



COMMITTEE OF THE WHOLE MEETING MINUTES

Thursday, November 23, 2017

**30 Honour House Court - Council Chambers
9:00 a.m.**

Members Present:

- Mayor Ann Seamans**
- Deputy Mayor Wayne Bennett**
- Councillor Lana Hansen**
- Councillor John Coughlan**
- Councillor Jeremy Thorne**
- Councillor Cecile Cassista**
- Councillor Tammy Rampersaud**

Staff Present:

- C. Smith, CAO**
- A. Crummey, Town Clerk**
- D. Richard, Deputy Town Clerk**
- R. Higson, Director of Finance**
- M. Ouellet, Director of Engineering & Public Works**
- S. Thomson, Director of Economic Development**
- T. Finlay, Director of Human Resources**
- G. Cole, Director of Parks, Recreation and Community Relations**
- D. Pleau, Fire Chief**

Regrets:

- Councillor A. LeBlanc**

1. CALL TO ORDER

Mayor Seamans called the meeting to order at 9:00 a.m.

2. ADOPTION OF THE AGENDA

Moved by: Councillor T. Rampersaud

Seconded by: Deputy Mayor W. Bennett

That the Committee of the Whole agenda for Thursday, November 23, 2017 be approved.

Motion Carried

3. DECLARATION OF CONFLICTS OF INTEREST

NIL

4. REVIEW OF PROPOSED 2018 BUDGETS

C. Smith provided a highlight of the budget process to date. He remarked that Council set the budget parameters and senior management and staff have developed the proposed budget to align with the Town's budget objectives and also to reflect the objectives of Town Council and residents. He pointed out that there are internal and external factors which influence the budget and these include the directive from Council to maintain the tax rate of 1.5826 per \$100 assessment. The budget takes into account projects in the Ten Year Capital Plan (the Capital from Operating will be set at \$3.0 million) and the Strategic Plan - both of which have previously been approved by Council.

C. Smith remarked that as of January 1, 2018 the new Water Agreement with the City of Moncton will go into effect and, among other factors, results in an increase of \$29 to the water & sewer rates. As there is no plan to borrow from the Utility Fund to cover the increase in costs it must come from the users of the system.

Another consideration relates to the property assessment freeze imposed by the Province. Therefore, the budget is based on a flat tax assessment. The estimated impact of the freeze on tax assessments for 2018 is approximately \$300,000 (or 2 cents on the tax rate). Another unknown factor is the Community Equalization

Grant which the Town receives from the Province. This figure only becomes known near the end of November or early December. He also commented that while the number and value of building permits in 2017 is positive it is still below the Town's historical ten year average. The new RCMP Headquarters proposed for completion in 2020 will translate into Riverview's share of the operating costs for that building to significantly increase.

On a positive note, the performance of the Town's pension plan has improved which has resulted in a reduction in the Town's share of pension benefits expense. This reduction helped in offsetting inflationary expenses including annual salary and wage increases and other operating expenses (such as street lighting, garbage contracts, NB Power costs). The reduction resulted in a swing of two cents and greatly benefitted the overall impact on the budget.

C. Smith confirmed that staff has delivered a budget in accordance with the parameters set out by Council. However, in his opinion, one of the issues will be at the service level. Department non salary budgets have been flat since 2015. As a result the service impacts will be more noticeable going forward. He outlined that there are consequences to the delivery of a flat budget, and the Town will begin to see these as necessary capital investments in our existing infrastructure and assets are avoided, and operational service improvements are not implemented, etc.

C. Smith pointed out that the projections associated with the Town's current Ten Year Capital Plan demonstrates that while avoiding a tax rate increase may not impact the Town in 2018 it will have a significant impact by 2020 and beyond.

C. Smith indicated that a number of 2018 capital budget items have been flagged. Some of those changes impacted the Ten Year Capital Plan. For instance, a reduction in the number of proposed local improvements from six to five streets resulted in the annual budget allotment being \$2.6 million. Another item is the Lions Pool. The current estimate to replace and upgrade the Lions Pool and building is \$1.3 million. This figure exceeded the 2017 budget allotment for this project. The proposed capital budget has been adjusted to defer this project until 2019. He noted that the scope of the project has changed to include a new building and a splash pad resulting in the reduction of the capital budget commitment for this project by \$450,000. Staff had made the proposed change

based on the budget parameters put forth by Council. The outdoor skate park (located at the Youth Centre) has been deferred until 2019 for future discussion.

C. Smith inquired whether Council would entertain any further reductions to the capital plan. He articulated that if there are any additions to the budget Council would need to be prepared to take something else away as the long term capital plan is under pressure under the current growth expectations. He cautioned that any additions to the long term capital projects cannot be made without major adjustments.

