

**Southwest New Brunswick Service Commission
Board Meeting
Minutes**

**October 24, 2013
St. Andrews United Church Hall
Harvey, NB**

IN ATTENDANCE:

BOARD MEMBERS

Daniel Dow, LSD Representative, Co -Chairperson
Frank Carroll, Mayor of McAdam, Co-Vice-Chairperson
Darrell Weare, LSD Representative, Co-Vice-Chairperson
Carla Brown, LSD Representative
Garry Christie, LSD Representative
Winston Gamblin, Mayor of Harvey
Frank McCallum, LSD Representative
Larry Parker, LSD Representative
Nick Cleghorn, LSD Representative
Terry James, Mayor of Black's Harbour
Pat Dodd, LSD Representative
Stephen Smart, Mayor of Campobello Island Rural Community

OTHERS

Frank Tenhave, Executive Director SNBSC
Tammi McCrum, Coordinator, SNBSC

PUBLIC:

Four people from the general public attended.

Call to Order

The meeting of the Southwest New Brunswick Service Commission was called to order at 6:06 p.m. by the Co-chairperson, D. Dow

Review, Additions, and Approval of Agenda

The chair asked those present if there were any additions or changes anyone would like to make to the agenda. One item was added to the In Camera Session.

13-125 It was moved by W. Gamblin, seconded by G. Christie that the agenda be accepted as present. **CARRIED**

Conflict of Interest Declarations

The Chair asked whether there were any conflicts of interest and none were brought forth.

Approval of the Minutes of the AGM and the regular Board Meeting Minutes

13-126 It was moved by F. Carroll, seconded by L. Parker that the AGM minutes be moved forward and dealt with at the next AGM. **CARRIED.**

13-127 It was moved by W. Gamblin, seconded by N. Cleghorn that the minutes of the Board meeting of September 26th be accepted as previously circulated. **CARRIED.**

Business Arising from the Minutes

Two items in the original agenda were moved to the Approval of Committee and Other Reports.

Approval of Committee and Other Reports

Planning Management Committee

L. Parker gave a brief review of what took place at the planning management committee meetings that was held in August and September. It was recommended that a \$100 service fee would be charged for any subdivision re-applications. This would help offset any cost.

13-128 It was moved by N. Cleghorn, seconded by L. Parker that effective January 1, 2014, the Southwest New Brunswick Service Commission will institute a \$100 service fee tied to rural subdivision re-applications/requests. **CARRIED.**

13-129 It was moved by L. Parker, seconded by F. McCallum that the Planning Management Committee report be accepted as present. **CARRIED.**

Flowing out of this agenda item was a discussion of regional EMO plan. As a result of this discussion there was consensus at the Board table that there be a request made to our EMO rep, Jason Cooling, that there be two seats on the oversight committee being put in place for the development of the regional plan – one for a municipal representative from our Board and one for an LSD representative from our Board.

These two representatives would keep the Board fully informed about what was happening during the development of the plan. In addition, the ED would send an e-mail out to all the Board members asking for anyone interested in being one of these 2 representatives to send a reply indicating their interest and why they felt that they would be a qualified choice to do so. The co-chairs would make the selections of who would be the representatives on the over-site committee.

Ad Hoc Procedural Bylaws Review Committee

F. McCallum gave a brief description on what has been done by this committee thus far. The committee is nearly finished its work but due to conflicts in schedules, they have been unable to hold a meeting to finalize its recommended changes.

Audit Committee

D. Weare gave a brief description of the report that was circulated in member's folder. He highlighted the surplus from the Rural Planning District Commission. He also gave a brief summary about the auditor's fees, and talked about the RFP.

As part of the discussion of this item, there was a recommendation made that Executive Director send an e-mail to all the municipalities requesting a copy of any RFP they might have used for their auditing services. There was consensus supporting this idea and the ED indicated he would do so.

13-130 It was moved by T. James and seconded by W. Gamblin that the Audit Committee report is accepted as presented. **CARRIED.**

13-131 It was moved by D. Weare and seconded by T. James that the board acknowledge receipt of the audited financial statements for the Southwest Solid Waste Commission for the year ended December 31, 2012. **CARRIED.**

13-132 It was moved by D. Weare and seconded by F. McCallum that the board acknowledge receipt of the audited financial statement for the Rural Planning District Commission for the year ended December 31, 2012. **CARRIED.**

Finance and Budget Committee

D. Weare gave a brief description of the report that was circulated in each member's folder. The topics at their meeting were cost saving measures and the 2014 budget. There was a discussion of the 4.5% return factor used in the actuarial calculations and whether or not that was still an appropriate number.

