

Rural Municipality of Mount Stewart

Minutes, May 31, 2023

The regular meeting of the Rural Municipality of Mount Stewart was held on Wednesday, May 31st, 2023 at 6:30pm with the following Council members present:

Mayor: Spencer Long

Councillors: Chad Poirier, Kevin Lloyd, Beverly Campbell, Julie MacKay, Amanda Myers, Katharine MacDonald

Staff: CAO Christine Watts

1. Call to Order - Mayor called the meeting to order at 6:33pm
 2. Declaration of Conflict of Interest of Council Members, Mayor, and CAO: Councillor Chad Poirier declares a conflict of interest re: CAO position.
 3. Approval of Agenda - **Moved** by: Chad, **Seconded** by: Amanda
 4. Adoption of Minutes - Council Meeting May 3rd 2023 - **Moved** by Kevin, **Seconded** by Julie
1. Delegations: Michelle Burge, MRSB, presentation to Council re: Community 2022-2023 Audited Consolidated Statements
 - a. Michelle passed around the Consolidated Financial Statements document, thanked Council for having her work with us again. Under opinion, they have audited, and issued a clean bill of health for the audit.
 - i. Any entities under control or governance have to be collected for audit. Unrestricted cash (general and sewer) has gone down from last year, using about 40k for generator and 20k from gas tax projects. Restricted cash (Canada Community Building/Gas Tax) can only be used for specific projects - did spend money during the year, overall went down from previous year. *Note that page 4 and page 7 does not contain the 2023 column, only the 2022 column, as were being discussed by Michelle. Christine photocopied page 4 with the correct numbers for council. Did receive \$100k which is the allocation for the year, meaning approximately 200k used for the year (sidewalks, waste water upgrades, sewer). Next contribution should be coming in next month or so.
 - ii. Accounts receivable (money owed to the community): MCEG - get 10% back on expenditures, about \$40k outstanding that should come to our accounts. Christine says it's not done yet, we can do it now that it's been figured out. The \$40k will be divided into general, sewer. MCEG only for capital assets. Other portion of Accounts Receivable is HST, and outstanding sewer bills. In total, assets are about 821k.
 - iii. Liabilities: The biggest portion of accounts payable is insurance (\$18k). Remainder are amounts for Maritime Electric, other bills. Deferred revenue

(page 11) - Canada Community Building Fund, FCC (Farm Credit) funding, sewer dues - people paying their sewer dues ahead of time and being credits on their accounts. Long term debt is sewer loan debt.

- iv. Net financial assets – approx. 27k, meaning that we can pay off the debts with the assets. Our municipality is in a good financial position, many municipalities do not have a net positive.

Christine asked Michelle to share how many communities MRSB works with - 27.

- v. Non-financial assets - prepaid insurance is paid in advance. tangible capital assets (sewer utility, properties) up to 2.2m, the community only had to put in approximately 60k of 400k spent on properties/upgrades/etc. *(Kevin asked if real estate value is included - Michelle said no, we don't go back and reflect on changes in value)*

Accumulated surplus is \$2,308,408 - surplus is up approximately 350k from last year. Net financial asset number is the key indicator.

- vi. Consolidated Statement of Operations: in terms of revenue, budget approved by previous council was lower than actual. Expenditures were much higher (amortization). Other revenues - significant amount of funding received during year, reflected in the large disparity between budgeted and actual amounts for 2023. Adjusted for amortization, operating surplus is the key indicator. Annual surplus is 351k because of the inclusion of government funding. Offset will be larger amount of depreciation going forward (as noted by Spencer), depreciation is a few percentage points per year.
- vii. On page 12, one loan with Credit Union, down from 198k to 183k, paid off about 15k over last year. Rate locked in until Oct 2026, Michelle said we were lucky - up for maturity then. Government transfers for Capital explained, as well as sewer. Michelle referred to note 7 - broken down to see where numbers are coming from. Investment in tangible capital assets (buildings, utility) - that is our investment to date, but will go down with depreciation. What we have accessible is the remaining numbers: community development reserve, playground fund, and unrestricted surplus. *(Spencer asked if that's what's in our account, Christine said no, it's less.)* Unrestricted surplus went down, as we used cash for projects.
- viii. On page 15, we were presented with a breakdown of the community's tangible capital assets (land, buildings, furniture and equipment, etc.). Vast majority of what was spent was covered by funding. Estimated amortization of 84k this year, all depends on the type of asset and how long we can use it before it needs to be replaced. *(Kevin asked if those are standard numbers - Michelle answered yes, they are set by IRAC.)*

- ix. On page 17, information in more detail in terms of revenues and expenditures. Actual revenues were up from both last year's actual and from this year's budget. Wage subsidy programs were considerably over the budgeted amount, mostly accounting for the increase. Overall, over about 17k. In terms of expenditures, up about 40k from previous year.

