

**MINUTES – SPECIAL PUBLIC MEETING – BUDGET SESSIONS**

***MEMBERS OF CITY COUNCIL***

Mayor D. Arnold	Councillor B. Lawrence
Councillor P.A. Boudreau	Councillor C. Leger
Councillor G. Turner	Councillor B. Butler
Councillor P. Thériault	Councillor B. Hicks
Councilor S. Crossman	Councillor S. Edgett
	Councillor P. Pellerin

***ABSENT***

***ALSO PRESENT***

M. Landry, City Manager  
B. A. Quigley, City Clerk/Director of Legislative Support  
D. MacLellan, General Manager, Community Safety Services  
C. Dallaire, General Manager, Recreation, Culture and Events  
N. Robichaud, City Solicitor  
J. MacDonald, General Manager, Engineering and Environmental Services  
J. Doucet, General Manager Finance and Administrative Services  
L. Hanson, General Manager Corporate Services  
G. Houser, Deputy Treasurer, Controller  
I. LeBlanc, Director, Corporate Communications  
M. Theriault, Deputy Treasurer,  
L. Anofi, Financial Management and Budgeting Specialist  
G. Mercer, Financial Analyst  
J. Robichaud, Financial Analyst  
C. Savoie, Director Policing Support Services  
C. Despres, Director Strategic Initiatives  
A. MacNeil, Director By-Law Enforcement  
K. Silliker, Director Economic Development  
A. Richard, Director Design & Construction  
A. Allain, General Manager Codiac Transpo  
N. Taylor, Director Utilities  
N. Melanson, Manager Communications and Bilingual Services

**DELEGATES:**

***CALL TO ORDER***

***APPROVAL OF AGENDA***

***CONFLICT OF INTEREST DECLARATIONS***

***READING OF MEETING NOTICE***

The City Clerk read the meeting notice into the record.

Please be advised that there will be Special Public Meeting of City Council in the Council Chambers City Hall, Moncton, NB on November 15, 2019 at 10:00 a.m. for the consideration of the following:

**5. REPORTS AND RECOMMENDATIONS FROM COMMITTEES AND PRIVATE MEETINGS**

5.1 2020 Operating, Capital and Utility Budget Summary –Resolutions

**6. ADJOURNMENT**

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**APPROVAL OF AGENDA**

**Motion: That** the agenda be approved as circulated.

Moved by: Councillor Léger  
Seconded by: Councillor Crossman

**MOTION CARRIED**

## CONFLICT OF INTEREST DECLARATIONS

*None declared*

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### 5. REPORTS AND RECOMMENDATIONS FROM COMMITTEES AND PRIVATE MEETINGS/ RAPPORTS ET RECOMMANDATIONS DES COMITÉS ET RÉUNIONS À HUIS CLOS

#### 5.1 Recommendation – Special Committee of the Whole – November 13, 2019

**Motion:** That the additional transit service for Caledonia Industrial Park/Costco/Moncton High School, as included in the budget information by Codiak Transpo as a level 2 (ongoing annual operating cost) at a cost of \$78,840, as well as stat holidays routes service (6 routes, 3 holidays) at a level 2 (ongoing annual operating cost) at a cost of \$23,550 be initiated in 2020 with a total additional annual operating budget cost of \$102,390 and that administration bring forward options to fund this service.

Moved: Councillor Crossman  
Seconded: Councillor Thériault

#### **Background / Summary**

Three new level 2 transit funding requests were discussed during preparation of the 2020 operating budget but, based on funding availability, not included in the 2020 Operating Budget (see page 35 of the Budget Document).

These are listed in priority order, based on growing ridership and transit revenue:

- 1) Merging bus routes 51 Green and 52 Blue to eliminate the transfer requirements for passengers travelling on Mountain Road and Main St, Moncton, at a net cost of \$70,000.
- 2) Adding a bus route to serve Caledonia Industrial Park/Costco/Moncton High school at a net cost of \$78, 840.
- 3) Providing bus service on three statutory holidays on six bus routes at a net cost of \$23,550.

