

Present: Mayor Campbell
Councillor Ward-Russell
Councillor Coates
Councillor Elderkin

Absent: Councillor Jonah
Councillor Land

Staff Present: Sean Wallace – CAO
Kim Beers – Director, Legislative Services
Jillian Hutchinson - Treasurer

Call to Order

Mayor Campbell called the meeting to order at 6:00 pm.

Adoption of Agenda

IT WAS MOVED by **Councillor Coates** and **SECONDED** by **Councillor Elderkin** THAT the agenda be adopted as presented.

MOTION CARRIED (unanimously)

Conflict of Interest Declarations

NONE

2026 – Budget Presentation

Mr. Sean Wallace presented the [2026 Fundy Albert Draft Budget Workbook](#) and the [2026 Fundy Albert Draft Utility Budget Workbook](#)

Councillor Elderkin requested additional explanation regarding the “Other General Government Services” line, noting that the amount decreased from \$25,000 to \$17,000.

Ms. Hutchinson clarified that the reduction in the “Other Grants” budget line reflects a decision to lower the funding previously allocated through the Community Grants Program. Instead, Council plans to introduce a Community Sponsorship Program, allowing more flexibility to support community initiatives such as local fundraising events and activities like the Albert County Exhibition. This adjustment is intended to redirect funding in a way that better supports a wider range of community-driven projects.

Councillor Elderkin requested an explanation, specifically referencing line By-law Enforcement

(Other) line item.

Ms. Hutchinson advised that the Bylaw Enforcement – Other line reflects the addition of funds to cover potential cleanup and demolition costs associated with bylaw compliance. Although these expenses are eventually recoverable, reimbursement can take one to two years. Including this amount in the budget ensures the municipality can maintain healthy cash flow and remain financially prepared to address bylaw-related work without strain.

Councillor Elderkin requested clarification under Buildings and Equipment – Common Services, noting that the top two-line items in this section may fluctuate. **Councillor Elderkin** suggested providing an explanation so residents understand why these amounts can vary from year to year.

Ms. Hutchinson explained that the significant increase in the Common Services – Buildings and Equipment budget is primarily due to the General Equipment line. This amount had to be more than doubled to account for rising repair costs on aging municipal vehicles and to allow for the purchase of updated equipment needed to support operational requirements.

Councillor Elderkin noted that the Summer Maintenance – Contract line increased, reflecting a noticeable rise in contracted service costs for seasonal maintenance work.

Ms. Hutchinson explained that an additional \$5,000 was added to the summer maintenance contract to cover rising costs for activities such as shoulder work, painting, and grading within the village core areas. This increase functions partly as a cost-of-living adjustment, ensuring the municipality can maintain the same level of service next year and continue ongoing maintenance work on municipal streets.

Councillor Elderkin noted the increase under Community Centres and Halls, seeking clarification on what is driving the higher budget allocation in this category.

Ms. Hutchinson explained that the increase under Community Centres and Halls is due to rising operating costs as well as the need to build a contingency for building repairs, given the age of the facilities. Additional funds are also being allocated for upgrades, including a new key-access system at the Riverside-Albert Rec Centre and design work needed for upcoming stair improvements in the hall area of the Rec Centre.

Councillor Elderkin clarified two key points for the public and Council:

1. Budget decisions are still based on estimates because the municipal audits have not yet been fully completed. As a result, some financial information is still pending, and decisions are being made without all final figures.
2. Regarding the utility budget workbook, **Councillor Elderkin** emphasized that the presentation combines all three water and sewer systems into one summary. While the combined rates are shown, each system also has its own internal budget. **Councillor**

Elderkin highlighted this to ensure it is clear that the figures presented represent a consolidated total, not separate standalone budgets.

Councillor Ward-Russell raised concerns about the presentation format of the budget, noting that it is more difficult to follow now that the detailed line-by-line format used in recent weeks has been consolidated into grouped totals.

Councillor Ward-Russell requested that the budget be broken down to show which costs are shared and which are not, including the percentage split for clarity.

Councillor Ward-Russell also sought confirmation regarding the line item for the external audit (clarifying whether it pertains to 2025 or 2026), Ms. Hutchinson confirmed it pertains to 2026.