Detailed explanation of expenditures on page 18. Amortization is not budgeted for, it must be included in final reports. Wages were up this year as well, we were given more funding and therefore used it as well. Both Complex and Eco-Centre as well as Fire Protection were close to the budgeted amount. "Other" was up from previous year but closer to the budgeted amount. *(Kevin mentioned the street lights seem high, and that fire protection seems like a good deal. Spencer asked if the credit had been applied by Maritime Electric and it had. Spencer asked if Morell had indexed its fire safety - it has. Christine explained that having the same fees wasn't fair when some people have \$60k homes and \$540k homes. Several people said it is unlikely that rates will be raised on us by East River Fire Dept by much in the near future. Spencer would like to point out that our actual property taxes vs budgeted were only off by 1.7%. Kevin said inflation might be higher this year and Michelle said it would likely be 3-4%. Spencer said we haven't budgeted for an increase or decrease in property taxes.)*

- x. On Page 19, sewer levies are always the same, we have to go to IRAC to make a change. Amortization of \$37k makes the expenditures side higher than revenues, otherwise we would approximately break even - however, not enough is being collected. Interest on debt continues to go down as we make payments. Fiona cleanup made repairs and maintenance higher. *(Spencer asked if we should feel bad about having to move money from General to Sewer and if it is common among other municipalities. Michelle said most utilities have to have a rate review, with debt there is a cost associated, and a cost associated with operating the utility, and we aren't collecting enough - the debt each year accrues/accumulates every year, and that's why there are regular reviews. Spencer: they set the rates, but we go to IRAC to change it? Christine/Michelle: yes, but it is a bit of a process. Spencer: with additional development in the village, there will be more revenue generated. Michelle: it impacts the municipality long-term.)*

Comments: *Spencer - we aren't doing too bad, being fairly responsible? Michelle: yep! Chad: how long does this take? Christine: after the audit itself is done, the report part is separate and custom written for our municipality - approximately a week.*

Michelle asked Spencer to sign the engagement letter, letter of representation, and IRAC report, and Julie and Christine also signed.

Resolution that the Rural Municipality of Mount Stewart Audited Consolidated Financial Statements for 2022-2023 as presented by Michelle Burge, MRSB be received and approved by council. **Moved** by Bev, **seconded** by Kevin.

2. Monthly Report of the Mayor

- a. Mayor Spencer Long read his report for period dated May 31st 2023 while council followed along from his copy.
 - i. Had a conversation with Kevin McCarville re: CAO position.
 1. Christine said she spoke to him today and he didn't say anything about this, and will probably have to send some paperwork his way after this meeting. Checked to see if everyone has seen that email. Christine advised Council look at the motion to make sure it has the proper wording, and said there is so much that has to be done, and sked Spencer to read the motion to show what it all covers, and if not, what we might need. This includes the minutes that are moved by council and signed by the mayor at next month's meeting, as requested by Credit Union. Christine will touch base with Kevin.
 2. Julie asked when we would replace Katharine as councillor - Christine specified it would be within 6 months. Chad asked if we nominate, but Spencer clarified that people have to nominate themselves. Christine says many communities have not enough councillors - we don't need an additional person right away, but maybe with Spencer, for a small community we don't need it. Check with Municipal Affairs, especially after notifying them about the Council/CAO resignations. Kevin said a precedent has been set. Christine said when other municipalities don't have enough offering, they should go to election but often haven't been made to. Chad said we have a good thing. Christine said she will ask.
 3. Spencer asked if Christine's last day would be June 9th. Christine explained the last couple weeks of training, and what to expect going forward, including meeting with Matt Duffy, reconciling things like credit card, and signing officer stuff. Christine said she will be reaching out and working on the paperwork and figuring out who else needs to be notified (Curtis, Denise?), changing the email. Christine suggests that Linda come out after a few months to help review so that it's not a big to-do at the end of the year, and that council budget for a little extra reviewing from MRSB. Katharine said she will be starting the following week, hours TBD. Christine said Katharine will have to have posted hours to send to Municipal Affairs. Spencer asked about getting payroll sorted out, such as vacation pay to finalize for Christine. Christine elaborated a little bit

on her thoughts for council outlined in her resignation email - she will figure out what has to be done.

