

MUNICIPALITY OF THE DISTRICT OF LUNENBURG
Minutes of a Meeting of
FINANCE COMMITTEE
Held in Council Chamber, 210 Aberdeen Road, Bridgewater, NS
Tuesday, March 5, 2019 – 9:00 a.m.

ATTENDANCE

Councillor Claudette Garland, District 6, Chair
Councillor Eric Hustvedt, District 1, Vice Chair
Mayor Carolyn Bolivar-Getson
Councillor Martin Bell, District 2
Deputy Mayor Cathy Moore, District 5
Councillor Wade Carver, District 7
Councillor Michael Ernst, District 8
Councillor Reid Whynot, District 9
Councillor Errol Knickle, District 10

Regrets: Councillor Lee Nauss, District 3
Councillor John Veinot, District 4

Staff: Alex Dumaresq, Deputy Chief Administrative Officer
Sherry Conrad, Municipal Clerk
Elana Wentzell, Director of Financial Services
Angela Veinot, Manager of Accounting
Sarah Kucharski, Communications Officer
Rachel Hiltz, Recording Secretary

1. CALL TO ORDER

Councillor Garland called the meeting to order at 9:00 a.m.

2. ANNOUNCEMENTS/ACKNOWLEDGEMENTS/RECOGNITIONS:

2.1 Awesome Foundation

Councillor Hustvedt congratulated the Awesome Foundation. Every month the Foundation receives presentations from three groups competing to win \$1,000 for their “awesome” ideas. This month the event was held at the Petite Pet Hospital and Wellness Centre and the winner was the South Shore Community Justice Society. The Society will use the funding to gain better training for their counsellors. The Petite Pet Hospital also passed out free tick removers to those in attendance.

3. PUBLIC INPUT: (Nil)

4. APPROVAL OF AGENDA:

Moved by Mayor Bolivar-Getson, seconded by Deputy Mayor Moore that an In Camera item 13.2 Contract Negotiations re Department of Transportation and Infrastructure Renewal under Section 22(2)(e) of the *Municipal Government Act* be added to the agenda.

Councillor Michael Ernst advised he would be declaring a Conflict of Interest for item 13.1 Land Negotiations re Oakland as he is a member of the Mahone Islands Conservation Association.

The motion on the floor was voted on and carried unanimously.

5. APPROVAL OF MINUTES – February 5, 2019:

Councillor Hustvedt noted some amendments to Item 2.1 “Broad Cove Community Association Parents/Babies and Tots Playgroup”. He requested to change “They” to “The Resource Centre” and remove “and” and add “while the Broad Cove Community Association received”.

Moved by Councillor Hustvedt, seconded by Councillor Whynot that the Minutes of the February 5, 2019 Finance Committee meeting be approved as amended. Carried.

6. BUSINESS ARISING FROM MINUTES (Nil):**7. AWARDING OF TENDERS/RFPs (Nil)****8. PRESENTATIONS/SCHEDULED TIMES:**

Dave Waters, Economic Development Officer, was in attendance.

8.1 South Shore Tourism Cooperative – Funding Request

Joanne Cooper, General Manager, Best Western, and Donna Hatt, Marketing Development Manager, White Point, were present and gave a presentation on the South Shore Tourism Cooperative and spoke to their funding request of \$4,839.00. The presentation provided an update on the work that has been completed and the upcoming goals of the Cooperative.

Discussion was held and the following points were noted:

- There is a focus on year-round promotion of the area, specifically the winter months.
- There are concerns about the sharing economy, which include facilities that do not have to register and report their accommodations (i.e. Air BNB, Bed & Breakfasts, etc.) These facilities do not report their room night stays or pay commercial tax. There are currently 213 non-registered facilities in MODL, and 225 registered facilities on the South Shore.
- The Cooperative focuses on the areas from Peggy’s Cove to Barrington. There are partnerships with Halifax Regional Municipality and the St. Margaret’s Bay and Area Tourism Association.
- There has been an interest in the Rhododendron’s in the Municipality. Councillor Bell has spoken to people who have travelled from Halifax just to see them. This could be another festival that could be added, similar to Lobster Fest.
- The Yarmouth to Portland ferry does provide tourism and economic opportunities and is an important international connection. The Cooperative would like to see increased numbers of passengers from Portland to Yarmouth. Part of increasing these numbers is marketing the area better to outside markets. The Cooperative also focuses on slowing down tourists as they pass through to major stopping places in the Province, such as Halifax. The ferry schedule does pose issues for people staying in the Lunenburg County area, as it leaves very early in the morning, so people are more likely to stay in the Yarmouth area.
- Contributions to the South Shore Tourism Cooperative are based on population. It was noted that tourists do not travel based on municipal unit, they travel around the area as a whole. There is infrastructure and attractions in both the towns and the rural areas to attract people.

