

Western Valley Regional Service Commission

Finance Committee

Meeting of December 13, 2018
6:30 p.m. – 3143 Main Street, Unit 2,
Centreville, NB

Attendance:

Troy Stone (Chair)
Elaine English
Tina Pelkey
Joan Kennedy (Financial Administrator)

Regrets:

Karl Curtis
Steve Manuel

Call to Order: Meeting called to order at 6:30 p.m. by the Chair.

Agenda: It was moved by Elaine English and seconded by Tina Pelkey that the agenda be approved.

Motion carried

Approval of Minutes: It was moved by Elaine English and seconded by Tina Pelkey that the minutes of the September 13, 2018 Finance Committee be approved.

Motion carried.

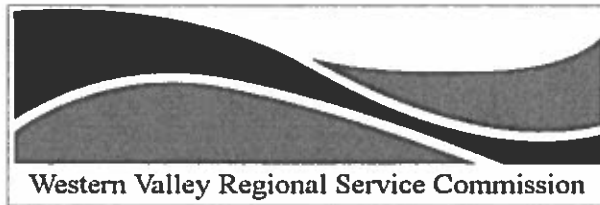
Conflict of Interest Declaration: None

Business Arising: None

New Business:

The 2018 Draft Pro-Forma Income Statements were reviewed by the Committee.

The Solid Waste Pro-Forma Income Statement has a \$359,509 surplus. This figure is being driven by:



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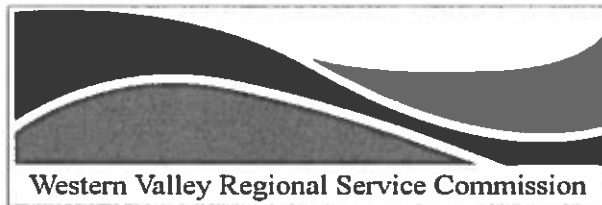
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- Cart fees collected in excess of the amount used to pay down the Scotiabank interim loan prior to receipt of funding from the Municipal Capital Borrowing Board - approximately \$54,100.
- Excess funds received for disposal of both ICI and First Nations fees over the 2018 budgeted amount. The recycle fee was adjusted a number of times during the budget process and the correct amount was not used for either of these 2 groups. Also, cart fees were not calculated for the two First Nation groups.
- EFT funding received for Household Hazardous Waste (\$25,000) and Recycling (\$38,000) were not included in the 2018 Budget as these amounts were applied for in 2018 after the budget was finalized. It was noted that the EFT grant received for Recycling was for \$70,000 in total; however, estimated qualifying expenses as at year-end are \$38,000. The remaining \$32,000 available covers the period from Jan-March 2019 which coincides with the provincial government year-end. This balance was transferred to an unearned revenue account for 2018 and will be set up as a revenue source in 2019. Mid-year the Solid Waste Operating Reserves of \$108,389 were transferred to VWRSC's chequing account to assist in paying for services relating to the implementation of the new curbside recycling program. Hindsight shows that this was not necessary.
- Recycling collection and Processing Costs fall \$102,000 below the budgeted amount. The fact that we budgeted for a 15% diversion rate with the expectation that the curbside recycling program would be up and running in April is somewhat responsible for the budget overage. It was also discussed that we were not aware that the large recycling depots were being used as much as they were by Commercial operators and therefore the volume of residential recycling product was overestimated.

The Committee discussed reserving a portion of the Fund Surplus as follows:

- Approximately \$50,000 in an Operating Reserve that is specifically for payment of principal and interest charges for cart fees by those municipalities who did not/will not be purchasing their carts outright as well as all of the LSDs of our membership.
- \$100,000 to be reserved in a Capital Reserve to cover future costs of refurbishing/replacing the existing Recycle Depots that are remaining in the region. Joan Kennedy was to determine what the historic cost of these depots was when purchased by the Valley Solid Waste Commission and to advise the Committee.

The Committee discussed allowing the remaining portion of the surplus to flow through to the 2020 budget as a source of revenue for that year.



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The Committee also discussed some of the possibilities for usage/disposal of the remaining depots that are currently being stored at J.S. Bellis in Woodstock. All but the designated depots are to be out-of-use by year-end.

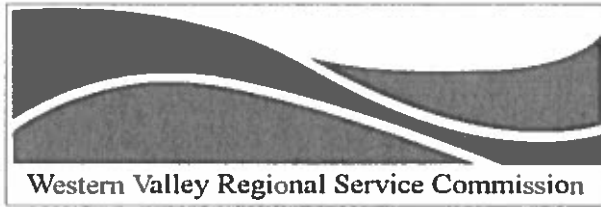
The Local Planning Fund Pro-Forma Income Statement generated a \$10,339 surplus. Projected year-end revenues and expenses were reviewed and the Committee decided that any surplus should be allowed to flow through to the 2020 budget.

The Corporate Fund Pro-Forma expenses were reviewed. These expenses are allocated to Solid Waste (60%) Local Planning (20%) and Co-operative & Regional Planning (20%) in the 2018 fiscal year.

The Co-operative & Regional Planning Fund Pro-Forma Income Statement generated a \$11,420 surplus. The 2018 budget provided for \$4,000 of funding for a Climate Change project that we did not fund this year. The Committee recommends that this surplus be allowed to flow through to 2020 as well.

The Regional Recreation Fund Pro-Forma Income Statement generated a \$13,212 surplus. It was noted that the anticipated Government Grant provided to cover 75% of the Co-ordinator's salary was \$14,375 less than budgeted for. The Grant received in 2018 commenced August 1, 2018 and covers the remainder of the current year as well as Jan-July in 2019. That portion received that applies to 2019 has been set up as an unearned revenue and will be reversed in the new year.

The following summary worksheets of estimated surpluses for the funds and operating reserve fund availability were presented to the Committee for discussion.



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	2018			Reserve d	Actual New Balance
	Revenues	Expenses	Surplus		
Solid Waste	3,018,874	2,659,365	359,509		359,509
Local Planning	570,905	560,566	10,339		10,339
Co-op & Regional Planning	78,706	67,285	11,421		11,421
Regional Recreation	55,932	42,720	13,212		13,212
Totals	3,724,417	3,329,936	394,481	0	394,481

The amount held in an operating reserve fund shall not exceed 5% of the total expenditures that were budgeted for the operation of that service for the previous year

	Current Operating Reserves	2017 Budget	5% Availability	Availability
Solid Waste	0	2,167,262	108,363	108,363
Local Planning	18,138.80	360,622	18,031	-108
Co-op & Regional Planning	0	50,442	2,522	2,522
Regional Recreation	0	50,850	2,543	2,543
Total		2,629,176		



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Troy Stone requested that Joan Kennedy contact other staff from another Commission to determine how they are accounting for accrued sick time with their staff. This information is required to possibly expense or provide a note to year-end financial statements showing a contingent liability for the Commission.

The Committee was advised by Joan Kennedy that we have received the Debenture document from the Municipal Capital Borrowing Board showing the discounted Bond purchase amount as well as Interest rates, and amounts and dates of interest and principal payments over the 4-year period 2019-2023.

It was moved by Elaine English to adjourn the meeting at 8:50 pm.

Recording Secretary: Joan Kennedy

X



Troy Stone, Chair