

**TOWN OF ANNAPOLIS ROYAL
BUDGET DELIBERATIONS
MINUTES
May 23, 2007
8:00 a.m.**

A Budget Meeting was held on Wednesday, May 23, 2007 in Council Chambers at Town Hall. In attendance were Chair Mayor John Kinsella, Deputy Mayor Jane DeWolfe, Councillors Doug Shaffner, Ron Boulding, Sherman Hudson, and Phil Roberts, CAO Amery Boyer, Director of Finance Melony Robinson, Recreation Director Grant Potter and Jackie Longmire as recording secretary. Several members of the public, residents and business owners were also in attendance.

CALL TO ORDER

Mayor Kinsella called the meeting to order at 8:00 a.m. He said that this was the final meeting for budget deliberations for the 2007 - 2008 fiscal year. He acknowledged those in attendance and thanked everyone for coming. He then opened the floor for discussion.

PRESENTATIONS

1. Byron Mersereau - Mr. Mersereau called his presentation "Doing the Right Thing at the Right Time." He also said that he intentionally excluded the CAO from the preparation of his presentation. He expressed concerns over the Capital Budget and the need to borrow in excess of \$455,000.00 for the proposed pool project. He said that he realized that a survey conducted in 2002 indicated that the majority of residents want a pool but the expense would create a debt service ratio that was way above the maximum guidelines. He talked about the grant in lieu of taxes from the Tidal Power Plant and said that the revenue generated from this source was uncertain. He explained the process for determining the amount that the Town receives each year from the Tidal Power Plant and said that it is important to recognize that this funding may not continue indefinitely. The Province may change the funding formula or with today's technology, operation of the Tidal Power Plant in Annapolis Royal could be discontinued.

Mr. Mersereau said that he found it disturbing that a tax increase is being considered for this fiscal year and one of the drivers behind the proposed increase was the expense of the pool project. He said that he can understand the Town wanting to provide the services that the residents want but the time is not right if a large amount of money has to be borrowed.

2. Alma Smith - Ms. Smith questioned the announcement made in 2005 that quoted an expense of \$375,000.00 for the pool project and the estimated cost in the 2007 - 2008 budget now at over \$700,000.00. She asked why there was such a difference in the expense.

Ms. Smith suggested that the Town consider other recreational facilities at a fraction of the cost. She spoke of multi use courts and better use and maintenance of the field located next to the high school. She urged Council to reconsider the decision to proceed with the pool project at the inflated costs.

3. Greg Pyle - Mr. Pyle said he agreed with the comments made and said that were other

venues for swimming. He said that the financial burden of the pool project would be on the tax payers. He said that the Town should offer incentives to bring people in but a pool was not the answer.

4. Wayne Boucher - Mr. Boucher said that he was not from Town but considered Annapolis Royal his hometown. He said that he disagreed with the previous comments and believes that a pool would be an asset to the Town. He said that it would be a great facility for young people and would improve the general quality of life.

5. Fran Rafuse - Ms. Rafuse said that she was a member of the committee for the first pool and a supporter of the second pool; both of which she said failed because the cost of maintenance was too high. She said that the young people are not staying in Annapolis Royal because there are no jobs and a pool will not encourage the young people to stay or move to the area. She suggested that the Town contribute more funds to facilities that do attract people to the area, such as the Health Centre and schools. She said that it would make more sense for the Town to support current facilities rather than create a new one.

6. Cindy Wilson - Ms. Wilson said that she considered the estimated \$750,000.00 for the pool project to be unreasonable and inflated. She said other towns have built similar facilities for a fraction of the cost. She said that the Town could build an indoor pool if it was willing to spend that amount of money.

7. Ray Mackie - Mr. Mackie said that there have been times, since the 80's, that the Town has been dying and it has been volunteers with committees and groups that have brought enthusiasm, vision and growth. He said that if a group of volunteers want to raise money for a pool, the Town should have faith in the group and assist them in moving forward. He suggested that the project not proceed until all the funding is in place. He said that the Town has to grow; Annapolis Royal has something special and can flourish.

He said that a tax increase was inevitable and the increased revenue will be spent, whether on a pool or something else.

Deputy Mayor DeWolfe explained that the funds received from the Provincial government came with a deadline and if the funding was not used in this calendar year, they would have to be returned.

8. Carol Littleton - Ms. Littleton said that she does not like the idea of taxes going up for the sake of a pool build. She asked if the pool could be built in stages, to eliminate the need to borrow a large sum of money.