C. Smith commented that staff also needs direction from Council on the proposed Wellness Centre. Specifically whether it is prepared to execute the fund raising strategy as it impacts not only the 2018 budget but the long term. He pointed out that Council must understand that the delivery of the budget parameters has a long term impact which has caused staff concerns about their ability to manage and deliver over the long term.

C. Smith remarked that another item for Council's consideration are the Town grants. The proposed budget includes a \$250,000 budget. After the annual grant allocations to the Boys & Girls Club, the Capitol Theatre and the Riverview Arts Centre there remains approximately \$67,000 to manage the other requests it receives for sponsorship, donations, and tickets. The Town adheres to the guidelines set out in the Community Investment Policy for the types of requests it is able to support. It also limits a maximum single grant allocation to \$15,000. Riverview is mostly a direct service delivery organization. We do not have the same model as other municipalities that provide grants to third parties to deliver a service or program within their communities. C. Smith pointed out that the Town has already received grant requests from two groups totalling \$175,000. This amount well exceeds the \$67,000 figure which will be used to manage all the "one off" requests for financial assistance for the entire year. He pointed out that direction from Council will be required if the current budget and/or policy is going to be amended.

C. Smith reiterated that staff really needs direction from Council on the long range plan. It is a critical piece because staff understand that Council wants to maintain a flat tax rate. He remarked that in order to maintain the Ten Year Capital Plan as currently proposed, the Town would need to realize 3% a year for

each of the next ten years in assessment growth. That is not the trend. Council must focus on the long term and give staff specific direction in order to move forward.

C. Smith confirmed with Councillor Cassista that the Town's pension model is a defined benefit plan. The Town now pays 8.3% and the employees pay 6% of gross wages. There was a proposal to move to a shared risk formula but there has been a reluctance by employees to move to this model. A significant benefit of the shared risk formula is "indexing" but for now the Town's plan continues to be a defined benefit plan.

C. Smith reported that the performance of the pension plan has improved which has reduced the Town's benefit expense. As a result of this it has helped offset inflationary expenses including annual salary increases and other operating expenses. The fact that the Town no longer has to make the special pension payments is the single largest factor that has enabled the Town to be able to cover the traditional inflationary costs that typically grow by 2 to 3 % a year.

Councillor Hansen commented that, in her opinion, she does not believe it is reasonable to keep a flat tax rate. However, if the Town is contemplating an increase there should be a strong communication strategy in place to advise our residents. She noted that the only other choice would be to cut services to keep the tax rate flat.

Deputy Mayor Bennett suggested that it was an oversight by Council not to increase the tax rate over the past 10 years in order to be able to address the aging infrastructure needs in the Town plus to financially prepare for the future.

C. Smith commented in response to an inquiry about considering a move to a different service model. He noted that would have to be a directive from Council which staff could then explore.

Mayor Seamans pointed out that would be an item for discussion at a later date.

C. Smith confirmed with Councillor Cassista that the Lions Pool is a capital item that will be raised during the capital budget review.

C. Cassista remarked that based on the budget information provided it would be wise to come up with a strategy for a tax rate plan.

R. Higson provided a high level summary. He explained that the Town really operates two separate businesses - the General Fund and the Utility Fund. The General Operating includes everything other than the water and sewer Utility Fund which is funded by user fees.

He reported that the General Operating Fund equals \$28,074,615. Keeping in mind that for every \$148,478 additional money spent it will result in a one cent tax increase.

In the General Operating Fund the revenue in the Administration Departments equals - \$832,234; includes animal licenses, animal fines, by-law enforcement, building permits & rezoning fees (\$160,00), proceeds on sale of/trade of assets (\$36,000), leased revenue for FCRS (\$200,00 - small reduction from 2017 due to the loss of the rental), leased revenue from RCMP (\$231,122 (4% increase = \$17,000); local improvement cost recovery (reflects residents share will gradually increase \$53,390); Surplus from 2nd Previous Year - \$29,170. He noted that overall a slightly lower revenue in the administration section.

R. Higson confirmed with Councillor Thorne that the Province had dictated that it is no longer going to share with the municipalities the fines collected by the RCMP. The \$10,000 figure refers only to fines collected by the Town's by-law commissioner.

C. Smith confirmed with Councillor Thorne that a door-to-door animal licensing campaign would essentially be revenue neutral as there would be an added cost for this service. For the purpose of this budget staff left it out.

R. Higson confirmed with Councillor Cassista that the Surplus From 2nd Previous Year equals \$29,170. He noted that under Provincial legislation the municipality has to account for that difference in the second following year. It relates to historical information taking into account the entire general operating budget.