13-133 It was moved by D. Weare and seconded by F. McCallum that the following reductions in expenditures for the 2013 fiscal year be approved;

Realignment of waste reduction capital costs.....	\$ 100,000.
Cancellation of the S.W. Communications Plan.....	50,000.
Disposal of Used Equipment.....	10,000.
Delay of Maintenance Items.....	30,000.
Cancellation of Sick -time payouts.....	13,820.
Reduction of Technical Services Spending.....	60,000.
Total.....	... \$ 263,820. CARRIED.

13-134 It was moved by W. Gamblin and seconded by T. James that the Finance and Budget report be accepted as presented. **CARRIED.**

Executive Director Report

The Executive Director referred the Board to the report he had circulated via e-mail prior to the meeting and the hard copies which are found in the member's folders. He indicated that in order to keep with a time-based agenda schedule he would not review it in detail but did encourage any members that had not read it to do so as it contains helpful information. This report was very briefly discussed.

Time and Location of October Meeting

The next Board meeting will be held on November 28, 2013 at 6 p.m., in St. Stephen. Unfortunately J. Quartermain was not able to attend this meeting but the ED would follow up with him regarding the exact location. It was noted that the 2nd part of the Strategic Planning initiative will be held right before this Board meeting at 4 p.m. so the location should be appropriate for both kinds of meetings.

Questions and Answers from the general public

A couple of questions were asked by the public and answered by the Board.

Adjournment of the regular board meeting

The Co-chair, D. Dow asked for a motion for the regular meeting to be adjourned at 7:29 pm.

13-135 It as moved by T. James, seconded by F. McCallum that the meeting be adjourned. **CARRIED**

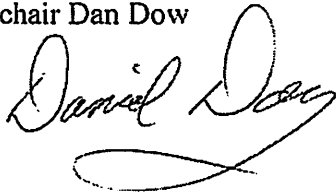
After a short break the Board moved to an In-Camera Meeting.

Minutes Approved by;

A handwritten signature in black ink, appearing to be 'Sue Farquharson', written in a cursive style with several loops and a long horizontal stroke at the end.

Co-chair Sue Farquharson

Co-chair Dan Dow

A handwritten signature in black ink, appearing to be 'Dan Dow', written in a cursive style with a large initial 'D' and a long horizontal stroke at the end.

Audit Committee Report

October 24, 2013

The meeting of the Committee was held at the Hemlock Knoll Landfill on October 21, 2013. Present: D Weare, D Dow, J Quartermain (Quorum).

The 2 formal audited financial statements for the 2012 fiscal year were discussed and the wording of the 2 Board motions required were finalized in principal. No additional work other than outlined below is anticipated since this is now all history.

There were three items that the committee identified as requiring more work:

1) \$34,000.00 of the surplus of the Rural Planning District Commission will be refunded to the SNBSC. This refund is an unexpected windfall based on prior discussions with the Fredericton RSC. Questions arose as to how it was calculated and subsequent to the meeting our ED obtained information that it is our proportional share based on our tax base. We may request summary calculations.

2) The final audit fee charged by Teed, Saunders Doyle. The Committee was quoted a fee of \$12, 250. Subsequently, management was advised that the fee could go to \$16,500. This correspondence was not presented to the Committee at that time. The final invoice is for approximately \$20,000. The Committee has to deal with this overage, both with the auditors and with management at the SNBSC.

3) We must issue a RFP for auditing services. Due to the shortness of time it was decided not to go into this issue at this Board meeting. It was suggested that the municipalities within our region be approached about providing any RFPs they may have recently used for engaging auditing services. Those could serve as a template for the RSC in preparing its RFP. The Municipalities will be requested for this information at the Board meeting.

Respectfully

Audit Committee

Notice of Motion

The Audit Committee recommends that the Board “acknowledge receipt” of the audited financial statements for the Southwest Solid Waste Commission for the year ended December 31, 2012.

Notice of Motion

The Audit Committee recommends that the Board “acknowledge receipt” of the audited financial statements for the Rural Planning District Commission for the year ended December 31, 2012.

Finance and Budget Committee Report

October 24, 2013

The third meeting of the Committee was held on October 21st at the Hemlock Knoll Landfill.

The first 2 meetings were reported on verbally, however at the first meeting a draft budget was presented by staff. The Committee worked through the new budget forms and questioned the composition of many of the numbers. No comparative numbers were presented so these were requested for the next meeting. The calculation of salaries and benefits was questioned (it was approximately 35% benefits) An in-depth discussion ensued and the meeting came to a close with the 4 staff members trying to determine how the benefits markup was determined. As this debate seemed to provide no conclusive answer, the Committee requested that details of the calculation be provided at the next meeting as well as comparative figures.