- ii. Canada Day Update: everything is tentatively booked. We won't go as big every year but we haven't done much in recent years. Spuds are booked.
 - 1. Fireworks are tentative, and are \$5000. (Chad says \$5k is actually below cost, and that quote might not be accurate, and it's possible he may be a no-show). Christine compared the fire ban, until the end of June being extended, to Covid regulations being extended. Chad asked if we booked the Fireworks operator officially. Christine said if it's only a ten percent deposit, that's not too bad, and asked if it is refundable. Chad said he can find that out.
 - 2. For promotion, finish the poster but not include fireworks, first we should get information from the guy, and figure out the rain date. Amanda says she likes the idea (from Chad) about including the info on the poster but saying it's tentative. Christine says that if we don't have donations all lined up, it's going to get hard if we're hitting up all the same spots, and that we only get up to 2500 in funding. Spencer said it will be a net cost this year, we haven't done a lot the last few years. Christine elaborated, saying it'll be 1k for security, 1500 for the band, and then the fireworks, and bouncy castle, food, beverages... it all has to work with what we've budgeted. Spencer will get more details - everyone agreed. Council decided on the wording "Pending provincial fire regulations" for the poster.
 - 3. Chad suggested that, for the barbecue, we should scrap the derelict BBQ and get a flat top bbq, either a little one. Spencer: it might work as part of the warming shelter funding application, but we might have to move faster than that.
 - 4. Spencer said that Steve Cousins would set up a petting zoo, and we would also have a bouncy castle, face painting, and balloons.
 - 5. Kevin asked about a garage sale, and Spencer said a few folks have reached out.
- iii. The mural was unveiled at the Eco-Centre and it looks great.
- iv. CBCL – did not end up discussing.
- v. Summer workers:
 - 1. Emily Handrahan reached out for part-time work, could she maybe run a kids camp? Christine asked would she be interested in doing 40 hours - not sure. Spencer asked if it would make sense to do camps twice a week? Bev said as long as she's not at the Eco-Centre. Amanda said not many families need care only a couple days a week, and child care needs insurance. Christine said that with previous camps, we didn't actually make any money, in fact we paid money, and asked if we could we get funding. Spencer said it might be difficult to get that funding. Christine said we could look into special

projects. Chad said if she has a plan, she should pitch it to us. Spencer and Amanda feel that we should probably not worry about trying to do a kids camp unless it's a full-time thing that is self-sustaining in terms of funding (everyone agreed). Chad said we should focus on getting the Museum open.

vi. Museum:

1. We are targeting to open the museum on Canada Day, we need to make a list of things that need to be addressed with the building. Olivia and Art already know about it. Bev said the eaves are filled with birds and they are a big risk for folks around the building, and it looks bad. Kevin asked if we can just apply wires. Spencer said it brings up an existential question, it's not Christine's or Bev's responsibility, we basically need Art covering the holes. Christine said we have to have a company come in and do it because right now this time of year they are nesting and there are baby birds. Spencer said we need a list for Monday, including scrubbing the bird droppings. Chad agreed we need an itemized list for the Eco-Centre. Christine agreed that we need a list, and added that we need a timeframe, a weekly plan for the staff, and we need to communicate those priorities. There's a lot of stuff down there. We might have to put a trailer if Bev needs to take her stuff out.

OUTSIDE:

- Soft vents
- Buy a dumpster (Christine says ours need to be locked at CC - people are using it) - Spencer asked if everyone was okay with that and everyone agreed
- Deck boards checked, possibly replaced, and sides of building being pressure-washed
(Julie asked if we will continue the boardwalk to the road)
- Check all the bulbs (Bev)
- Check lights inside as well (Christine)
- Parking lot potholes
- Gazebo unsafe (roof especially)

INSIDE:

- More seating in the mezzanine
- More seating and rearranging in Museum
- Delineating where some of Bev's stuff get moved from the Museum space
- Paint the floor in the museum (get correct paint for floors)

- vii. Summer Workers - posted already. Dean and Denver already expressed interest. Need to be a returning student.

Motion that the report of the mayor be received and approved by council

Moved: Amanda Myers, **Seconded:** Kevin Lloyd

3. Staff Reports

- a. Report of the CAO
 - i. Financial Update: May 2023
 - 1. **Moved** by Chad, **seconded** by Amanda
 - ii. General and Sewer Accounts for approval
 - 1. **Moved** by Kevin, **seconded** by Chad
 - iii. General and Sewer Journal Entries for approval
 - 1. **Moved** by Julie, **seconded** by Chad
- b. Report of Sewer Operator - Monthly Report for May 2023
 - i. **Moved** by Amanda, **seconded** by Kevin

4. Unfinished Business:

- a. Maxine Jay-Doucette and Patsy Doucette invoices
 - i. Chad said we should hold tight until they submit the documents they promised to have to us.

5. New Business:

- a. Required council resolutions re: end of present community CAO position, and start of new CAO with Council Approval
- b. Present Council Deputy Mayor Katharine MacDonald resigning from Council and accepting position as community CAO with council approval
 - i. **Moved** by Amanda, **seconded** by Kevin

6. By laws - no discussion.

7. Public delegations (not listed as delegation): see part 1.

8. Adjournment: **moved** by Bev, **seconded** by Kevin

Next regular council meeting - July 5th 2023 @ Community Complex starting at 6:30pm or as called by Council, not July 4th as noted on the agenda.