R. Higson reported that the General Government expenditures for the General Operating Fund - equals \$4,898,204 and reflects a decrease of -0.1%. He drew attention to a few items under the General Government section. This included an increase in the FCM Conference Fees & Dues to \$16,000 which will provide for the Mayor and all Councillors to attend the annual conference being held in Halifax in 2018. He pointed out another item that falls under the Manager Group

is the Facilities Manager position and how it is allocated in the budget. As a result, Council will see an increase from \$175,549 to \$198,646 which also takes into account annual increases. However, as was previously noted, the reduction to the pension costs equalled it out. The pension plan costs was 14.2% (employees paying 6%) = 20%. The Town share of pension costs decreased from 14.2% down to 8.3% translating into a drop of almost 50%.

R. Higson noted that another area of fluctuation was the Asset Management Plan as it was decreased by approximately \$68,000 in the 2018 budget because the Facilities Manager position now falls under the Administration salaries budget (reports directly to the Corporate Services Director).

C. Smith remarked on the funds designated for Program Review. He indicated that this was a good investment as we gained so much benefit from process improvement reviews. He sees it as a great value so that the departments can invest in the tools to deliver better or smarter service to our residents.

R. Higson commented on Employee Safety Training with a budgeted amount in 2017 of \$18,300. He reported that the Town accomplished a lot in this area over the past year. The Town has been very focused on providing a safe working environment and strengthening its safety culture. The reduction in this line item in 2018 to \$13,000 is a reflection of the positive strides the Town has made.

R. Higson reported that under Administration Services the figure for Computer Support and Maintenance of \$84,000 included Diamond Software, Parks Registration software, Agenda Management and Records Management software. R. Higson confirmed that the live streaming item will show up in the capital budget within the line item identified as Computer Hardware/Software. Live streaming is not a separate line item but is bundled with other items within that category in the capital budget.

C. Smith commented that with respect to live streaming, staff has allocated \$20,000 in capital budget and \$8,000 in the operating budget. He clarified that Council will determine whether to proceed and, if so, it would be taken from the overall \$100,000 line item.

R. Higson confirmed with Councillor Thorne that the cleaning contract has been tendered to include all town buildings. He pointed out that overall there was a significant savings but there were services required at Town Hall and the Library

that were beyond the scope of the contract (cleaning of upholstery). This was in addition to the quoted tender price. The cleaning contract also took into consideration the requirement of three streaming for waste collection.

R. Higson confirmed with Deputy Mayor Bennett that the Town received a decrease in the Workers Compensation rate as a result of the Town's performance over the last three years. This would be a direct result of the focus on improving the safety culture and the safety programs that the Town has implemented over the years.

T. Finlay confirmed with Councillor Cassista that there was an increase of \$500 in the Human Resources Professional Dues & Subscriptions to cover the membership fee for herself and one other employee.

R. Higson pointed out that under the General Government expenses the Emergency Measures Organization budget had increased from \$10,000 to \$20,000.

Chief Pleau provided an explanation for the proposed increase which was to offer an Emergency Measures Organization Incentive program in 2018. He outlined that the past ice storm was a good learning experience. The program will offer \$5,000 each to the Lion's Club and the Dan Bohan Center. The funding would be used for either the installation of a generator transfer switch or to go towards the installation of a back-up generator system. This would permit the Town to increase the number of people we could service during an emergency. The two groups must register with Red Cross, and must accept full responsibility for maintenance. However, in order to take advantage of this grant, the two groups must have everything in place by September 2018. Chief Pleau remarked that the Town would want a written commitment from these groups in order for them to take advantage of this incentive. He truly feels that there is a need for these funds (\$20,000).

Chief Pleau commented that it would be his intention to have the Clerk's Office prepare a contract for signature by the Mayor/Clerk for both groups. He reiterated that it must be fully operational by September 2018 in order to take advantage of the Town's offer.

Chief Pleau confirmed with Deputy Mayor Bennett that the Byron Dobson Arena is not suitable as it does not have a transfer switch nor a generator. Plus the two

ice surfaces would limit the usage of the building. With respect to the schools, the Province does not mandate the schools for EMO purposes as they do not want to disrupt school as there could be an emergency but still have students in class.

R. Higson pointed out that the Civic Relations section included the Christmas decorations. In 2017 the figure was \$38,000 and in 2018 it is proposed to be \$36,000. These funds are used to continue to implement the “Light Up Riverview” campaign.

Mayor Seamans remarked that the Town was fortunate this year to receive Canada 150 funds to carry out some of the electrical work along the Riverfront Trail to accommodate the lights. The intention is to continue to the Gunningsville Bridge and once that is achieved the focus will be other parts of the Town. She does not see this line item going away.

The Town Clerk confirmed with Councillor Thorne that staff was satisfied with the budget of \$3,000 for Art Procurement. The Art Jury was of the opinion that they would be able to purchase at least three pieces for this amount. However, any increase to this amount would require a directive from Council.

Mayor Seamans declared a ten minute recess at 10:38 a.m. and reconvened the meeting at 10:51 a.m.