The second meeting continued the work of the first with better information on salary costs and many of the comparative figures presented. A lot of discussion took place on allocation of salary costs to the various divisions as well as calculation of same. Some time was spent on revenues as well as the need to get a budget out to the Municipalities as well as the local LSD manager. A plan was developed to accomplish this and keep the budget process moving forward. The meeting was somewhat pre-occupied with meeting these legislated timelines and detracted, to a certain extent, from ongoing, in-depth analysis of the budget. In addition, the Committee requested some type of documentation to support costs other than payroll.

The meeting on Monday, October 21st had 2 main purposes, a) to prepare a recommendation for the Board on cost savings for 2013, and b) to continue delving into the numbers presented on the 2014 budget. After much discussion as to what constituted a cost savings and what was really a reallocation to another division, a list was finally agreed on and a notice of motion follows this report.

With respect to the budget, time was spent on revenues, timing of expenditures, and some explanation of how certain costs were arrived at. The post closure fund was discussed as was the Gemtec study which disclosed an over funding situation. The amount of the over-funding is dependent upon the discount factor used in the calculation. While no member seemed to have a problem with the engineering costs, the discount factor was discussed in depth and its impact on the report. Most members felt that the factor was too high, resulting in lower required contributions to the post closure fund. This will be on the agenda for future meetings. There was a good discussion of operating costs, however very little documentation to support expenditures other than payroll.

With respect to the Gemtec Study a discussion did take place with respect to the legislative authority of S Jessop-Roach to request this study be done. The mandate of the Committee is to make recommendations to the Board on such unbudgeted expenditures. This was transmitted very early on by email to our Executive Director by one of the Co-Chairs but he proceeded with the study without authorization. One of the Co-Chairs confirmed with S J-Roach that she did not have the authority to request the study and she also expressed her surprise that the study had been undertaken in the current year given our budget problems. She was informed that neither the Board nor the Committee recommended the study be completed in the current year.

While the problems of completing an accurate budget for 2014 are significant, the Committee will continue to work with staff on having a final 2014 Budget ready for presentation at the November Board Meeting. Whether this can be accomplished in an extended Regular Board Meeting or a Special Board Meetings remains to be seen.

Respectfully

Finance and Budget Committee

Notice of Motion

The Finance and Budget Committee recommends the following reductions in expenditures for the 2013 fiscal year.

Realignment of waste reduction capital costs.....	\$ 100,000.
Cancellation of the S.W. Communications Plan.....	50,000.
Disposal of Used Equipment.....	10,000.
Delay of Maintenance Items.....	30,000.
Cancellation of Sick -time payouts.....	13,820.
Reduction of Technical Services Spending.....	<u>60,000.</u>
Total.....	<u>\$ 263,820.</u>

SOUTHWEST NEW BRUNSWICK SERVICE COMMISSION

PLANNING MANAGEMENT COMMITTEE REPORT

FOR THE

OCTOBER 24TH, 2013 BOARD MEETING

The Planning Management Committee has held two substantive meetings recently, one in Mid August, and one in September (17 Sept.),

The committee is currently tackling several issues, all in a proactive manner.

a) EMO: following the flooding incident of late July, members of the committee wanted to explore emergency response protocols, both regarding the internal response plans for the commission's primary asset, namely, the Hemlock Knoll Landfill. Prior action has ensured that a full internal emergency response plan is in place, but following discussion, managers have brokered discussions with Jason Cooling regarding the role Hemlock Knoll can play in delivering EMO response to the immediate area. Its centralized location and rich assets in terms of heavy equipment and skilled operators make the site an ideal central location for EMO disaster response, however, a critical weakness lies in communication, specifically, poor cell and Internet service. The committee has asked management to pursue the possibility of provincial aid in bettering cell/Internet backbone to the landfill site can better serve its potential EMO response role.

b) Finances. As with many subgroups of the board, it has been discovered that the province did not fully and accurately outline the assets and liabilities, as well as the costs and revenue streams, passed onto the commission during its creation. The PMC and management are dealing with several challenges not foreseen, nor outlined in the original formative budget created a year ago. The combination of a mis-reported revenue stream (one that now goes directly to the province, rather than the commission) along with unbudgeted costs incurred in managing such things as payroll and benefits has been addressed in the draft budget to be presented to the board.

