



***GREATER MONCTON SEWERAGE COMMISSION
APPROVED MINUTES OF ANNUAL GENERAL MEETING***

DATE: Thursday – June 7, 2012 - 11:00 a.m.

LOCATION: Moncton Lions Community Centre

In attendance: Winston Pearce, P. Eng., Chair
D. Baker, C.A., Commissioner
C. Michaud, Commissioner
B. Hicks, Commissioner

Absent: E. Pitre, Vice-Chair

Senior Management: C. Allain, P. Eng., Director of Operations
R. Richard, P. Eng., FEC, Manager of Special Projects

1. Meeting Called to Order – Winston Pearce, Chair

The Chair welcomed everyone to the GMSC Annual General Meeting. The Chair noted that this meeting was the first GMSC Annual General Meeting held in a public forum. The Chair advised that simultaneous translation was available and that the headsets were at the back of the room.

The Chair acknowledged the presence of the municipal political attendees and introduced the Commissioners and GMSC staff.

2. Adoption of Agenda

MOTION

It was **MOVED** by: C. Michaud **SECONDED** by: D. Baker that the Agenda be adopted as presented. **CARRIED.**

3. Chair's Remarks

The Chair related that the GMSC has been in existence since 1983 and this is the first Annual General Meeting held in public. The Chair indicated that he does not want to dwell on the past and he will be looking to the future.

The Commission with its new members met in mid-March 2012 for the first time and much has been accomplished to date.

The Chair provided the highlights of topics and agenda items to be presented during the meeting.



4. Presentation of Auditor's Report – AC Stevenson & Partners PC Inc.

The Chair introduced Mr. Dave Stevenson and Mr. Andrew Boudreau of AC Stevenson and Partners Inc.

Mr. Dave Stevenson presented a summary of the Auditor's Report for the fiscal year to December 31, 2011.

In summary, Mr. Stevenson indicated that the audit report was issued without reservation and indicated that the financial statements present fairly in all material respects, the balance sheets, statement of revenue and expenditures, investment in capital assets and application of funds of the Greater Moncton Sewerage Commission in accordance with accounting principles prescribed for NB Municipalities by the Department of Local Government.

5. 2011 Financial Statements to December 31, 2011 – Doug Baker

The Treasurer, Mr. D. Baker presented a summary of the financial statements to December 31, 2011. He noted that copies of the report were available. Mr. Baker remarked that the GMSC was in a very healthy financial position and provided highlights of the Revenues and Expenditures. The Commission experienced an excess of Revenues over Expenditures for 2011 of \$3,297,294.00 and Mr. Baker provided an explanation for the variations in the revenues and expenditures.

The Commission has set aside \$11,729,220.00 in Capital Reserve Funds to the end of 2011 in order to help finance its Long Term Strategy expenditures. In summary, the GMSC is in excellent financial condition, has no debt and has a strong financial capital base which will prepare the Commission for embarking in what some people refer to as the largest municipal infrastructure project in the amount of \$120 Million which has ever been undertaken in the Greater Moncton area. Following the presentation, questions were welcomed from the audience.

The following answers/clarifications were provided by the treasurer to questions from the audience:

1. In response to a question from Commissioner B. Hicks regarding the increased revenues in 2011, the treasurer D. Baker explained that the three municipalities pay the same equivalent user rate and that the total numbers of units are updated annually for each municipality. The equivalent billable units are established following a review by the auditors annually. The user unit rate was increased by \$20.00/unit for 2011.
2. In response to a question from Commissioner B. Hicks regarding the increase in Salaries/Benefits for 2011, the treasurer D. Baker explained that the increase related to cost of living increases and new hiring's during the year.
3. In response to a question from Commissioner B. Hicks regarding the increase in maintenance costs, the treasurer D. Baker explained that increases were due to increased contract maintenance costs and electrical costs.
4. In response to a question from Commissioner B. Hicks regarding the issuance of an auditor "Letter to Management" and concerns for internal controls, Mr. Dave Stevenson (Auditor) confirmed that no "Letter to Management" was needed and that no significant weakness was detected in the internal controls in place.
5. In response to a question from Mr. Michel Desjardins (member of the public) regarding the Reserve Funds, the treasurer responded that the \$11.7 Million in Reserve Funds are held at the National Bank of Canada and invested in accordance with current investment policies with the highest interest rate possible while maintaining accessibility to the funds.



6. In response to a question from Mr. Michel Desjardins (member of the public) regarding the amount of \$24,500 for professional fees and consulting, the treasurer replied that the amounts included legal and accounting expenses.