Councillor Ward-Russell noted the importance of having actual year-to-date figures. Without actuals, it is challenging to properly assess the requested amounts for the next budget, as the current figures remain estimates.

Public Statement and Inquiries

Mr. David Knickle thanked Council and administration for the presentation and noted they had learned a lot from previous meetings. Mr. Knickle raised concerns about understanding the utility budget, particularly the user-pay system. Mr. Knickle emphasized that while municipal utility users pay rates based on their respective former municipalities, residents in LSDs (who are not connected to municipal water/sewer) still incur comparable or even higher personal costs through wells, septic systems, filtration systems, and long-term maintenance.

Mr. Knickle shared detailed calculations showing that when the cost of installing, amortizing, and maintaining private water and septic systems is considered, their overall annual cost is equal to—or in some cases higher than—the combined property tax and utility rates paid by municipal users. Mr. Knickle emphasized that unlike municipalities, LSD residents do not have access to federal or provincial infrastructure funding and must rely on personal financing (e.g., bank loans or lines of credit) to maintain their systems.

Mr. Knickle asked Council to keep these realities in mind when considering future tax rates or utility increases, stressing that although LSD residents may not pay municipal water/sewer bills, they still shoulder significant costs to access safe water and wastewater services, and many are effectively already paying more than municipal residents.

Councillor Elderkin responded by acknowledging and appreciating the comments, noting that she also represents LSD areas and understands the concerns. **Councillor Elderkin** clarified that while municipalities do receive infrastructure funding, it still comes at a cost because the municipality must repay its share. She highlighted that municipal water and sewer systems require collective responsibility—if one property has a failure, it can affect many, and recent examples such as a six-week water line break demonstrate the high costs and aging infrastructure challenges faced across the province.

Councillor Elderkin emphasized that all communities—former villages and LSDs—are navigating these issues together. She noted that former villages had established routines prior to amalgamation, and part of the current difficulty is still building a clear understanding of operational needs and workloads, such as how many staff hours go into water and sewer services.

Councillor Elderkin noted the importance of developing accurate data for future budgets so Council and residents can understand the true cost of delivering utility services. While progress has been made since amalgamation, she acknowledged that more work is needed and that full clarity likely will not be achieved before year-end, but the municipality is moving in the right direction.

Mr. Knickle emphasized the key difference between municipal and LSD situations: in municipalities, risk is shared across users, whereas in LSDs, individuals bear full responsibility and cost when something goes wrong with their water or septic systems. They noted that many residents are already facing financial strain due to rising costs. Mr. Knickle expressed hope that continued open dialogue will eventually lead to greater balance, perhaps with tax reductions for some and adjustments for others, so that costs become more equitable across the region.

Councillor Elderkin shared a personal example to illustrate the importance of perspective and understanding in utility discussions. Before serving on Council, she had refused to pay their water bill for several years due to a long-standing boil-water advisory that lasted seven years. Eventually, their water was shut off, and only later, after learning more about the system costs—did they understand why payment remained necessary despite service issues.

Mr. Wallace explained that the municipality is improving operations every day and is implementing new tools, such as GPS and mobile analytics, to better understand and track public works activities over the next year. He noted that Fundy Albert is uniquely challenging due to its size and the fact that it must manage “three of everything” across a large geographic area. He outlined several efficiency measures now in place, including significantly reducing overtime unless absolutely necessary and approved directly by him. He also described a shift toward completing more work in-house to save money—for example, using municipal staff to install banners and Christmas lights, cutting trees with the help of an in-house arborist, and reducing reliance on external contractors.

Mr. Wallace emphasized that these changes are already producing improvements and that the municipality is moving in the right direction. With more accurate operational data in the coming year, Council and residents will have clearer information to support better long-term decision-making.

Mr. James Wilson, expressed appreciation that the property tax rate is not increasing this year, noting it was welcome news after several years of past increases. He then asked Council to

provide some perspective on the stability of this decision. Specifically, he asked whether maintaining the rate was expected or a recent development, whether it could continue in future years, and whether tax reductions might eventually be possible. He also inquired about how much additional revenue the municipality would likely need before tax reductions could realistically be considered, acknowledging that these questions involve speculation.