Ms. Cooper and Ms. Hatt were thanked for their presentation and they left the meeting at this time.

9. **CONSIDERATION OF CORRESPONDENCE (Nil):**
10. **RECOMMENDATIONS FROM COMMITTEES & BOARDS (Nil):**
11. **STAFF REPORTS:**
 - 11.1 **Finance Department**

- 11.1.1 **5 Year Capital Plan**

- 11.1.2 **2019/2020 Capital Budget**

Ms. Wentzell reviewed the Five Year Capital Plan and the draft 2019/2020 Capital Budget (circulated with Agenda).

Satu Peori, Wastewater Management Supervisor; Stephen Pace, Director of Engineering & Public Works; Jeff Merrill, Director of Planning & Development; Dave Waters, Director of Business Development, Tourism & Infrastructure; Trudy Payne, Director of Recreation; Britt Vegsund, Active Living Coordinator; and, Tyler Richardson, Engineering Student, were present to review their projects in the budget.

Gas Tax – It was noted that gas tax comes through as a revenue in the capital fund and is used to pay for capital projects. The funds are initially placed in a reserve, then moved out of the reserve when the capital project is completed. There is \$1.1 million in gas tax revenue this year.

Lunenburg County Lifestyle Centre (LCLC) Depreciation Reserve – This reserve initially comes into the operating budget. It cannot be considered capital, as the LCLC is not a MODL capital asset, it is its own separate legal entity.

LaHave River Straight Pipe Replacement Project – The funds for this project are based on 1/3 funding from both the Federal and Provincial Governments. Claims are submitted to receive these funds. The remaining 1/3 is funded from depreciation reserves, which is paid back by the homeowners.

Budget Assumptions – Concern was raised that population and economic growth have stalled, however, the budget projects positive growth over 5 years. It was noted that the growth built into the budget reflects a 2% increase in tax assessment revenue. Council can reconsider these assumptions.

Asset Management – Ms. Peori advised that MODL will be required to complete an Asset Management Plan to continue to receive gas tax funds. The Plan will create an inventory of all assets that MODL owns, and determine the depreciation, upkeep and maintenance costs associated with each over the next 5 to 20 years.

Community Solar Project – The new administration building will accommodate a solar project if the decision was made to use solar in the future. The current building plans do not include solar power. This is the last year of this community solar program if Council is interested in applying for it. While it is important that the municipal unit be progressive when it comes to renewable energy, it was decided to remove this from the capital budget.

13. **IN CAMERA**

Mr. Dumaresq and Councillor Ernst declared a Conflict of Interest in relation to item 13.1 and left the meeting.

At 11:25 a.m., it was moved by Deputy Mayor Moore, seconded by Councillor Hustvedt that Municipal Council go In Camera to discuss the following items:

13.1 Land Negotiations re Oakland under Section 22(2)(a) of the *Municipal Government Act*

13.2 Contract Negotiations re Department of Transportation and Infrastructure Renewal under Section 22(2)(e) of the *Municipal Government Act*

Carried.

Municipal Council In Camera in session.

Mr. Dumaresq and Councillor Ernst returned to the meeting for item 13.2.

At 12:15 p.m., it was moved by Councillor Hustvedt, seconded by Councillor Carver that Municipal Council come out of In Camera and return to open session. Carried.

Municipal Council in session.

The meeting resumed at 1:30 p.m. Mayor Bolivar-Getson arrived at 1:45 p.m.