#### **Merging Bus Routes 51 Green and 52 Blue:**

The key to growing ridership is providing good frequency of service and as few transfers as possible. This moves riders as efficiently as possible and allows transit to compete effectively with a car culture. Merging bus routes 51 Green and 52 Blue would eliminate the transfer requirements for passengers travelling on Mountain Road and Main Street, Moncton. These routes already have good frequency. The combination of good frequency and no transfers will significantly help to grow ridership and revenues on these routes.

#### **Caledonia/Costco/Moncton High School:**

Caledonia Industrial Park's current transit service includes six trips weekdays, and reduced service on Saturdays and Sundays. The bus route offers service frequency on an hourly basis currently.

To improve service, Transit administration propose adding up to 6 additional transit trips in Caledonia Industrial Park and three new trips to serve Moncton High, Costco areas, with one bus. The focus is on improving weekday transit service by offering additional early morning and late afternoon trips to attract customers who take the bus daily to get to and from work. The intent is to provide a new #66 Caledonia bus schedule to meet the requests of the employers. Employers such as HCL Axon Technologies, National Tire Distributors Canada, and IGT have advocated for increased transit service to Caledonia Industrial Park. In addition to these current passengers, there are also transit customers at the Kent Distribution Centre and Pinetree Village. Costco employees, Royal Oaks clubhouse employees as well as Moncton High School students would also benefit from an increased transit service to this area of the City.

Currently, 2019 average passenger weekday estimates on Route #66 Caledonia are 118 passengers daily, this is up from 2018's weekday average of 90 passengers. Between June and October 2019, the counts have ranged from 118 to 140 passengers transported on the six service trips currently offered. Increased employment activity in Caledonia Industrial Park is aiding transit passenger growth opportunities.

#### **Bus Service on Three Statutory Holidays on Six Bus Routes**

Statutory holiday service has been requested by a few existing transit passengers to access community events held on holidays. Based on transit administration records, the number of requests is low with approximately 3-4 citizen requests on this subject received annually. Provision of new holiday service would be a community service initiative but it is not anticipated that it will provide financial or ridership growth benefits.

#### **Financial Impact:**

In regard to the level 2 requests, Transit Administration is not in a position to remove other service or reduce funding in other areas without impacting service to finance these service enhancements with-in existing budgets. In addition, from a Corporate Administration perspective, significant

time was spent in preparing and prioritizing the proposed 2020 operating budget and level 2 and 3 budget requests. During those discussions, Administration recommended a small number of level 2 and level 3 requests to meet the budget requirements based on funding availability. An additional review of the proposed 2020 budget, as a result of this motion, has not identified any additional sources of funding that would allow this motion to occur without reducing other services.

**Moving Forward:**

Administration recommends that the City of Moncton continue to pursue, with other municipalities that provide transit service and the Province of New Brunswick, the concept of exempting local government transit facilities from the provincial portion of property tax. (please see the relevant page from the “Sustaining Saint John – A Three Part Plan” dated August 2019 that outlines this concept). If and when implemented, this initiative would create approximately \$200,000 in savings in the Codiak Transpo budget. Once this is confirmed, Administration will bring forward funding Codiak Transpo priorities with the available funding (merging Bus Routes 51 Green and 52 Blue and improving Caledonia Industrial Park’s current transit service) to City Council as a recommendation.

Administration recommends the following motion:

**Motion:** That Moncton City Council direct administration to continue working with Saint John, Fredericton and Miramichi to advocate to the Province of New Brunswick, the concept of exempting local government transit facilities from the provincial portion of property tax and consider reinvesting these savings in merging Bus Routes 51 Green and 52 Blue and improving Caledonia Industrial Park’s current transit service.

Councillor Pellerin suggested that with the new implementation of the new Destination Market levy, could Council reduce that portion of the budget to cover the original motion. In response, Mr. Landry indicated that the destination marketing levy is in place; however, still working with partners and government as to how these funds will be allocated. There is still some work to be done on this endeavour.

Councillor Turner requested that perhaps the recommendation include holiday service.

Deputy Mayor Boudreau cautioned to that by accepting the first motion on the floor, as he fears it will hinder negotiations with the Province on the taxation of transit facilities.