Mayor Campbell explained that increasing municipal revenue generally requires increasing the tax rate, since municipalities are not profit-driven and rely primarily on taxation. This year's 0% increase was achieved by carefully reviewing expenses and finding ways to "do more with less."

Mayor Campbell noted that with inflation at roughly 3.2%, maintaining a flat tax rate actually amounts to a real decrease when adjusted for inflation.

Mayor Campbell acknowledged that everyone feels the impact of rising costs, including Council members who are also taxpayers. **Mayor Campbell** also referenced the impacts of regionalization, noting that some residents in former LSDs dislike paying shared service costs for facilities like arenas and recreation centres, but these shared expenses are now part of the unified municipal structure.

Mr. Wallace responded that increasing municipal revenue is most realistically achieved by growing the population, since more residents mean more property tax revenue shared across the community. He noted that while there are other revenue options—such as adjusting user fees or exploring a municipal corporation that does not compete with local business—those are not preferred approaches.

He also highlighted that expanding the municipal water system could lower utility rates by increasing the number of users. This might involve working with federal partners to secure funding for system expansion, and he expressed willingness to advocate for such support. Overall, he emphasized that attracting more residents is the most sustainable way to strengthen the municipality's revenue base and reduce the burden on existing taxpayers.

Mr. James Wilson asked a final follow-up question, noting that the only topic not yet addressed was the outlook for next year. He asked what the likelihood is that the municipality will again be able to maintain a 0% tax increase when the next budget cycle arrives.

Mr. Wallace advised that Council had set a clear directive early on to aim for a 0% tax increase for this year, and administration worked hard to achieve it. One of the primary strategies was shifting more work in-house rather than contracting it out. He noted that tasks such as installing Christmas lights, hanging veteran banners, trimming trees, and similar seasonal or maintenance activities previously cost the municipality significant amounts when done by contractors. By handling these jobs internally, the municipality avoids paying inflated contractor rates, generating real savings. These internal efficiencies are part of the strategy to help maintain stable tax rates moving forward.

Councillor Elderkin added that while revenue is important, the expense side is equally critical, especially the large number of assets Fundy Albert has inherited. She emphasized that the next Council will need to thoroughly assess all municipal assets to determine which ones are necessary and beneficial to maintain, and which may no longer serve the needs of the community. With a full year of accurate operational data under the CAO, Council will be better positioned to understand what is working well and what the municipality may not need going forward.

Mr. Sean McGrath, thanked Council and administration for their work and acknowledged improvements in leadership. He noted that the last three years have been difficult for rural LSD residents, who have experienced tax increases while former villages have not, making the process challenging to rationalize from a rural perspective.

He explained that in past years, Council provided detailed budget breakdowns showing each ward's local costs and how shared services were allocated. He expressed a strong desire to see that level of detail again, particularly because shared services are the greatest concern for rural taxpayers. He emphasized the importance of transparency so residents can clearly understand how shared costs are calculated and what services they receive for them.

Mr. McGrath also pointed out that final tax rates (e.g., the uniform rate of 0.5899) include an adjustment or "final fudge factor," meaning the calculated numbers don't always match the final rate. He advised that residents should be aware of how and why this adjustment occurs.

He requested clarity on whether village water and sewer infrastructure costs are shared with rural LSDs, stating that while hard costs are known to be separate, the status of soft costs (such as staff time) is less clear and should be confirmed.

Mr. McGrath appreciated the CAO's comments on efficiencies and noted that tightening operations before considering tax increases is the right approach. He explained the "what-if" comparison exercise presented earlier, calculating the equivalent cost of rural residents' private water, septic, filtration, and insurance, to compare rural expenses with village utility rates. He concluded by acknowledging the pros and cons of rural vs. village living, emphasizing that rural areas have their own identity and unique circumstances. He stressed again the importance of detailed information on services and cost allocations to ensure fairness and understanding.

Mayor Campbell thanked Mr. McGrath for his thoughtful comments and acknowledged the importance of the information he requested. **Mayor Campbell** stated that they will work toward providing the detailed facts and clarity he's looking for and aim to present that information more clearly in the near future.

Mr. Bob Rochon asked a clarifying question regarding the Hillsborough water utility rate. Mr. Rochon noted that the rate is proposed to increase from \$95 to \$119 per quarter. Mr. Rochon what specific factors have driven such a significant increase, nearly \$25 per quarter, for all Hillsborough water users.