It was also reported that the public relations expenses were included in another category identified as Biosolids Marketing.

MOTION

It was **MOVED** by: D. Baker **SECONDED** by: C. Michaud that the Financial Auditors Report be approved as presented. **CARRIED**.

6. Resolution for Appointment of Auditors for 2012 – Doug Baker

A motion was presented by D. Baker for the appointment of Auditors for 2012. Prior to the motion being seconded, Commissioner B. Hicks inquired on the length of time the current auditors had been involved with the GMSC. The Treasurer asked Mr. Dave Stevenson, the Auditor, to respond. Mr. Stevenson responded that AC Stevenson and Partners PC Inc. have been providing the audit service for the GMSC since the late 80's.

B. Hicks suggested that a Request for Proposals (RFP) should be invited for auditing services before adopting a motion for the appointment of auditors. B. Hicks Moved that GMSC go to a RFQ for auditing services for 2012. D. Baker responded that he would not support such a motion. The motion was not seconded.

The original motion that AC Stevenson & Partners be appointed as auditors for 2012 was moved by: D. Baker.

MOTION

It was **MOVED** by: D. Baker **SECONDED** by: C. Michaud that AC Stevenson and Partners be appointed as auditors for 2012. **MOTION CARRIED** with one nay vote by B. Hicks.

7. 2011 Overview – Doug Baker

D. Baker provided an overview of some of the accomplishments from 2011 – 2012 to date:

- Draft Report of Energy Evaluation Study was submitted
- Compost Operations Garage Site Services were completed in 2011
- Biological Nutrient Removal Pilot Plant is in operation since April 2011
- Updated Wind Resource Assessment for Composting Site on Delong Drive was completed
- Engineering Drawings completed for the 2012 Compost Garage Construction
- Regular monthly plus numerous special meetings were held in 2011

8. Historical Retrospective of GMSC – Conrad Allain

The Director of Operations, Mr. C. Allain, provided a historical retrospective of the GMSC from its inception in 1983 to current. He provided a description of the wastewater treatment process currently achieved including the composting system of the biosolids at the Delong Dr. location.



9. Secretary's Report – Channel Michaud (accomplishments in 2012)

In his opening remarks, Mr. Michaud provided complimentary remarks concerning the high quality of all the employees of the GMSC and their effectiveness in multi-tasking.

The secretary, Mr. C. Michaud, provided a summary of accomplishments in 2012 to date. A review of several action items taken by the Commission was provided including several follow-up actions to the Auditor General Report namely:

- Code of Conduct for Commissioners and Employees is being developed.
- The GMSC By-Laws are being revised.
- Recently, "Request for Proposals" for property and liability insurance policy renewals, and grounds maintenance requirements were issued which resulted in substantial savings.
- Travel outside the Maritimes requires prior Commission approval.
- GMSC is evaluating its commitments and memberships to various professional associations.
- Commission Committees were created:
 - Finance/Audit/Governance
 - Human Resources
 - Technical
 - Property and Long Term Strategy

The following additional actions were highlighted:

- New Commissioner Orientation session held in March 2012
- Meetings of the Chair with the Minister of Environment and City/Town Managers
- Regular GMSC monthly meeting minutes are now posted on website and circulated to the three Councils in both official languages
- Joint Commissioners/Municipal Engineering and Public Works staff meetings have been initiated
- Composting Site Garage Contract awarded

The Secretary also indicated that planned quarterly financial reports will be submitted to the municipalities and that new accounting functions/procedures are being implemented.

In addition, a review of Human Resources is planned in 2012 including organizational structure, personnel policy, performance management, recruitment, etc.

10. Future Directions – Winston Pearce & Conrad Allain

The Chair provided an overview of the future directions and the Long Term Strategy to service the needs of the area for the next 75 years.

It was noted that the Federal Regulations will require enhanced wastewater treatment by 2020 and the current estimated costs are \$120 Million.

A summary chart showing the "Historical" and "Projected" user unit rates was presented indicating that a funding gap will occur if funding is not received from the higher levels of government.

The Chair concluded that funding will definitely be a challenge.

The Director of Operations provided an overview of the major implications for the GMSC to upgrade the current wastewater treatment level to an advanced biological process able to meet the new proposed Federal Regulations.



A brief description of the advanced biological treatment process expansion at the treatment plant site in Riverview was provided.

A review of the on-going biological treatment pilot plant was presented and it was reported that the pilot plant process is successful.

Before accepting questions from the public, the Chair asked for a motion to accept the reports as presented and also advised that Mr. D. Baker had two motions that he wanted to present.