c) Fees: The PMC dealt with a matter referred to it by the PRAC, regarding an inordinate number of subdivision re-applications. While applications lapse after one year from approval, land owners can currently re-apply for re-approval, without incurring a fee. Nonetheless, staff must work to prepare the re-approval for presentation to the PRAC. The PMC, heeding the PRAC suggestions, has recommended the SWNBSC implement a \$100 reapplication surcharge to offset the costs incurred in managing reapplications. A motion to this effect will follow this report.

d) Staff: The SWNBSC planning department is, based on staff per gross tax base, one of the leanest in the province. Management has noted the shortage, only to grow worse, of qualified building inspectors in this region, but at the same time, the current financial state does not provide for hiring new staff. A creative solution, however, in cross-training an existing landfill employee, will allow for some means of increasing service potential to not only the rural communities of this region, but elsewhere in the region and to other commissions, while not increasing the total budgetary impact. The board is strongly advised to find ways to increase staff allocations in future years so that appropriate services can be offered to the rural regions, and, hopefully, incorporated municipalities.

e) GIS/Mapping: Tied into the challenges with finances and lack of staff is the issue of GIS and mapping. Other commissions have greater staff/resources assigned to providing these services. However, management, with the PMC's blessing, has started to explore partnerships with NGOs and non-profits such as the St. Croix Waterway Commission and Eastern Charlotte Waterways, which have skills and data relevant to the planning process. Work continues to partner with these groups in a manner that will allow greater service provision without added cost burdens.

- Vern Faulkner, chair, PMC

RECOMMENDED MOTION: Be it resolved that effective January 1, 2014, the Southwest New Brunswick Service Commission will institute a \$100 service fee tied to rural subdivision re-application requests.

SOUTHWEST NEW BRUNSWICK SERVICE COMMISSION

OCTOBER 24, 2013 BOARD MEETING

EXECUTIVE DIRECTORS REPORT

Beyond the normal administrative work over the past month, the following items were of particular note;

Corporate;

- An actuarial review of the post-closure fund was completed by Gemtec. This review identified a total of \$285,000. in excess funding within this account based on a revised footprint for the completed landfill. This revision is based on established engineering standards and best practices for landfills.
- Staff have further reviewed, with the F&B Committee, the significant areas of cost savings possible during the current fiscal year (2013) – well over \$500,000. The F&B Committee was generally in agreement with the options presented by staff. Hopefully, these will be reviewed at the Board meeting and approved by the full Board today.
- As of today, between the major cost savings /operating surplus for 2013 and the revised post-closure fund's impact, it is very likely that the \$1.1.million in 2nd previous year deficit will be entirely offset/eliminated at the end of this current fiscal year.
- As indicated in last month's report, legal costs are a cost that appears to have been both under-budgeted and quickly rising beyond expectations (due to RTIPPA costs and other reasons). Further to the discussion of this item at the last meeting, appropriately this item is expected to be reviewed in greater depth during in the In-Camera session following this Board meeting.
- Further to last month's report, attached is information about the former SWSWC's access and usage of Environmental Trust Fund funding annually since this facility opened. While these funds are not guaranteed and must be applied for annually, they have been very helpful especially in carrying out public information and awareness campaigns for various waste reduction activities. These activities had the Province actively supporting them and they expected the solid waste facilities to partner in delivering on them. Given the difficult financial situation the province is now in, it would be prudent, at some point, to question whether these funds will be available in the future and, if not, whether the Board would deem these costs worthy of support from tipping fee and/or other non-government revenue sources.

Solid Waste Division;

- The solid waste division hosted a meeting with RSC12 (our major Canadian customer from outside our region). The group from RSC12 included their Executive Director, Director of Planning, and their new Financial Officer. The key topic of discussion was the billing system for solid waste and information/data sharing regarding their solid waste coming here. The group had an extensive tour of our facility which they appreciated. The day after the visit here they were doing the same visit with RSC1 (Northwest) where they currently send the other half of their solid waste.
- At a recent meeting with ELG, the solid waste managers were informed that the Province was entering into a program for the recycling of used motor oil and glycol, effective January 1st, 2014. This program is the result of a new agreement with a company from Quebec that would be taking these materials. While in theory participation is optional, there is always pressure to participate. We are currently assessing what the costs and revenues for this are but if they are in keeping with the past, it is unlikely that this will show 100% cost recovery on our end.

Planning Division;

- The SNBSC is going to soon receive a one time “surplus” from the closure and break-up of the Rural Planning Commission (approx. \$34,000.00).
- The PRAC held its regular meeting and there were no major issues of concern.
- The planning division is dealing with an issue regarding the “misplacement” of a (relatively) new construction/ building that is too close to a property line. As things currently stand, there is a possibility that this item will require legal work/expense to deal with it.