Ms. Hutchinson advised that the increase to the Hillsborough water utility rate is driven by several necessary investments. Upcoming repairs are required for the community's water building, and a contingency has been added to address unforeseen maintenance needs. In addition, the municipality is continuing its water exploration work, which includes securing landowner agreements, preparing access roads, and drilling new wells.

Mr. Rochon, questioned why the Hillsborough water rate must increase again for exploration work. He noted that water rates were already raised in 2022 specifically to fund exploration and that those higher rates have remained in place since then.

Mr. Rochon asked where the additional funds collected between 2022 and 2025 were allocated. Specifically, he sought clarification on whether:

- those funds were set aside in a reserve dedicated to water exploration, or
- the exploration funding was absorbed into the general operating costs of the water utility, resulting in the need for another rate increase now.

Ms. Hutchinson advised that she cannot speak to how Hillsborough handled water-exploration funds in 2022, as she was not employed with the village at that time. However, she clarified the following for 2023, 2024, and likely 2025:

- Water-exploration costs cannot be placed in a capital reserve, because under accounting standards, exploration is not considered a capital expense.
- The municipality can only contribute a limited amount each year to an operating reserve, meaning excess revenue from the higher 2022 rates could not be fully stored there.
- Water-exploration work—especially landowner agreements—has taken longer than anticipated, which delayed the use of some funds.
- Her recommendation over the past two years has been to move the surplus from the water utility into capital reserves, since once phase one of exploration is complete, phase two (involving major infrastructure like access roads and treatment buildings) will be significantly more expensive.
- She noted that, as an example, the well building in Alma cost about \$2 million, illustrating the scale of future capital needs once exploration transitions into construction.

Mr. Rochon advised that water-exploration work, estimated at \$40,000 at the time according to the hydrologist's report—has still not been completed, noting that the necessary access road to the well site has yet to be built. Mr. Rochon acknowledged some responsibility for delays during their previous term but stressed the need to move forward so actual exploration can begin.

Shifting to the general budget, he highlighted that tax rates have remained virtually unchanged. While this may be welcomed by some, especially in former LSD areas, it also means very little new revenue is being generated. Mr. Rochon cautioned that this lack of revenue will inevitably hinder the municipality's ability to invest in economic development and tourism, which are vital for long-term sustainability.

He referenced research by Professor Campbell for the Southeast Regional Service Commission, which emphasized that without strategic investment in economic development and tourism, municipalities ultimately harm themselves. As an example, he noted that in Shediac, the former town kept its tax rate stable, but former LSD areas saw a 5-cent increase to support municipal priorities. Mr. Rochon concluded by warning that if Fundy Albert continually pushes to lower or freeze tax rates, the municipality will struggle to grow and succeed as a unified community.

Mr. Wallace responded by noting that rising equipment and material costs have contributed to higher water-system expenses, and that new provincial regulations will require municipalities to begin additional water-quality testing next year, including testing for contaminants like lead that were not previously required. These new testing obligations will add significant costs to the utility budget.

Mr. Wallace emphasized that while economic development does not create immediate financial returns, it is essential for long-term growth. Without it, the municipality cannot expand its tax base.

Mr. Rochon agreed that investing in economic development is critical for Fundy Albert's future, explaining that growth leads to increased tourism, more businesses, more development, and ultimately higher revenues. He noted that these increased revenues can eventually result in lower taxes for everyone. As a taxpayer himself, he stated that he supports the idea of paying more to receive more, because the benefits ultimately come back to the community.

Mr. Rochon acknowledged that many residents dislike paying for shared services but reminded everyone that shared costs have always existed in practice, even before amalgamation. As a Hillsborough resident, he paid taxes that supported the rink, museum, and library, even though he personally rarely or never used those services, because they were important community assets.

He noted that the majority of people who use the Hillsborough arena actually come from outside Hillsborough, such as participants in Fundy Blades skating, recreational hockey, and Minor hockey. This shows that shared facilities benefit the wider region, not just the former village. He emphasized that the Province of New Brunswick mandated the shared-cost model during regionalization, not the current council. If residents have concerns about shared services, those concerns should be directed at the province, not the municipality. He added that the province provided little assistance during amalgamation, a point he has been vocal about and will continue to raise.