R. Higson continued on with a review of the General Government – Grants & Donations expenses. He pointed out that this line item includes the "one off" grants as well as the annual grants given to various groups and/or organizations. He pointed out that in 2017 the Riverview Arts Centre and the Boys & Girls Club had received an annual grant plus a one-time increase.

He commented on a new item put forth by the Regional Service Commission entitled the RDMO -Regional Tourism Strategy which was recently endorsed by the tri-communities. The Town's portion would be \$21,647. If this initiative does go forward by the Commission that will be the Town's share.

C. Smith pointed out that Moncton is proposing a motion to the Regional Service Commission to start that initiative half way through the year. If so, that line item in the Town's budget could be reduced by half this year.

Mayor Seamans noted that it will be put to a vote at next RSC meeting to be held on Tuesday, December 5, 2017.

R. Higson reported that the total General Government budget for 2018 equals \$4,898,204.

C. Smith confirmed with Councillor Thorne the role of the By-Law Enforcement Officer which is also supported by the commissionaire. He remarked that the Town pays for the services of the commissionaire which is more than it brings in revenue. He clarified that it is not a net neutral model which is consistent with other municipalities.

Deputy Mayor Bennett pointed out that the same is true of the Animal Control services. The Town is in a deficit position which is not a good business practice.

Mayor Seamans indicated that the use of a commissionaire was a directive of Council and is the cost of conducting business. In the case of animal control it is the cost of providing a service.

The members of Council concurred to enter into a discussion on the grants.

C. Smith wanted Council to be conscious of the fact that the Town has received grant requests which exceed the line item for the grants. He clarified that he is not advocating for one or another group - that is a decision for Council.

Mayor Seamans confirmed that now is the time for Council to make provision, or not, in the budget for any items.

The members of Council entered into a lengthy discussion on the grants wherein Council indicated that they were comfortable with the policy in place and, in general, the \$67,000 figure to manage the "one offs" in a given year. With respect to the requests for playground upgrades it was determined that Council has been financially consistent in what it has provided for similar requests. It was agreed that the Community Investment Policy is a great tool. Council needs to articulate to the outside groups its position and the rationale for its decisions as transparency is very important to Council. It also wants to be able to fill in the gaps for some of these community groups and/or organizations. It was pointed out that if Council is going to accommodate the increased requests in excess of the recommended limits then our residents need to know that is the reason why Council is increasing the grant budget. Council must also be respectful that we

have asked our directors to maintain a flat budget and a lot of careful consideration went into developing their budget to meet the budget parameters set out by Council.

Mayor Seamans clarified that the Town Council is carefully planning and living within its means. It is the outside groups that are coming to us for funding in excess of the budget parameters.

C. Smith remarked that, based on the discussions, it is his understanding that Council would like to provide some type of support to these groups and that Council would entertain increasing the line item for grants. He confirmed that Council would not set a number today but agreed to have it as “parking lot” item for further discussion.

R. Higson continued with the expenses section. He remarked that there has been a decrease in RCMP costs due to the move to "civilianization" and also the costs related to the Moncton incident now paid. The Town's share of RCMP costs for 2018 is \$3,409,452 down from \$3,499,677 in 2017.

FIRE & RESCUE

R. Higson moved on to address the expenses related to Fire & Rescue. He pointed out that there is a significant increase in the Clothing & Safety line item from \$9,000 to \$44,750. He remarked that this item was previously moved into the Capital budget not realizing it was a reoccurring annual item. It is now reflected in the operating budget and is the reason for the large increase. (\$7,000 for new hire and remainder for replacement turn out gear). There is a slight increase in the Building Repairs & Maintenance to \$33,500 which is part of the ongoing necessary repairs previously brought to Council's attention.

Revenue to offset the expenses in the Fire & Rescue budget include: Fire Services with respect to the LSD areas equals \$410,175. This amount is based on a formula used by the Province, and they determine how that figure is arrived at each year.

Other notable items were the O/T Fire Call-ins budget of \$190,000 (an increase from \$165,000); and O/T Medical calls of \$50,000 (a decrease from \$57,500).

Employee benefits budget down from \$504,675 to \$430,315 due to the savings realized from the pension plan.

R. Higson remarked that all other items in Fire & Rescue budget were consistent with the 2017 amounts.

Chief Pleau confirmed that the turn out gear is actually turned out over a ten year period as they expire. He pointed out that expired gear cannot be sold and it is generally used for training purposes - just not live fire training.

R. Higson moved on to highlight the expenses associated with the Engineering & Works which were reduced by one half of one percent.

Variables included the Planning & Design Fees (Storm Water Study - carried over from last year \$45,000) - \$22,000; street lighting - \$540,000 (NB Power) this represents an increase from the 2017 figure of \$518,000. He noted that almost every other line item is consistent from 2017. The exception was a decrease in the cleaning contract (2017 =\$20,000 and 2018 =\$10,000).