MOTION

It was **MOVED** by: D. Baker **SECONDED** by: C. Michaud to approve the presentations of the 2011 Overview, Historical Retrospective of GMSC, Secretary's Report and Future Directions as presented. **MOTION CARRIED.**

11. **Other Business**

1. The following two motions were introduced by D. Baker.

B. Hicks commented that because no prior notice had been given for the motions and that he did not have the opportunity in advance to evaluate the contents of the motions, that he would not support the motions.

MOTION

It was **MOVED** by: D. Baker **SECONDED** by: C. Michaud that

WHEREAS, a "Great Community" is only as great as the individuals who give of themselves to make their communities better places to live, work and raise families, and

WHEREAS, former Chairman Ronald J. LeBlanc has served the Greater Moncton Sewerage Commission with distinguished and outstanding service from its inception in 1983 to 2011, and

WHEREAS, his length of service and leadership to the Commission indicates many worthwhile and lasting accomplishments, and

WHEREAS, the former Chairman Ronald J. LeBlanc provided outstanding service to the Greater Moncton Sewerage Commission that he served for many years, now

BE IT RESOLVED that former Chairman Ronald J. LeBlanc is hereby to be thanked for outstanding and dedicated service to the Greater Moncton Sewerage Commission, and

BE IT FURTHER RESOLVED that a copy of this resolution becomes a permanent record with the Greater Moncton Sewerage Commission.

MOTION CARRIED with one (1) nay vote by B. Hicks.



MOTION

It was **MOVED** by: D. Baker **SECONDED** by: C. Michaud that

WHEREAS, Vice Chairman Edouard Pitre has served the Greater Moncton Sewerage Commission with distinguished and outstanding service from 1988 to 2012, and

WHEREAS, his length of service to the Commission indicates many worthwhile and lasting accomplishments, and

WHEREAS, the Vice Chairman Edouard Pitre provided outstanding service to the Greater Moncton Sewerage Commission that he served for many years, now

BE IT RESOLVED that Vice Chairman Edouard Pitre is hereby to be thanked for outstanding and dedicated service to the Greater Moncton Sewerage Commission, and

BE IT FURTHER RESOLVED that a copy of this resolution becomes a permanent record with the Greater Moncton Sewerage Commission.

CARRIED with one (1) nay vote by B. Hicks.

12. **Questions**

The Chair invited questions from the audience:

- 1 Jack MacDonald, P. Eng. (City of Moncton) expressed best wishes to the Chair and provided general comments regarding his recent participation as a member of the Canadian Public Works Association (CPWA) and discussions with the Federation of Canadian Municipalities (FCM) regarding Canada's public infrastructure and the need for future funding programs. Mr. MacDonald suggested the importance for GMSC to be involved in the National Infrastructure Funding Initiatives and to be involved in the forthcoming FCM round tables for infrastructure funding.

On a second point, Mr. MacDonald related to the Chair that the City of Moncton wishes to have specific discussions on the need for the GMSC to expand its interface with the City of Moncton on the matter of the "Collector Sewers". He wanted to officially advise the Commission of the City's intention to further discuss this requirement.

- 2 Daniel LeBlanc (member of the public) – Comments and questions directed to the Director of Operations
 - a. Mr. LeBlanc expressed concern of not having the opportunity to have an open dialogue on the concept for future treatment. In response to the question of whether the plans and reports of the proposed BNR concept are available to the public for review, Mr. Allain responded that all documents filed with the Provincial Government of the Long Term Strategy under the EIA process are available for review.
 - b. In response to the question of when will it be safe for human activity to take place in the river, Mr. Allain indicated that the proposed new regulations regarding effluent quality must be met by 2020.



- c. Mr. LeBlanc provided the opinion that if GMSC wishes to achieve top marks with the treatment results and be leaders in Canada, that the citizens must realize that the cost must be paid and that the 2.5% projected increase suggested in the presentation, may not be sufficient. He suggested the citizens should be prepared to pay the extra costs.
- 3 Michel Desjardins (member of the public)
- a) Mr. Desjardins provided comment that he was pleased that GMSC had its first Public Annual General Meeting and he was pleased for the presentations on its future plans.
 - b) In response to his question of operating versus a governing board, the Chair clarified that the board's role is setting direction and the operation is the responsibility of senior management.

As there were no further questions, the Chair stated that the business agenda was conducted and sought a motion to adjourn the meeting.

MOTION to adjourn by C. Michaud.

The Chair thanked all for attending and invited all for a light lunch at the rear of the hall.

Meeting adjourned at 12:45 p.m.

ADOPTED ON APRIL 4, 2013