He concluded by stating that, given the circumstances, Council is doing a very good job with the resources and structure they were given.

Mayor Campbell responded by acknowledging that the municipality "inherited a problem" created by the province during regionalization, and that Council is working through the challenges that came with it. He noted that while he personally has never used the Hillsborough pool or rink, he recognizes that these facilities are essential, especially for youth, and that the associated costs must be shared across the entire municipality.

Mayor Campbell advised that Fundy Albert is now “one big village,” whether people like it or not, and that with help, patience, and understanding, the municipality will eventually come together successfully.

Mr. Barry Russell offered congratulations to Council but raised significant concerns about the provincial property assessment system, which forms the base on which municipal tax rates are applied. He shared personal experience challenging assessments, occasionally successfully, but expressed deep dissatisfaction with the assessment branch, the appeal process, and the overall accuracy of property valuations.

Mr. Russell advised that many assessments are incorrect or inconsistent, noting examples such as neighboring parcels of land being assessed differently despite similar characteristics. He acknowledged that assessment is a provincial responsibility, not a municipal one, but stressed that inaccurate assessments directly affect municipal taxation and revenue stability. Mr. Russell encouraged Council to apply whatever influence they can in the provincial review process, asserting that improved assessments would lead to a more accurate tax base, and consequently a healthier and fairer revenue stream for Fundy Albert.

Mr. Sean McGrath advised that while unity is important, 70% of the municipality’s population lives in rural areas, and their experiences and choices shouldn’t be overlooked. Rural residents deliberately chose that lifestyle and have historically contributed differently than village residents, so the message of a single unified identity doesn’t reflect everyone’s perspective. He noted that Lower Coverdale is currently experiencing growth, with new homes and rising assessments contributing positively to the municipality’s overall tax base. He expressed hope that similar growth will eventually occur in the villages and other LSDs, supported by Council’s economic development initiatives. Mr. McGrath also reflected on the tax changes imposed by the province during amalgamation. He questioned the basis for those initial increases, pointing out that the province did not have complete financial information at the time, information the municipality still doesn’t fully have. As a result, the imposed increases appeared arbitrary.

He highlighted the disparity in tax rate changes since amalgamation:

- Village tax rates decreased
- Rural areas saw significant increases

While he fully supports paying for shared services, he reiterated that costs must be transparent, accountable, and fair, and that future decisions should reflect a genuine sense of unity across the entire municipality.

Ms. Sherry Wilson, MLA and a former provincial minister, who was directly involved in the regionalization process, spoke to provide context and support for Council. She explained that amalgamation was initiated because the province previously had over 300 separate local entities,

and consolidation was intended to improve governance while still allowing communities to maintain their identities (e.g., Riverside-Albert remains Riverside-Albert, Alma remains Alma).

Ms. Wilson acknowledged that amalgamation was always expected to be a long, challenging process, not something that could be fixed overnight. She noted that while the previous government had planned additional financial support for municipalities, the current government only provided \$68 million, which was far less than needed given municipalities' expanded responsibilities.

Addressing concerns about property assessment, Ms. Wilson clarified that the assessment office (Service NB) and the Department of Finance are distinct but often confused. She emphasized that the assessment system used in New Brunswick is the same model used across North America. While not perfect, a recent external review, conducted by experts from Europe, concluded that the assessment process is sound, with rising fair market values being the primary driver of increased property assessments.

Ms. Wilson shared examples of how skyrocketing real estate values, especially during COVID-19, have significantly inflated assessments across the province. She also noted that residents can appeal their assessments, though results vary.

Ms. Wilson committed to bringing two motions to the Legislature, including one to reduce the provincial assessment fee, which currently flows directly into general provincial revenue, not to the assessment office. She acknowledged that these motions likely won't pass due to being in the minority but emphasized the importance of trying.

Ms. Wilson concluded by recognizing Fundy Albert Council's hard work in holding the tax rate steady despite inflation and major infrastructure challenges. She praised Council's efforts, noting that budget deliberations are complex, demanding, and require balancing rising costs with residents' ability to pay.

Adjournment

Moved by Councillor Elderkin that the meeting be adjourned at 7:13 pm.

Mayor

Clerk