It was noted that the street patching budget for 2017 was \$275,000 but the actual figure came in about \$305,000. Accordingly the 2018 street patching budget has been increased to \$310,000.

He pointed out that the Town contracts out snow removal to a third party for two zones. In 2017 the budget was \$90,000 and is proposing a figure of \$70,000 for 2018. This figure is strictly dependant on the weather, which is unpredictable.

M. Ouellet commented that with respect to street patching the Town is no longer patching perpendicular cracks. In 2018 the department will also no longer be patching the shoulders of the road. It has been our practise to no longer crack seal, but he would like to reintroduce this practise again in 2018 by allocating \$30,000 to crack sealing. The remaining \$280,000 will be used to patch the pot holes. The number and severity of pot holes depends on Mother Nature and the type of winter experienced. By continuing with the performance of local improvements on our streets eventually, in the long term, the problem will be rectified. However the market dictates the cost of asphalt which continues to significantly increase which, in turn, directly impacts the amount of work that can be undertaken in relation to the budget the Town has earmarked for this type of work. M. Ouellet noted that the Town has been currently spending just under what is recommended by the Pavement Condition Index. He would recommend that this line item not be decreased.

Councillor Rampersaud noted that she is concerned that Council is asking the department not to increase their spending yet we are placing a high priority on streets and roads.

M. Ouellet confirmed with Councillor Thorne that the Town is utilizing LED street lights and did receive an 8% reduction when they were first introduced but that was offset by growth and an increase in the rate. He confirmed that he would provide additional information on the item pertaining to mobile equipment. He also confirmed that the Town has three bulk pick ups within its waste disposal contract (spring, fall, and Christmas tree collection) at a cost of approximately \$17,000 for each collection. M. Ouellet confirmed that the Town continues to have the church parking lots plowed and salted at no charge to the churches.

C. Smith confirmed with Councillor Coughlan that the Public Intervener suggested that NB Power was making a surplus from the street lights. He also understood that the Union of Municipalities of New Brunswick was addressing this matter. Mayor suggested that Councillor Rampersaud, who is the Zone 2 Director, could follow up on its status.

M. Ouellet confirmed with Councillor Coughlan that many years ago decorative lighting was installed within the Business Improvement Area along Coverdale Road. He is looking into an option which will see the replacement of the decorative poles with rentals from NB Power.

M. Ouellet confirmed with Councillor Cassista that the City of Moncton does perform micro surfacing. It is using this process due to a breakdown of the asphalt and is a temporary solution. He also confirmed that the Town does patch every street, if needed. However, the majority of asphalt is spent on the streets proposed for local improvement (streets waiting for full reconstruction).

M. Ouellet confirmed with Councillor Cassista that the street signs along Coverdale Road have been replaced. The intent is to continue that program on the collector streets.

M. Ouellet confirmed with Deputy Mayor Bennett that the purchase of the asphalt recycler machine definitely resulted in a savings (\$100,000) to the Town - the majority of which appears in the utility budget.

Mayor Seamans declared a lunch break at 12:19 p.m. Council resumed budget deliberations at 12:55 p.m.

R. Higson reviewed the Revenues (\$1,031,312) and Expenditures (\$4,756,533) for the Parks & Recreation Department.

He reported on a couple items of interest including the fact that the Bridgedale Community Centre has increased costs as the Town took over the management of the Centre because the Bridgedale Community Association had disbanded.

He pointed out that the budget for Master Plans, Studies, Fundraiser has increased from \$12,500 in 2017 to \$250,000. (Of note is that \$250,000 has been taken out of Capital and allocated to Operating), replacement of AED (extra \$10,000) in that line item.

R. Higson summarized the General Operating Fund Expenditures as follows: General Government -\$4,898,204; Debt Service Costs - 3,412,074 (-21.2% no debt balloon payment); Capital Paid from Operations - \$3,000,000 (5.4% increase); Transfer to Capital Reserves -\$1,353,000 (82.8% increase). He noted it was previously \$740,000 and because the Town does not have to make a balloon payment this year, staff took advantage of putting additional funds in the reserve.

RCMP - \$3,409,452 (-2.6% CRPA budget decreased)

Fire & Rescue - \$3,312,425 (4.2%)

Works & Engineering - \$3,920,189 (-0.5%)

Parks & Recreations - \$4,756,878 (2.6%)

Total Expenditures = \$28,061,878 (0.0% increase)

He reported that Council can exercise discretion as to how the Town can fund the capital expenditures. Sources include gas tax fund, other government funding, if available, reserves, or borrowing.