11.1 Finance Department (Continued)

11.1.1 5 Year Capital Plan

11.1.2 2019/2020 Capital Budget

Osprey Village – Nathan Cirillo Road Extension – The road extension project is not specifically for the new administration building, it is an economic development driver. MODL has lost numerous business opportunities because it cannot sell the lots in the area until this road is complete. The work also includes sewer and water provision to the lots, and continues the water loop, which is currently a health concern as it doesn't loop.

Signage – The current signage will advertise the Visitor Information Centre. A question arose regarding advertising for the LCLC. It was noted that there are constraints around the community identification signage which does not allow advertising for the LCLC, however, some sort of sign could be added underneath it. Mr. Waters to investigate.

11.1.3 2019/2020 Sewer Rates

Ms. Wentzell reviewed the report titled "Operating Budget 2019/20 Sewer Rates" (circulated with Agenda).

A question arose regarding why there is no Consumer Price Index (CPI) applied to the sewer tax rates. It was noted that assessment generally increases every year, and since the sewer rates are based on assessment, the revenue increases as well. Staff are working to ensure that the sewer rates bring in enough revenue to cover the costs to operate and maintain the systems.

Discussion was held regarding sewer rates and whether Council would want to continue to operate the sewer systems or have them decommissioned. If a decision was made to decommission the systems, this would have to be done over a period of time and the systems would need to continue to be maintained and meet Department of Environment standards until that time. Council will hold a workshop in the future. The asset management project will also help identify the needs of the MODL sewer systems.

Moved by Councillor Bell, seconded by Deputy Mayor Moore that the Finance Committee recommends to Council that Municipal Council approve the following rates for the 2019-20 fiscal year:

- 1. Hebbville Sewer Rate of \$0.43 per \$100 of assessment**
- 2. Cookville, New Germany & Conquerall Bank Sewer Rate at \$0.73 per \$100 of Assessment.**

Carried unanimously.

11.1.4 2017/2018 Lunenburg County Lifestyle Centre Surplus Funds

Ms. Wentzell reviewed the report titled "2017-18 LCLC Surplus Funds" (circulated with Agenda). She noted that in 2017/2018 the LCLC had a surplus and, per the Agreement, MODL was paid one half of the surplus. The other half went to the Town of Bridgewater (TOB). There is benefit in setting up a reserve for this surplus and any future surpluses to cover any deficits that may occur.

It was noted that MODL also puts funds into an LCLC Capital Reserve in the event of any unforeseen capital upgrades. It is recommended that this surplus be put into an operating reserve, as the money can be used without the restrictions of a capital fund reserve.

For clarification, it was noted that if Council decides to set up the operating reserve, this will be an MODL reserve account, not an LCLC account. There was discussion at previous LCLC Board meetings that the LCLC would keep any surpluses and set up their own reserve, however, the Memorandum of Understandings (MOU's) have not yet been changed to reflect this. Mr. Malloy noted that the Board, with TOB and MODL, are going through a strategic planning process to determine the relationship between them and update these MOU's.

MODL and TOB have taken over operation of the LCLC. Since this time, MODL has dedicated staff to the operations of the facility.

Moved by Councillor Ernst, seconded by Councillor Hustvedt that the Finance Committee recommends to Council that Municipal Council approve the transfer of the 2017-18 LCLC Surplus funds in the amount of \$26,994.21 to a Municipality of the District of Lunenburg (MODL) Lunenburg County Lifestyle Centre (LCLC) Operating Reserve; and further, that any future LCLC surpluses or deficits be added or deducted from this reserve. Carried unanimously.

11.1.5 Public Transit Gas Tax Allocation

Ms. Wentzell reviewed the report titled "Public Transit Gas Tax Allocation" (circulated with Agenda).

Moved by Councillor Hustvedt, seconded by Deputy Mayor Moore that the Finance Committee recommends to Council that Municipal Council stop making contributions to the specific capital reserve for public transit. Carried unanimously.

11.1.6 Summer Co-op Students

Ms. Wentzell reviewed the report titled "Summer 2019 Co-operative Education Work Placements" (circulated with Agenda). During the budget process, each applicable department will show the cost of the summer co-op student as an addition to their budget. There will be

offsetting revenue from grants, which the Grant Coordinator is currently applying for. There are identified projects for these students.