The Director of Finance said that she thought it was possible to build the pool in stages. A portion of the Provincial funding was for the pool tank and surrounding features. But, if the project was to be completed over a period of time, it is possible that the pool could remain unfinished for several years.

9. Gail Robertson - Ms. Robertson said that the pool information on the website has not been updated since 2006 and the information there indicated that the expense was \$375,000.00. She questioned where the new numbers were coming from. She also questioned why employees have been paid to work on this project for years and there has been no progress. She said that employee energy should not be spent applying for grant money if the Town has no intention of actually following through with the project.

A question was asked about maintenance costs. Recreation Director Grant Potter replied that he only had numbers from Middleton to use as a comparison. He said that the pool in Middleton has \$12,000.00 in annual operating costs. He said that this was a net figure.

10. Anne Campbell-Taylor - Ms. Campbell-Taylor said that it would be better to use funds to create a centre that could be used all year round. She said that a short summer season would mean a short swimming season and a short time to generate profits.

Councillor Roberts said that a solar heater was a possibility and would extend the season for several weeks. Mayor Kinsella also mentioned the Skateboard Park that is in the planning stages; this would be a facility for all ages.

11. Paula Buxton - Ms. Buxton said that she lives in Town, has 3 children and travels to the Lifeplex for swimming. She said that people who go to the Lifeplex will then travel to Digby for shopping and other errands that could be done in Annapolis Royal. She said that having a pool in Town would help the businesses by keeping people in the area. She also said that her family has considered moving to other communities that have more family related facilities.

12. Patrice Duggan - Ms. Duggan said that it is imperative that the correct figures be on the table. She questioned what the exact figures were. She said that an outdoor pool was not a good idea and the key issue should be the tax rate. She suggested that a new survey be conducted and all the new information made clear so that a rational decision could be made.

13. Dean Taylor - Mr. Taylor asked why the estimated expense for the pool project has changed.

CAO Boyer explained that the original \$375,000.00 was based on two earlier estimates. The estimate came from the tendering process produced only one bid. The bidding company was to supply the pool only. The new figure, in excess of \$700,000.00, was a cost negotiated with a local developer for all in costs.

Greg Pyle commented that he cannot afford to continue to pay taxes to a Town that irresponsibly spends money. He suggested that the fund raising project move forward and the pool be built when the funds have been raised.

14. Rion Microys - Ms. Microys said that the taxes in Town are going up because of assessments and the increase in assessments can only be attributed to the greed of some property owners. She said that she cannot remember an actual increase in the tax rate and she would be happy to pay higher taxes for the sake of a pool.

15. Shela Breau - Ms. Breau said that the issue is not a question of taxes or young or old residents, it is a question of health. The pool would offer another healthy lifestyle choice for residents and those from surrounding communities. She said that declining business is a justifiable concern and a serious issue. She said that struggling business owners must expand to generate business from around the world, as she has done.

16. Brian Power-Grimm - Mr. Power-Grimm said that he has been at this for years and there is really nothing new to say. He said that this was the eighth time that this issue has been voted on and it was time to move forward. He reminded Council that the survey showed that the Town was lacking recreation infrastructure and that there was a petition

signed by over 500 people in support of the pool. He said that all of the concerns mentioned here today have already been addressed and he is dismayed that some are against the project. He compared budget figures today to when he was on Council several years ago. He said that the Town receives more money from the Provincial government every year and considering the revenue the Town could build the pool, pay for the entire project and still have a considerable amount of money left over. He commented that he felt families were not welcome in Annapolis Royal.

17. Richard Joules - Mr. Joules congratulated Council for committing what he called "political suicide." He strongly suggested that a decision be made and the process move forward.

Mayor Kinsella said that a final decision will be made today; operating and capital budgets will be approved today. He explained that the motion generated at last week's meeting was not officially recorded and therefore not a legal motion. He reminded those in attendance that Council had previously agreed to \$225,000.00 for the pool project.

The following motion was made for purposes of discussion:

It was moved by Councillor Roberts, seconded by Councillor Hudson that authorization be given to the Chief Administrative Officer to negotiate and execute a contract with Brown Bros. Excavating Ltd. and Western Recreation & Development Inc. in an amount not to exceed \$736 389.00 for the construction of a new pool. The pool project is subject to the following funding sources:

<i>Nova Scotia Office of Health Promotion</i>	<i>\$210,000.00</i>
<i>Town of Annapolis Royal</i>	<i>\$225,000.00 plus interest</i>
<i>Municipality of the County of Annapolis Royal</i>	<i>\$ 45,000.00</i>
<i>Contributions and Pledges</i>	<i>\$ 10,000.00</i>
<i>Pool Committee Fund-Raising</i>	<i>\$152,000.00 plus interest over two years</i>

Council recognizes that the Pool Committee will use its best efforts to attain the fund goal over the next two years. Council authorizes that any shortfall in the fund-raising component shall be borne by the Town of Annapolis Royal including any interest charges incurred by the Town.

