



FINANCE COMMITTEE MEETING

DATE: Tuesday, August 26, 2014
PLACE: NWRSC
Planning Service Edmundston office
36, Court Street, Edmundston, NB
TIME: 9:00a.m.

MINUTES OF MEETING

1. Call the meeting to order

Chairman, Mr. Pierre Michaud, called the meeting to order at 9:10a.m., and welcomed everyone.

Members attending

Mr. Pierre Michaud, Chairman

Mr. Carmel St-Amand, Vice-chairman

Mr. Luc St-Jarre

Mayor of Clair

Mayor of Saint-Léonard

Representing the LSD

Staff attending

François Picard

Jean Bourque

(9:00a.m. to 11:00 a.m.)

Maurice D'Amours

(1:30p.m. to 4:00 p.m.)

General Manager

Director of Solid Waste

Services

Director of Planning

Services

2. Solid Waste Services

The Executive Director told the members of the Finance Committee that the 2015 budgets for both departments were being presented to raise discussion on possible directions and scenarios and receive comments from committee members. They are first drafts that will become clearer as a result of the decisions made by the members of the Finance Committee today.

The director of Solid Waste Services presented a graph that clearly shows a reduction in tonnage of solid waste brought to the Montagne-de-la-Croix landfill in the last seven years.

Expected revenue in fiscal 2015 amounts to \$3,071,000 versus \$3,157,900 in 2014, a reduction of \$86,500.

Each budget line was reviewed, along with the various funds. As a result of the

new accounting method, the Finance Committee asked for verification of certain adjustments related to the budget presentation, particularly the deficit for the fiscal year before last.

The capital budget was presented with an average tonnage of 50,000 tonnes compared to the actual figure of 37,543 tonnes. These figures need to be revised.

Renewing heavy equipment was also discussed in order to assign a priority to purchases. A table showing the piece of equipment, the number of hours of use, the year of purchase and a cost estimate was presented to the committee.

The members of the Finance Committee asked for a copy of the debentures.

The budget for the generating station showed revenues of \$201,500 and operating expenses of \$164,005 for a surplus of \$37,495 in fiscal 2015.

Given the wage freeze in the 2014 fiscal year, a wage increase of 2% was planned for 2015.

2. Local Planning Services

Before the presentation of the 2015 budgets for Local Planning Services, the Chair asked for an update on certain projects carried out by the department for the benefit of communities.

A discussion followed, noting projects in Saint-Léonard (water collection), the rural plan for the Rural Community of Saint-André and a recent request from the Village of Sainte-Anne de Madawaska for a community project. The Chair also mentioned great support from employees in carrying out projects for his community. As a general rule, members are satisfied with the expertise provided by Local Planning Services.

An org chart of employees was presented at the request of NWRSC's Chair. During restructuring in 2013, three positions were eliminated (a community planner, a part-time enforcement officer and an administrative assistant).

In 2014, a new inspector was hired to replace Mr. Gilles Guay. There are currently 12 employees in Local Planning Services.

Given the wage freeze in the 2014 fiscal year, a wage increase of 2% was planned for 2015.

An updated income statement and a draft 2015 budget were distributed.

The 2015 budget was presented as prescribed in the *Regional Service Delivery Act* because the transition period will be up in January 2015. The adjusted 2014 transition budget varied from \$0.0004 to \$0.00062. The 2015 budget is set at \$0.00049.

A table showing the actual cost to the municipalities was added to the budget because revenues (money given to the municipalities and LSDs) modify the rate set in the *Act*. This revenue varies from year to year but is always part of the equation.

To better identify the impact of withdrawal by the municipalities, four scenarios were presented to the members of the Finance Committee, all maintaining operating costs at \$1,328,538 (the status quo).

		Total \$	Cut \$	Cut %
1.	All participants	\$1,328,538	\$0	0%
2.	Less the City of Edmundston	\$1,013,754	\$314,784	23.69%
3.	Less Edmundston and Grand Falls	\$757,691	\$570,847	42.97%
4.	Less 5 municipalities	\$678,372	\$650,166	48.94%

A long discussion took place on the importance and quality of the services we want to provide to the public and the communities in NWRSC.

The GM mentioned that over 65% of the Local Planning Services budget goes to wages. The withdrawal of Edmundston will reduce the population served for this service from 48,296 to 32,264.

To maintain the status quo (same number of employees), it will be necessary to significantly increase the contribution of the participating municipalities. The second solution is to go ahead with cuts of \$314,784, given the smaller population to be served by NWRSC due to the departure of the City of Edmundston and to continue restructuring services in NWRSC's territory with the participating municipalities.

It goes without saying that the departure of the two poles (Edmundston and Grand Falls), should it occur, will require an in-depth restructuring of Local Planning Services.

On July 22, NWRSC received approval from the Department of the Environment and Local Government to allocate part of the Local Planning Services resources to regional planning although the legislative framework and guidelines are not yet clearly defined by the province.

Approval rests mainly on fusion of the three territories served by NWRSC and the absence of uniform documentation representing the entire area (land use maps, water sources, transportation infrastructures, recreational infrastructures, etc.).

Preliminary data had to be gathered and mapped in order to prepare a RSP (regional strategic plan). Nearly \$70,000 could be allocated for fiscal 2015 from the local planning budget.

There are many challenges in preparing the 2015 budget, but the GM emphasized that we had to present a budget in the timelines stipulated in the *Regional Service Delivery Act*. He said that the budget was a working tool that could be adjusted later if the Board members so desired.

NWRSC's Chair and GM have contacted the government numerous times in the past few months. They will continue their efforts in the fall and during the 2015 fiscal year.

It is essential that NWRSC be able to operate with financial stability, and this will come to pass if the *Regional Service Delivery Act* is strengthened.

After these discussions, the Finance Committee instructed the GM and the Director of Planning to carry out restructuring in the amount of \$314,784 for fiscal 2015.

3. **Adjournment**

The meeting was adjourned by the Chairman at 3:50p.m.

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PIERRE MICHAUD
Chairman

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FRANÇOIS PICARD
General Manager

Note: The members of the Finance Committee received the income statement as at the end of June 2014.