R. Higson pointed out that the Debt service costs have been reduced by 21.2% because there is no debt balloon payment in 2018. However, those payments will resume in 2019 (\$2.7 million). Staff will be recommending to refinance the \$2.7 million balloon payment in 2019.

R. Higson confirmed with Councillor Cassista that the Town receives approximately \$1.4 million annually in Gas Tax funds. The budget plan is built on the assumption that the Gas Tax funding will continue. These funds are to be used for utility expenses - water main renewal, etc. Should be noted that none of the Gas Tax funds are allocated to the General Fund in the long term Capital Plan.

R. Higson pointed out that the figures for the two largest sources of revenue are not finalized by the Province until the end of November early December. This would be the tax assessment base and the Community Equalization Grant figures.

R. Higson reiterated that Council has to keep in mind the significant impact of implementing the Capital Plan on the tax rate. He pointed out that the challenge is that the decisions that are made today will result in a sizable impact on the property tax rate in the future years. The affordability of future plans dictates that the 2018 budget process must not only consider the short term needs of 2018 but, more importantly, the long term impact. R. Higson presented a high level review of the Ten Year Capital Plan.

General Government Services - \$100,000 (includes \$20,000 hardware from capital plus \$8,000 yearly for software from operating), Equipment for ID cards, updating HR systems - update managing information system for the department, AVLs (tracking vehicles) for PW, required updates for servers.

Bus Purchase - \$553,160 (will receive 50% subsidy)

Building Upgrades - various (\$50,000.) The Town recognized the importance of developing an Asset Management Plan in order to be proactive and protect its investments. Some items deferred from last year (RCMP building items).

C. Smith confirmed with Councillor Cassista that \$100,000 is budgeted for Computer Software/Hardware. If Council proceeds with live streaming the monies would come out of this budget. Other items which are required - renewal of annual fees would come out of the operating budget. Any new items that would be proposed for this category would be considered on a case by case basis. Staff would build and present a proposal for Council to consider.

The Fire Department still need to address the ongoing matter of the structural issues at the building. Planned for 2018 is the shingling of the roof and the

installation of a membrane = (\$165,000); Communication Equipment \$40,000; Defibrillators (2) = \$45,000 (not an AED more advanced equipment); replacement training vehicle (\$64,000); fire prevention vehicle (\$18,000).

RECREATION & CULTURAL SERVICES

R. Higson reviewed the capital items for the Recreation & Cultural Services as follows: truck - \$60,000; mowers - \$35,000; Coverdale Centre - kitchen \$16,500 (kitchen cabinets/lighting); Admin Office - roof replacement - \$58,00; Mill Creek Dam- \$200,000 (primary trail development - reduced by \$100,000); Byron Dobson Arena Upgrades - Floor Slabs & Boards - \$1.7 million (to be tendered); Trail & Site Furniture- \$25,00; Trail signage - \$10,000.

Active Transportation - Trail Upgrades - \$107,000 (trail work on Ridgeway trail from Fairway), Winter Wonderland Park to finish connections, connection from Sawgrass to Coverdale Centre. (Some issues with trespassing on Condo property). Gunningsville (trail that connects - need to be improved for better and safer access for people), floor scrubber.

G. Cole confirmed with Councillor Hansen that presently because the area between Runneymeade Road and Old Coach Road is desolate the department is not proposing to develop a connection at this time. In the future as the area develops this item will be addressed. The same can be said of the Wellness Centre as the project unfolds the links will be created.

G. Cole confirmed with Deputy Mayor Bennett that he would not be able to find an additional \$3,000 in his budget for the planting of trees. In fact, he expressed concern to manage the growing costs related to the urban tree planting program and the difficulties encountered with the costs associated with replacing trees and/or removing trees which is significant.

C. Smith confirmed with Deputy Mayor Bennett that matter of signage at the Fundy River Station to announce the Tidal Bore was discussed. However, staff made a decision not to add this item to the capital budget. (Quote of \$20,000 was obtained).

TRANSPORTATION SERVICES

R. Higson reviewed the capital items proposed for Transportation Services which included the following: Site Work - Ops Centre yard - \$150,000 (safety issue) pave small area in front of bay doors

Furniture & Equipment (ventilation) - \$65,000 (\$50,000 ventilation installed in the spring of 2018 when the salt in the dome is reduced in order to gain access to the vents); Asphalt seal - Hawkes = \$40,000; Ashburn = \$75,000; Wentworth (Sussex to Traynor = \$85,000); Prescott = \$35,000; Olive = \$20,000; Fatima = \$20,000; Woolridge = \$50,000; Gunningsville Boulevard - Patch milling (\$90,000); Resurfacing Wentworth (Coverdale to Traynor) = \$175,000; Resurfacing Harvey = \$100,000; Resurfacing Government = \$105,000.