Mayor Kinsella explained that this motion is essentially what was moved at the previous meeting and asked for comments from Council.

Councillor Shaffner said that he has reluctantly supported the pool project since the plebiscite that was conducted a few years ago and he reaffirmed his commitment to \$225,000.00 at a previous meeting. He expressed concerns over wording in a draft press release that was presented at the meeting. The release states that construction will begin immediately and he was under the impression that the fund raising would be complete before the project began. He stated that he would like to see more of a guarantee for the funds that need to be raised by the Committee. He said that the way it appears now, the Committee could raise zero funds and the pool would still be built.

Mayor Kinsella said that Council has to rely on the best intentions of the fund raising committee and they have committed to raising the funds over a two year period.

Councillor Hudson said that he agrees that the Committee has to prove its intentions and efforts and the construction of a pool may be a benefit to local businesses.

Councillor Boulding said that he does not believe that a new pool would encourage people to move to Annapolis Royal and having no pool has not deterred anyone either. He expressed concerns over the Town guaranteeing to meet any shortfalls in the project expense. He also said that there are other facilities for youth and/or recreation that could be built at a fraction of the cost and it may be possible to pursue a pool at a later date, even after the funds are returned to the provincial government. From a financial standpoint, he did not see the pool build being a wise decision. Councilor Boulding also said that one goes back and forth with difficult decisions and the apparent “flip flop” on this decision was consistent with all levels of government.

Deputy Mayor DeWolfe said that she spoke to this issue at the last budget meeting and she recognizes the validity of all the arguments but cannot support the motion at this time.

Councillor Roberts said that he does not believe that any new points have been raised. All of the issues discussed today had been previously addressed. He said the previous fund raising has proven itself and he used several examples of successful fundraising efforts.

Mayor Kinsella said that he has never changed his commitment to the pool project and it was actually part of his campaign literature. He said that over the past seven years the Town has made many capital improvements and also been able to reduce the debt. He said that he has confidence that the revenue generated from the Tidal Power Plant will continue. He said it is important for a decision to be made today and he offered assistance with the fundraising efforts.

The motion was defeated with nay votes recorded from Councillor Boulding, Councillor Shaffner and Deputy Mayor DeWolfe.

Trish Fry asked if a motion of re-consideration would be posed or if this was the end of the pool issue. Mayor Kinsella said the motion was defeated and the project will not move forward. He also said that the funds received from the provincial government must be returned.

It was moved by Deputy Mayor Dewolfe, seconded by Councillor Shaffner to recommend to Council approval of the Operating and Capital Budgets as presented with the elimination of the pool expense and the tax rate being \$3.05 for commercial and \$1.65 for residential.

It was agreed that minor changes would be made to the Operating Budget in light of the defeated motion for the pool project. Items related to the operation of Public Works that had been reduced to accommodate the pool expense were increased to the original amount, a total change of approximately \$5,000.00. Minor changes were also made to the Marketing Budget that had also been reduced, these changes also totalled approximately \$5,000.00.

Mayor Kinsella suggested that an amount be inserted into the Operating Budget that would provide a swimming subsidy to residents of the Town. It was agreed that \$15,000.00 was a reasonable amount and the issue will be discussed at the Committee of the Whole meeting scheduled for June 6, 2007.

Councillor Roberts has been invited to attend a twinning event in Quebec and asked to Town to subsidize the expense. It was agreed that \$500.00 will be added to the budget for this expense. It was also agreed that the Phase 2 of the Lower St. George Street project will move forward as planned at an estimated cost of \$110 000.00.

The above motion was amended as follows:

It was moved by Deputy Mayor DeWolfe, seconded by Councillor Shaffner to recommend to Council approval of the Operating Budget, as amended, with \$3.05 as the commercial tax rate and \$1.65 as the residential tax rate.

It was moved by Councillor Boulding, seconded by Councillor Roberts to recommend to Council approval of the Capital Budget, as amended.

The regular Council meeting began immediately after budget deliberations and minutes were recorded as usual.

John Kinsella, Mayor

JackieLongmire, Recording Secretary