It was noted that the Fort Point Museum is the site of the first capital of New France. There is very little information regarding this publicly. A student position could be used to research this information, and other points of interest around the Municipality, to show where our descendants came from and where they went throughout Canada. This information is of great interest to many tourists.

11.2 Recreation Department

11.2.1 Pesticide Use on the MARC Ballfields

Ms. Payne and Jason McCarthy, Park Supervisor, were in attendance and gave an report on the MARC Ballfields (circulated with Agenda). Mr. McCarthy noted that the crows are destroying the ballfields, as they are ripping up the grass in large pieces to eat the grubs underneath. Staff may need to close ballfield 2 for the season to get it back to usable condition. Seeding will also be required on ballfields 1 and 3.

Staff have tried to use organic methods to remove the grubs, however, these methods have not worked. They are now requesting to be able to use pesticides on the fields to remediate the issue. Research was done on the use of nematodes to destroy the grubs, however, they have very little shelf life, require specific environmental conditions, and need a lot of water to be successful. Other places that have used them have not always had success.

Council made a motion in 2001 to discourage the use of pesticides on municipal property, however, it does not stipulate that pesticides cannot be used. The pesticide being considered for the ballfields is called Acelepryn and is a registered pesticide for use in Canada.

Ms. Payne added that Recreation Nova Scotia recently provided information on a new organic option that should work to remediate the issue. Staff will do further research on this option.

It is unknown if the pesticide will need to be used continually or not. The \$20,000 budgeted amount is an estimate, as staff are not aware of the total cost of the pesticide, or the total cost to fix the fields and what the fields will require. They will be speaking to experts to determine the final costs. If the costs are over the budgeted amount, they will come back to Council. Staff are also requesting pre-budget approval to begin the work as soon as possible.

Moved by Councillor Whynot, seconded by Councillor Hustvedt that the Finance Committee recommends to Council that Municipal Council make an exception and engage the services of professionals to apply a pesticide on the MARC ballfields to address the issue of crows destroying the ballfields to get to grubs underneath the grass, and to receive professional advice on a long-term maintenance plan for the ballfields to help prevent this problem from reoccurring. Carried unanimously.

Moved by Deputy Mayor Moore, seconded by Councillor Whynot that the Finance Committee recommends to Council that Municipal Council gives prebudget approval in the 2019/2020 Budget for River Ridge Commons project in the amount of \$300,000 and the MARC Ballfield Project in the amount of \$20,000. Carried unanimously.

12. MAYOR'S/DEPUTY MAYOR'S/COUNCILLORS' MATTERS:

12.1 Lunenburg County Lifestyle Centre Update (M. Ernst)

Councillor Ernst gave the following update on the Lunenburg County Lifestyle Centre:

- The next Board meeting is March 13. The February meeting was cancelled, but the February Agenda will be brought forward, with any additional items. All Board meetings are open to the public and follow *Municipal Government Act* regulations.
- A strategic planning session was held. The results of the sessions are in the February 21 agenda package.
- Tanya Tucker will be holding a concert at the LCLC on May 11. She will be stopping in Yarmouth and Truro as well. The three areas are trying to work together to save marketing and production costs. Staff is using professionals to load in and load out and lay the flooring. With every concert, there is a required amount of money to be paid, regardless of ticket sales.

At 3:30 p.m., it was moved by Mayor Bolivar-Getson, seconded by Deputy Mayor Moore that Municipal Council go In Camera to continue the discussion on item 13.2 Contract Negotiations re Department of Transportation and Infrastructure Renewal under Section 22(2)(e) of the *Municipal Government Act*. Carried.

Municipal Council In Camera in session.

At 3:45 p.m., it was moved by Deputy Mayor Moore, seconded by Councillor Whynot that Municipal Council come out of In Camera and return to open session. Carried.

Municipal Council in session.

14. ADJOURNMENT

There being no further business at 3:45 p.m., it was moved by Councillor Bell, seconded by Deputy Mayor Moore that the meeting adjourn. Carried.