Local Improvements - Bloor = \$600,000, Balmoral = \$800,000, Byron = \$650,000, Ealey = \$520,000, Leonard Loop = \$195,000.

Pre-design work - local improvements - \$60,000 (hire a contractor)

Gunningsville/Coverdale Intersection Improvements - \$1,600,000 - explored options of working at night, working on weekends to minimize the inconvenience

Active Transportation – Runnymede - \$140,000 (working with parks & rec)

Replacement of ½ ton = \$45,000 ton and a one ton = \$55,000;

Storm Sewer Cleaner - \$530,000 (replaced \$83,000 in parts since 2010 - not counting labour) used year round and is an essential piece of equipment.

Snow clearing equipment (sidewalk) \$180,000; Bucket for excavator = \$7,500; Decorative lights and replacement of underground wires = \$30,000

Roundabout - Pine Glen & Pinewood- proposed securing land and moving pole - \$100,000 in 2018

R. Higson advised that the Total Transportation Services cost for capital items 2018 is \$6,522,500.

M. Ouellet responded to inquiries relating to storm sewer and the impact on residents of Windsor Street (possibly looking into a retention pond or lining), installation of sidewalk (Hillsborough up to Hilltop), installation of sidewalk planned for Canusa Drive (west side - 2019).

He addressed the concerns about the proposed roundabout. He pointed out that the concept is common and that there are many benefits to this solution. For instance, it can handle either one car an hour or a thousand and would be a safer traffic and pedestrian solution.

C. Smith confirmed with Councillor Hansen that the presentation on the proposed improvements to the Gunningsville intersection were made available to the media and the public via the Town's web site. The Council agenda package, which is available on line, would contain the presentation made by the consultant and included proposed diagrams.

M. Ouellet confirmed with Councillor Cassista that the ventilation for the salt domes is required under the National Building Code of Canada. It is work that must be carried out.

M. Ouellet clarified what is involved with pre-design work for the local improvement projects. This type of work is specialized and is contracted out. The consultant will explore the condition of the storm sewer and also make recommendations on how to redesign the storm system based on certain factors such as an understanding the depth of rock, the type of rock and depth of water. This information is extremely valuable when staff develop the specifications for tendering a certain street for reconstruction. It reduces the amount of underground surprises when actual construction takes place. M. Ouellet stated that it is money well spent!

M. Ouellet confirmed with Councillor Cassista that the proposed installation of a sidewalk on Runnymede = \$140,000 (east side – 2018). This reflects the capital costs and there will be also be operating costs. Typically the Town would post notification on the Town's web site, letters would be issued to property owners during the process (usually advance notice is given - 2 weeks). He confirmed that there is no requirement to charge the residents for the installation of the sidewalk.

Mayor Seamans declared a break at 2:48 p.m. Meeting resumed 3:03 p.m.

R. Higson noted that the 2018 capital plan is laid out and now the question remains as to how to fund capital projects.

R. Higson indicated that staff is proposing to borrow \$5,696,880. The debt service cost would be \$570,000 which translates into four cents on the tax rate to service the new debt. If we continue to follow the scope of this plan in the coming years then our debt will accumulate up to \$40,000,000. Council has to determine how to proceed. R. Higson illustrated the impact of proceeding with the Capital Plan as it is currently presented. Staff has projected what the tax rate will increased in the coming years based on certain assumptions. Staff projected that the tax rate will remain at the status quo for 2018 at 1.5826; 2019 = 1.6029; 2020 = 1.63533; 2021 = 1.6965; 2022 = 1.6890; 2023 = 1.6146; 2024 = 1.7319; 2025 = 1.7376; 2026 = 1.7585; and 2027 = 1.7802.

R. Higson pointed out that the Town does not have the assessment growth in the tax base that we had previously enjoyed. The Town has experienced relatively flat growth for the past few years. One of the biggest impact to the 10 Year Capital budget plan are the local improvements. The Town's current annual commitment is close to \$3.0 million/year for the next ten years. The other big factor is the proposed Wellness Centre (\$30 million). Council has to recognize what, if anything, has to be deferred to future years or eliminated altogether. R. Higson outlined a scenario if we retained the current tax rate we would have to remove \$43,000,000 from the capital plan.

Ten year plan - 1 cent annual increase we would have to remove \$30,000,000

The Ten Year Capital Plan is based on certain assumptions which include a zero tax base growth in 2018; 1/2 % in 2019 and 2020 followed by 1% each year thereafter. Staff have taken into account a 2% Expenditure Growth per year plus one offs such as RCMP building (added 3 cents) the Wellness Centre (2022/2023) - \$750,000 (4 cents on tax rate). Unless other changes are made to offset the proposed plan.

Bridgedale Boulevard \$3.6 million - 2021. Not immediate but an application for funding has been made and, if successful, the Town needs to be in a position to address it.