The City Manager reiterated to Council that once the Provincial Government makes their decision on the transit facilities taxation, a detailed report would be brought back to Council for consideration for upgrades to routes for Codiak Transpo.

Councillor Crossman advised that he stands behind his original motion to have bus service Caledonia, Moncton High School and Costco area, as well as providing holiday bus service. He strongly feels that the City could afford, as it has \$750,000 for the Jeux de la Francophonie sitting in a reserve. City Manager indicated that there actually is money’s in reserves collecting interest. He mentioned that several potential future items have been potentially earmarked for these funds. It is noted it would not be wise to utilize a onetime reserve fund to fund an on-going expense. Councillor Crossman will not vote for administration’s recommendation.

Councillor Hicks expressed his concern of not approving Councillors Crossman and Thériault’s motion, as there is a definite need for transit in that area. He also noted that the service out Saint George to the call centers needs improvement.

Councillor Léger suggested that continue to negotiate with the province on the tax exemption for transit facilities, and if nothing seems to be moving, that administration come back to Council no later than Summer 2020 to find a solution to offer transit service to the area.

Councillor Thériault reminded Council and administration that the strategic plan for the City of Moncton is to be a green city.

Councillor Pellerin also feels that there are funds to cover the requested new service.

The City Manager once again reiterated that should Council approve the original motion, that this would be an on-going cost. If the tax exemption does not come to fruition, it will be an on-going expense for the City to budget.

Councillor Edgett indicated that she will not be supporting the motion, as by approving the motion, administration would have to go back and find these monies from another department/service.

Councillor Turner advised Council that the City of Saint John offers transit service on Stat holidays.

City Manager advised that if the motion does pass, Codiak Transit will most likely have to cut services to another route.

Councillor Hicks feels that the budget has enough surplus to cover these costs.

Council voted for the original motion brought to the floor by Councillors Crossman and Thériault, and did not consider administration's motion.

**MOTION CARRIED**

*Nay:*

*Councillor Edgett*

*Councillor Lawrence*

*Mayor Arnold*

*Councillor Léger*

*Deputy Mayor Boudreau*

5.2 **2020 Operating, Capital and Utility Budget Summary – Final Resolutions**

**Operating Budget 2020-2022**

**Motion:** That Council adopt the 2020-2022 General Fund Operating budget and approve the City of Moncton General Fund Operating Budget for 2020 in principle.

Moved by: Councillor Butler

Seconded by: Councillor Theriault

**Background / Summary**

For the 2020 Budget Year, the overall general operating budget key details are as follows:

Revenue

- Property tax rate remained at 1.6497 (no increase)
- The assessment base growth was set at 2.5% for the budget process based on best information available at this time

Expenses

- Wages continue to grow at in accordance with labour contracts in place that generally keep in line with inflation rates
- Cost and requirements of protective services budgets continue to grow due to wage pressures and additional resource allocation

It should be noted that the final 2020 assessment figures from the Province have not been received at this time. These numbers should be made available by the end of November 2019 and any required adjustments will be completed prior to final budget approval. It is currently anticipated that the budget will be finalized at the regular Public meeting on December 2, 2019.

**MOTION CARRIED**

**2020 Water and Waste Water Rates**

**Motion:** That the City of Moncton 2020 Water and Waste Water Rates be approved in principle.

Moved by: Councillor Turner

Seconded by: Councillor Butler

**Background / Summary**

As part of the presentation of the 2020-2022 Utility Operating Budget, water and waste water rates were presented for 2020 per page 77 of the budget binder.