Provincial Items:

The last group meeting of the EDs and ELG brought out the following points;

- 1) A new agreement with the Federal government regarding the gas tax is being negotiated and is expected to have a wider variety of criteria for eligibility. One potential area is funding for “regional plans”/planning but we will have to wait for the final document to see if this happens.
- 2) All EDs were encouraged to meet with their CAOs and LSM regarding the 2014 budget as well as participate in (LSDs) RAC meetings.
- 3) The appropriate handling of HST by the commissions, as set by the CRA, is still under research and discussion with the CRA. The same is true for handling of per diems from an income tax perspective.
- 4) Most RSCs have their audits done and in, those that don't are asked to move forward as quickly as they can.

- 5) Chris Hand (EMO) reviewed the process for getting the regional EMO plans completed. Expect this to be completed by next spring. The final document will be brought to the Board for endorsement.
- 6) The process for RSCs to establish other services beyond the current 6 was discussed at some length. Nothing has been finalized on this as yet.
- 7) A solid waste study group was established with 4 representatives from the RSCs making up part of the group along with ELG staff. This group is to look at a variety of areas primarily around recycling but some review of potential efficiencies within the current system and infrastructure.

Environmental Trust Fund (ETF) Applications

ETF Applications and Money Awarded 1999 to 2013		
2013	Southwest Service Commission 10 Recycling Outreach	9,000
2013	Southwest Service Commission 10 Waste Reduction	16,000
2012	Waste Reduction Program	18,000
2011	Public Outreach Program	7500
2010	Public Outreach Program	14,200
2009	Conversion to LED Lighting	0
2009	White Goods Pick Up Program	10,000
2008	Public Outreach Program	10,000
2008	White Goods Recycling Program	20,000
2007	Waste Reduction Public Outreach	10,000
2007	White Goods Recycling Program	30,000
2006	White Goods Recycling Program	15,000
2006	Waste Reduction Outreach	10,000
2005	Waste Reduction Outreach	40,000
2005	White Goods Recycling Program	15,000
2004	Household Hazardous Waste Program	20,000
2004	ICI Sector Recycling Program	40,000
2003	Waste Reduction Education	50,000
2002	Education and Recycling in a School Setting	0
2001	Education and Recycling in a School Setting	37,500
2000	Public Education Support	15,000
1999	Fibre Recycling System Support	52,800
1998	Fibre Recycling System Support	52,500
TOTAL		492,500

The Department of Environment offers money to environmental projects that consider protecting, preserving and enhancing the Province's natural environment. There are six categories of projects eligible for financial assistance: protection, restoration, sustainable development, conservation, education, and beautification.

Over the years many ETF applications have been submitted some were supported and some were not. You can see most of the projects were to promote the various programs we offer. Without this money the programs would not have the exposure and success they now have.

Your application must explain what it is you would like to accomplish and how much it would cost. You don't usually receive the full amount of money requested and must show all invoices and the cancelled cheques in order to receive your funding.

Other than in this past years application wages for an employee were never covered. This past summer we had summer student covered to clean up and paint out at our bin depot location.

Mostly the money has assisted our programs.

Programs assisted included: Recycling for all schools in our district bins and totes provided, ICI sector recycling tip carts, totes, and even a retro fit bin, the White Goods Pick up Program and our Household Hazardous Waste (HHW) Program.

The larger projects costs covered would include our 4 minute video we had professionally done of our site operations and programs. We had a full wrap decal put on our minivan to get the attention of children; it had cartoon characters on the recycle path. Money was used to design and print desk and wall calendars each year; handing out approximately 5500 each year. Our blue and green recycle bags have been handed out since 2003; over the years we have ordered about 9000 bags though this funding. Signs for the depots sites and trucks were designed and manufactured.

News paper, radio and cable TV ads for such programs as: computer recycling depots, White Goods Pick Up program, recycling hints, Christmas tree shredding and the school recycling awards.

Promotional materials included: pencils, pens, mugs, hats, magnets (Caps off, HHW, White Goods, Where Does your Garbage go), metal water canteens and temporary tattoos were designed and purchased for children with our website.

Other items paid for were: posters for the forestry bursary program, illegal dumping, White Goods program, pull up banners for display booths and the display booth for trade shows..

Professional services covered were the cartoon drawings for ads and calendars. A graphic designer to put everything together, and the CFC extraction required by a licensed technician for our white goods program.