In 2022/2023 the plan assumes that the Province and Federal government are going to provide funding for the Wellness Centre. If that funding does not become available then it would be very costly to service the debt.

R. Higson suggested that there are factors which could mitigate these issues: higher than expected assessment growth; proceeds from the sale of lands, increase of funding received by the Province through the Community Equalization Grant.

C. Smith remarked that Council needs to provide specific direction on the Ten Year Capital Plan. As previously indicated due to the limited growth over the past few years, and if that trend continues into the future, the Town cannot sustain that the level of spending proposed in its current Ten Year Capital Plan. He stated that Council will need to make choices or further budget parameters will have to be established to assist Council and staff to determine what projects must be in the Town's Ten Year Capital Plan and what projects must be removed. Alternatively, what projects can only be considered when the appropriate level of growth and development takes place in the Town. C. Smith stressed that Council needs to provide specific direction to staff in order to modify the Ten Year Capital Plan.

Deputy Mayor Bennett suggested that it is only a plan and that Council has the ability to change it.

R. Higson cautioned that while that statement is true it is more complex. Staff will spend money in their 2018 budgets to position for a future project. For instance, Council has agreed to invest monies in local improvement. Typically the Town funds these projects by borrowing. Council must keep in mind that a lot of these projects require pre-design work for future projects. The projects are also linked to the departments in each of the Town's separate businesses (Utility & Capital). Some items appear in more than one budget and also appear in the ten year capital plan.

Councillor Rampersaud stated that she appreciates that staff has to deal with the facts and certain assumptions. She indicated that it was all the more reason to develop a tax rate plan. At the same time, Council must educate the public as to our thought process behind Council's decisions.

C. Smith confirmed with Mayor Seamans that the Town has not received any word on the Town's application for funding which was submitted to the Provincial/Federal governments for Bridgedale Boulevard.

C. Smith clarified that if the Town receives funding then staff would come back to Council with options as to how to fund the project. In that event, Council would need to be prepared to make a decision. Staff wants to be able to point to certain decisions and strategies moving forward so that in the future new councils will understand the direction we are moving and why.

Councillor Hansen remarked that some of the big ticket items such as the RCMP building and Wellness Centre are incorporated into the budget. If the Bridgedale Boulevard is built and Council does see not economic spin offs, then it could decide to phase in the Wellness Center or other projects like the Lions Pool or the ice pad.

R. Higson confirmed with Councillor Hansen that staff already made the decision to reduce the number of local improvement streets from six to five which still fulfills its mandate to improve its local streets. Originally the budget figure was \$3 million and has been reduced to \$2.6 million.

C. Smith indicated that most definitely Council could phase in or out components of the Wellness Centre. However, we create an expectation if we communicate to the public we will proceeding with the Fund Raising component for the Wellness Centre. If we get some of those concrete steps in motion then some of these developers will come forward. Council may not want to send mix messages.

Councillor Cassista agreed that the Town has many big ticket items including the Lions Pool. She strongly suggested that Council needs to put a tax strategy in place and develop a communication plan to accompany it. We could continue to put in \$250,000 for the Wellness Centre initiative in 2018.

R. Higson confirmed with Councillor Cassista that the Town could continue to put in \$250,000 for the Wellness Centre. However, if we proceed into the Fund Raising phase that \$250,000 will be spent and the Town creates an expectation for the public. If the project does not come into fruition then the \$500,000 for the fund raising initiative will have been wasted.

Councillor Rampersaud expressed her concern with postponing the next steps in the Wellness Centre movement. However, she does not want to be in the position of wasting the Town's money (\$500,000). Nor does she want to take away from the work that the Committee has done or reflect that the project is

not credible. If we can't make a commitment then people would be hesitant to invest if there is not a solid plan.

C. Smith clarified that from a staff point, we need to get the direction from Council. That is why it was included in the budget in order to get a specific directive.

S. Thomson remarked that the application for funding for Bridgedale Boulevard is tailored to meet the criteria established for this type of funding. The Town's application was based on three priority areas - unlocks commercial land opportunities; addresses a safety concern; access to the school - another entrance to the school.

C. Smith pointed out that staff can develop a tax strategy; however, staff needs to clearly understand what that would look like. Council would need to outline to staff what they would be prepared to propose. Then staff could build a strategy around Council's direction.

In closing, C. Smith confirmed with Council that the "parking lot" items for further discussion were a proposed increase in the art procurement budget; the outstanding issue of the Town's financial portion of the regional tourism strategy, possible increase in the grant budget, and the proposed roundabout at Pine Glen and Pinewood.

5. ADJOURNMENT

Moved by: Councillor C. Cassista

Seconded by: Councillor J. Thorne

That the meeting be adjourned at 4:14 p.m.

Motion Carried

Ann Seamans, Mayor

Annette Crummey, Town Clerk