



**ROTHESAY**  
**SPECIAL COUNCIL MEETING**  
Rothesay Town Hall Common Room  
**Tuesday, November 1, 2022**  
**7:00 p.m.**



**PRESENT:** MAYOR NANCY GRANT  
DEPUTY MAYOR MATT ALEXANDER  
COUNCILLOR HELEN BOYLE  
COUNCILLOR DAVE BROWN  
COUNCILLOR PETER J. LEWIS  
COUNCILLOR TIFFANY MACKAY FRENCH  
COUNCILLOR BILL McGUIRE (*electronic participation*)  
COUNCILLOR DON SHEA

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  
ADMINISTRATIVE ASSISTANT LIZ HAZLETT

Mayor Grant called the meeting to order at 7:05 p.m.

**1. APPROVAL OF AGENDA**

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

**CARRIED.**

**2. DRAFT 2023 Rothesay Budgets (Presentation by the Treasurer)**

2.1 28 October 2022 Memorandum from Treasurer MacDonald

Mayor Grant invited Treasurer MacDonald to give a presentation. Treasurer MacDonald confirmed questions can be put forth during the presentation.

Treasurer MacDonald summarized the memorandum, highlighting: the primary revenue sources for the two separate operating budgets – General (property taxes) and Utility (water and sewer charges); the intent to present a final draft of the operating budgets to Council, for approval, at the November 14<sup>th</sup> meeting, and subsequently submit them to the Province for the November 15<sup>th</sup> deadline; capital budgets will be discussed at the December Council meeting as approval is not required from the Province; each operating budget is impacted by the amount of capital spending to be funded from current year's revenue "capital from operating"; the budget includes input from staff and various committees, the most recent version of the Regional Services Commission budget, as well as proposals received from the police and fire boards; there are no significant changes to general operations of the Town; and the deadline for public comments is November 7<sup>th</sup> at 8 a.m.

2.2 Draft 2023 General Operating Fund Budget

- General Operating Fund Draft Budget Highlights
- Draft 2023 General Operating Fund Budget
- Assessments and Tax Rates
- External Agency Budgets – Regional Service Commission Version 6

Treasurer MacDonald reviewed items of note:

- An increase in assessment base of 10.4% - potential additional revenue of \$1.9 million dollars
  - External trends suggest a similar increase is unlikely to recur next year
- Decrease of 1 cent per \$100 of assessed value resulting in a base property tax rate of \$1.19
- Change in non-residential tax rate from 150% to 170%
- Reduction in "Core" equalization funding of \$26,195 to be allocated to the Regional Service Commission

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- This funding will be phased out entirely over a five-year period
- No significant change in other revenue areas i.e. rent, interest, arena, fields, etc.
- 2021 surplus of \$274,000 to be carried over as revenue in 2023 (primary reason for “Other Transfers” increase)
- A review of property tax rates from 2021-2023
  - A 4 cent reduction from 2021 to 2022, and a 1 cent reduction from 2022 to 2023 in the municipal rate
  - Reductions in the provincial rates for non-owner occupied residential and non-residential properties allow municipalities to choose their non-residential multiplier from between 140%-170% with minimal impact to residents
- Utility wages and benefits are now charged directly to the Utility Fund instead of included in the Utility Fund “overhead” transfer to the General Fund
- General Fund expenses:
  - Cost of assessment 1.94% on top of municipal rate
  - Covid and spring freshet flood expenses not anticipated – sufficient reserve funds available if required
  - Increase of 8.2% for Protective Services (11% increase for fire department – primarily capital expenditures funded from operating revenue, and 7.8% for police department)
  - Transportation – contractual obligations for fuel escalation costs related to snow plowing (\$150,000), garbage collection (\$200,000), as well as regular Town operations
  - Environmental Development – 21.5% increase for additional staff member
  - Recreation and Parks – changes to regional facilities costs (inclusion of capital) for an increase of \$180,000
  - Fiscal – capital from operating
    - should reflect inflationary increases
    - No utility adjustment in 4 years despite increases in capital costs
    - Not allocated to specific projects until approval of capital budgets