SCHEDULE 21 CITY OF MONCTON - UTILITY (Water & Wastewater) RATES Effective January 1, 2020		
		2020 proposed fee's
<b>Water Rates (Monthly Fixed Fees)</b>		
<i>Service Size</i>		
	5/8" - 3/4" *	\$15.53* monthly (\$46.59 quarterly)
	1"	\$ 38.83
	1 1/2"	\$ 62.13
	2"	\$ 77.66
	3"	\$ 170.85
	4"	\$ 217.44
	6"	\$ 326.16
	8" or Greater	\$ 450.42
	0 - 1,200 m <sup>3</sup>	1.534/m <sup>3</sup>
	> 1,200 m <sup>3</sup> +	0.997/m <sup>3</sup>
<b>Wastewater (Monthly Fixed Fees)</b>		
<i>Service Size</i>		
	5/8" - 3/4" *	\$9.46* monthly (\$28.38 quarterly)
	1"	\$ 23.65
	1 1/2"	\$ 37.85
	2"	\$ 47.31
	3"	\$ 104.08
	4"	\$ 132.46
	6"	\$ 198.69
	8" or Greater	\$ 274.38
<b>Residential Rates</b>	<i>TransAqua Fees</i>	\$17.50* monthly (\$52.50 quarterly)
<b>Volume Rates</b>		
	Wastewater 0-1,200 m <sup>3</sup>	0.504/m <sup>3</sup>
	Wastewater > 1,200 m <sup>3</sup>	0.327/m <sup>3</sup>
<b>Commercial Rates</b>	<i>TransAqua 0- 1,200 M<sup>3</sup></i>	0.950/m <sup>3</sup>
	<i>TransAqua &gt; 1,200 m<sup>3</sup> +</i>	0.650/m <sup>3</sup>
* Includes All Residential Users		

## MOTION CARRIED

### Subject: Utility Budget 2020-2022

**Motion:** That Council adopt the 2020-2022 Utility Fund Operating budget and approve the City of Moncton Utility Funding Operating Budget for 2020 in principle.

Moved by: Deputy Mayor Boudreau  
Seconded by: Councillor Edgett

### Background / Summary

For the 2020 Budget Year, the overall utility operating budgeted key details are as follows:

#### Revenues

- Both commercial and residential consumption remain steady and are projected to continue to hold steady with conservation offsetting areas of growth of water usage
- Based on 272 cubic meter usage per year, the average household will pay \$856 plus \$210 for TransAqua charge for total of \$1,066, up from \$1,058 in 2019 or 0.75%

#### Expenses

- Water and Wastewater expenses increased by 1.88% (including fiscal and reserves) in 2020.
- Utility Capital Budget includes future additional water treatment plant upgrades to address blue green algae concerns.

## MOTION CARRIED

### Capital Budget: Five (5) Year Utility and General Fund

**Motion:** That the 2020-2024 City of Moncton Five (5) Year Utility and General Fund Capital Budget be approved in principle.

Moved by: Councillor Léger

Seconded by: Councillor Butler

**Background / Summary**

**For the 2020 Budget Year, the Capital Budget for the General and Utility Fund is as follows:**

**2020 Spend**

	Gross Spend	Contributions/Recoveries	Net Spend (Debt)
General Fund Capital Spend	\$ 47,370,227	(\$31,919,502)	\$ 15,450,725
Utility Fund Capital Spend	<u>\$ 12,959,000</u>	<u>(\$3,000,000)</u>	<u>\$ 9,959,000</u>
TOTAL CAPITAL	<u>\$ 60,329,227</u>	<u>(\$34,919,502)</u>	<u>\$ 25,409,725</u>

For the 5 year plan for 2020-2024, the Capital Budget for the General and Utility Fund is as follows:

**2020-2024 Spend**

	<u>Gross Spend</u>	<u>Contributions/Recoveries</u>	<u>Net Spend (Debt)</u>
General Fund Capital Spend	\$ 180,818,478	(\$65,243,678)	\$ 115,574,800
Utility Fund Capital Spend	<u>86,631,093</u>	<u>(8,500,000)</u>	<u>78,131,093</u>
Overall	<u>\$ 267,449,571</u>	<u>(\$73,743,678)</u>	<u>\$ 193,705,893</u>

**MOTION CARRIED**

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**6. ADJOURNMENT**

**Motion: That the meeting be adjourned.**

Moved by: Deputy Mayor Boudreau

**MOTION CARRIED**

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**Dawn Arnold**  
**MAYOR**

.....  
**Barbara A. Quigley**  
**CITY CLERK & DIRECTOR OF**  
**LEGISLATIVE SERVICES**

/11:23 a.m.

/s/mm