes water and sewer items recorded in Transportation
    - Decrease in “Other revenue” as amount for 2<sup>nd</sup> year surplus is less than 2020
- Tax rate of \$1.24 remains unchanged since 2018

Counc. Brenan inquired about: ensuring Council can view all public comments, showcasing the total amounts for capital projects, and a breakdown of the \$746,000 (2021) and \$1,730,000 (2020) listed under Recreation in the General Capital Budget.

Treasurer MacDonald responded with the following: a summary of all public comments received by November 24, 2020 will be provided to the Finance Committee for review; a compilation of the comments can be sent to Council as well; the total amounts for capital projects are included in the draft budget documents on page 30 (General Fund) and page 36 (Utility Fund) of the agenda package which was provided to Council and available to the public on the Town website; the list of proposed asphalt and microseal projects are listed on page 31; the allotment for 2021 General Capital (Recreation) is largely for \$250,000 allocated to Phase 2 of the Wells Ball Field project and \$350,000 for Arena Renovations (engineering and design work), as well as other smaller projects; and in 2020 \$1,000,000 was allocated to the Arena Renovations, and \$550,000 was dedicated to the Wells Ball Field project in General Capital (Recreation).

Counc. Brenan noted as of October 31, 2020 Town financial statements show a total expense of roughly \$449,000 for Arena Renovations. As the item will be carried forward into 2021, he asked where the remainder of the \$1,000,000 (2020 budget) is shown in the 2021 budget. Treasurer MacDonald advised the total for 2020 may change as it is likely more invoices will be received before the end of the year. The remainder of the 2020 allotment will be moved to the Gas Tax Reserve to be used with an amount of \$350,000 allocated in the 2021 budget. He added by using Gas Tax funds the 2021 operating budget will not be impacted. Counc. Brenan requested the carryover item be clearly identified in the budget.

Counc. Shea inquired about the Draft Utility Capital funding, asking how much is in Reserves (including Gas Tax). Treasurer MacDonald advised of the \$960,000, \$475,000 is funded from Gas Tax. Counc. Shea clarified, his question pertained to the current total amount in Reserves. Treasurer MacDonald advised at the end of 2019 roughly \$165,000 was recorded in the General Capital Fund and roughly \$958,000 in the Utility Capital Fund. He cautioned these amounts are expected to change by the end of 2020 to reflect actual spending. Counc. Shea questioned if the item “Developers” was in relation to the College Hill Road waterline project. This was confirmed by Treasurer MacDonald.

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Counc. Lewis noted neighbouring councils in Saint John and Quispamsis have resumed in-person meetings. He asked if there are funds included in the 2021 budget to allow Rothesay Council to do the same. Treasurer MacDonald advised some funds are included in General Government expenses (mainly Information Technology costs) for this purpose. Town Manager Jarvie advised staff are currently exploring options and once costs are identified they will be included in the budget. In response to an inquiry, Town Manager Jarvie advised the intent is to return to in-person meetings during the first quarter of 2021.

Mayor Grant requested clarification regarding the increase in Supplies on page 23. She noted she understood an increase was included for supplies related to COVID-19 and asked if this was included in the new line item for COVID-19 Expenses or Supplies. Treasurer MacDonald explained Supplies includes items for the continuation of daily operations during the pandemic, whereas COVID-19 Expenses acts as a precautionary placeholder for any unforeseen needs that may arise as the pandemic progresses. He added COVID-19 Expenses does not include funds for physical modifications to Council's chambers to resume in-person meetings.

Mayor Grant thanked Treasurer MacDonald, and noted the Special Council Budget meeting (videoconference) is scheduled for Monday, November 30, 2020. She reminded the public to submit written comments before noon on November 24, 2020 to rothesay@rothesay.ca. Town Manager Jarvie added staff will continue to adjust the budget based on suggestions made and will present the final Draft to the Finance Committee, and subsequently to Council.

### 3. NEXT MEETING

The next meeting is scheduled as follows:

**Special Council Budget Meeting**      Monday, November 30, 2020 at 6:00 p.m.

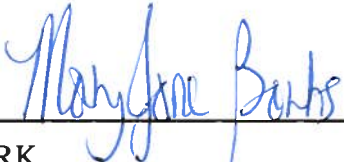
### 4. ADJOURNMENT

**MOVED** by Counc. Lewis and seconded by Counc. Shea the meeting be adjourned.

**CARRIED.**

The meeting adjourned at 6:35 p.m.

  
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MAYOR

  
\_\_\_\_\_  
CLERK