Mayor Grant asked the Treasurer to elaborate on additional costs for the Fundy Regional Service Commission (FRSC), and changes to municipal and provincial tax rates. With respect to the FRSC, Treasurer MacDonald reiterated that capital costs are now included for regional facilities, landfill costs have risen with an increase in tipping fees (additional \$10 per ton), and relates to overhead charges for the new mandates. The aggregate amount is \$207,000 more than in 2022 (inclusive of \$26,000 core funding reallocated to the FRSC). Treasurer MacDonald advised of a 1 cent reduction in the municipal tax rate from \$1.20 (2022) to \$1.19 (2023). The budget includes a proposed increase for the non-residential multiplier from 150% to 170%. Deputy Mayor Alexander clarified that the non-residential increase will not result in additional funds from property owners, but rather more funds will be allocated to municipalities as opposed to the Province.

- 2.3 Draft 2023 Utility Operating Fund Budget
  - Utility Operating Fund Draft Budget Highlights
  - Draft 2023 Utility Operating Fund Budget

Treasurer MacDonald spoke of a proposed 5% increase in water and sewer rates:

- Base water rate from \$1.18 to \$1.24 per cubic metre and \$205 to \$215 per annum fixed fee
- Sewer rate increase from \$410 to \$435 per equivalent user per year
- “Typical” single family residential aggregate annual fee increase of \$50 - \$990 (2023) from \$940 (2022)

Treasurer MacDonald added connection fee increases will be allocated to capital reserves. He reviewed revenues and expenses, noting there is a transfer from the General Fund for fire protection (ex. hydrants); and highlighted cost increases – water expenses (6.5%), sewer expenses (8.5%), and fiscal services (4.7%) – over the 2022 budget.

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Counc. Shea spoke of capital expenditures and asked if vehicle purchases would be depicted in the budgets. Treasurer MacDonald advised capital expenditures are in the capital budgets. He explained that once a capital budget is established, the funding sources are then decided. Typically, capital from operating is used to fund recurring capital projects such as fleet replacement or street resurfacing. He mentioned if there is a greater amount of capital from operating less funds can be used from borrowing or reserves.

Counc. Shea noted the capital expenditures went up 18.3% representing \$1 million dollars. He reiterated that it is likely vehicle purchases or street replacement would appear in the budget somewhere. Treasurer MacDonald confirmed these items would be included in the *capital* budget.

Mayor Grant asked if the Town Manager had anything to add. Town Manager Jarvie noted it is difficult to predict what will happen in the future especially with inflation. He advised costs to operate the Town have increased. He assured Council, and the public, that staff are aware of the implications to property owners when making recommendations for the tax rate. Under current circumstances it is believed a one cent reduction is reasonable.

Counc. Brown identified a typographical error (2022 instead of 2023) on the last slide of the Treasurer's presentation.

Mayor Grant thanked staff and all involved in preparation of the draft budgets. She highlighted some of the significant cost increases: FRSC (\$200,000), Protective Services (\$500,000-600,000), and fuel escalation, noting the 10.4% increase in assessment base helps but does not address all rising costs. She commented on the Town's ability to reasonably propose a one cent reduction in the tax rate (rationale to be conveyed to residents), and a 5% increase in water and sewer fees. She concluded with a reminder that public comments can be sent to rothesay@rothesay.ca by 8 a.m. on November 7<sup>th</sup>, to allow consideration for changes prior to final review at the November 14<sup>th</sup> Council meeting.

### 3. NEXT MEETING

The next meeting is scheduled as follows:

**Regular meeting**

Monday, November 14, 2022

### 4. ADJOURNMENT

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

**CARRIED.**

The meeting adjourned at 7:37 p.m.

*Original signed by Mayor*

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MAYOR

*Original signed by Clerk*

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CLERK