



FINANCE COMMITTEE

DATE: Friday, September 6, 2013
PLACE: RSC # 1 North West
 Planning Edmundston
 36, Court Street, Suite 102
 Edmundston, NB
TIME: 9:00 a.m.

MINUTES OF MEETING

1. Call to order

The Chairman, Pierre Michaud, called the meeting to order at 9:10 a.m. and welcomed the committee members and staff present.

Members attending	
Mr. Pierre Michaud, President	Mayor of Clair
Mr. Carmel St-Amand, Vice-President	Mayor of Saint-Léonard
Mr. Luc St-Jarre	Representing the LSD
Staff attending	
François Picard	General Manager
Jean Bourque	Manager of Waste Management Services
Maurice D'Amours	Manager of Planning

At the request of the Finance Committee and General Manager, the manager of planning and the manager of solid waste services were asked to attend the meeting for the budget review.

2. Waste management and electrical generation budgets

The waste management manager presented:

- 1) 2014 budget – waste management
- 2) Capital expenditures for 2014-2019
- 3) Comparative costs – 2013 tipping fee
- 4) Budget – electrical generating facilities

The 2014 budget shows revenues of \$3,157,500 and expenses of \$3,207,542 for a deficit (loss) of \$50,000. Each item in the operating budget was discussed at the meeting. Those positions to be eliminated were also discussed (\$270,812) along with reductions in operating expenses. The manager mentioned that the site closing fund balance was \$2.8 million.

For the 2014 fiscal year, no capital spending is budgeted because of the restructuring. For the 2015 fiscal year, expenditures of \$1,025,000 will be needed.

The provincial average for tipping fees is \$75/metric ton compared to \$57 for our service. The waste management manager indicated that the question needs study because of challenges related to the capital expenditures that will happen between 2015 and 2019.

Staff restructuring will be monitored closely in 2014 to ensure that services meet demand.

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The Finance Committee asked to see a balanced budget and more information on capital spending from 2015 to 2019 at the next meeting.

The next meeting will take place during the week of September 16, 2014.

For the 2014 fiscal year, estimated revenues from the electrical generation facilities are \$225,000 with operating costs of \$149, 890, giving a surplus of \$75,110.

3. 2014 Planning Services budget

Over the summer, the GM of RSC#1 North West and the planning manager studied numerous scenarios for planning services for the 2014 fiscal year.

Because of the fusion of the two planning services and the addition of new territory (Town of Saint-Quentin and Saint-Quentin LSD), they had to review the combined balance sheets and budgets for 2012 of the two former entities (La Vallée and Madawaska), the 2013 budget proposed by the two former commissions and the 2013 budget presented by the transition manager (Mr. Hermel Vienneau) to prepare the 2014 budget. It must be remembered that the territory served is much larger and requires adjustments with fewer resources.

A comparative table was presented to the Finance Committee. The 2013 budget is still lower than the one for 2012 (\$1,329,445 compared to \$1,363,811).

After a careful review of the 2013 budget, a number of operating expenses were not considered (unbudgeted positions, assignment, governance, fees for cooperative services and regional planning services that were deducted from planning services, along with \$50,000 in revenue from permits for departmental operations that have to be returned to the municipalities).

The Finance Committee discussed and reviewed each item in the 2014 planning services and building inspection operating budget. Restructuring will require abolishing permanent positions, reducing positions to nine months a year and freezing salaries in 2014.

The manager of planning services presented a table showing changes in the tax base in RSC#1 North West since 2010.

- The total budget for the 2014 fiscal year is \$1,320,813 compared to \$1,329,445 for 2013.
- Note that the 2014 budget is still lower than those for 2013 (deficit budget) and 2012.

However, economies resulting from the abolition or reassignment of positions need to be redirected to operations for 2014 because the 2013 budget didn't reflect the actual costs of operations.

A separate unsightly premises budget totaling \$70,560 was presented, along with a table showing members' shares. It was mentioned that this service is the responsibility not of the RSC but rather of the municipalities. The Finance Committee proposed assessing the possibility of funding this position through waste management if needed.

Under the *Regional Service Delivery Act*, costs relating to planning services provided by a commission are distributed among members according to the previous year's tax base.

Because of the unique situation in RSC#1 North West (average rates vary between 8.0 to 3.0 cents), the Finance Committee recommended a uniform rate of 5.2 cents throughout the entire area served by RSC#1 North West for the 2014 fiscal year.

The Finance Committee said that it was aware that this rate will not receive unanimous approval from the Board, but because of the lack of agreements (Belliveau Report) and provincial legislation and the time limits in which to present budgets, we had to find a rate that was fair for everyone and would provide financial stability for coming fiscal years.

The Finance Committee asked the GM to review the budgets presented and plan a Finance Committee meeting for the week of September 16, that is, one week before the budget is presented to the Board (September 25, 2013).

4. Corporate Services Budget 2014

The GM presented the 2014 corporate services budget to the Finance Committee. Each item in the operating budget was discussed by the committee.

The budget for the 2014 fiscal year totals \$361,834 compared to \$223,000 for the 2013 fiscal year.

Note that the 2013 operating budget showed a deficit because of an unplanned position (administrative secretary). The GM applied to the Department of the Environment and Local Government and a grant of \$40,000 was provided for the 2013 fiscal year to defray part of the operating costs and salary.

In 2014, besides the administrative secretary position, the budget allocated to Finances (Director of Finances) is transferred to general services, and this explains the increase in costs.

The Finance Committee is satisfied with the work done and progress accomplished in preparing the 2014 budget and asked the GM to review the entire 2014 budget with the department managers to see whether any other economies or rationalizations are possible.

5. Adjournment

The meeting was adjourned by the Chairman at 3:05p.m.

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PIERRE MICHAUD,
President /Chairman.

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FRANÇOIS PICARD,
General Manager.