

MUNICIPALITY OF THE DISTRICT OF LUNENBURG
Minutes of a *Special Meeting* of
FINANCE COMMITTEE
Held in Council Chamber, 210 Aberdeen Road, Bridgewater, NS
Tuesday, April 16, 2019 – 12:15 p.m.

ATTENDANCE

Councillor Claudette Garland, District 6, Chair
Councillor Eric Hustvedt, District 1, Vice Chair
Mayor Carolyn Bolivar-Getson
Deputy Mayor Cathy Moore, District 5
Councillor Martin Bell, District 2
Councillor John Veinot, District 4
Councillor Wade Carver, District 7
Councillor Reid Whynot, District 9
Councillor Errol Knickle, District 10

Regrets: Councillor Lee Nauss, District 3
Councillor Michael Ernst, District 8

Staff: Kevin Malloy, Chief Administrative Officer
Alex Dumaresq, Deputy Chief Administrative Officer
Elana Wentzell, Director of Financial Services
Angela Veinot, Manager of Accounting
Sarah Kucharski, Communications Officer
Dave Waters, Director of Business Development, Tourism & Infrastructure
Rachel Hiltz, Recording Secretary

1. CALL TO ORDER

Councillor Garland called the meeting to order at 12:15 p.m.

2. ANNOUNCEMENTS/ACKNOWLEDGEMENTS/RECOGNITIONS:

Councillor Hustvedt noted that the Electoral Boundary Commission recently released the new boundaries and Lunenburg County has remained the same. Mayor Bolivar-Getson and MLA Mark Furey made presentations to the Commission to highlight the importance of keeping the boundary the same.

3. PUBLIC INPUT: (Nil)

4. APPROVAL OF AGENDA:

Moved by Mayor Bolivar-Getson, seconded by Councillor Hustvedt that the Agenda be approved as circulated. Carried unanimously.

5. APPROVAL OF MINUTES – April 2, 2019:

Moved by Councillor Hustvedt, seconded by Councillor Whynot that the Minutes of the April 2, 2019 Finance Committee meeting be approved as circulated. Carried unanimously.

Councillor Hustvedt noted that he declared a Conflict of Interest for item 11.1.3 Full & Partial Tax Exemptions as his spouse is the secretary of one of the boards that requested a tax exemption.

6. BUSINESS ARISING FROM MINUTES (Nil):

7. AWARDING OF TENDERS/RFPs: (Nil)**8. PRESENTATIONS/SCHEDULED TIMES:****8.1 Municipal Joint Services Board 2019-20 Operating Budget & Capital Plan**

Ms. Wentzell reviewed the Municipal Joint Services Board (MJSB) 2019-20 Operating Budget & Capital Plan (circulated with Agenda). The following points were noted:

- An unexpected expense was required as the gate was damaged by a customer. Some costs have been recovered. It is unknown if the full cost will be recovered, and more cost recovery may be coming.
- The MJSB funds some of its capital budget from operating. The money is taken from operating and capitalized and amortized over time.
- The demolition of Riverport and Centre schools will cause an increase in landfill waste.
- A new Human Resources (HR) position has been created. This employee was seconded from the Town of Bridgewater, and MODL and the Town cost share 40/60 to cover this cost. If the Town of Mahone Bay, or other external clients utilize the position, the cost to both the Town and MODL will be reduced. MODL has budgeted for 2 days of service per week. The employee has been given a list of projects to be completed and will be reviewing job descriptions regularly, partaking in the hiring process, etc.

9. CONSIDERATION OF CORRESPONDENCE (Nil)**10. RECOMMENDATIONS FROM COMMITTEES & BOARDS:****10.1 Municipal Joint Services Board (MJSB)****10.1.1 MJSB 2019-20 Operating Budget & Capital Plan**

Moved by Deputy Mayor Moore, seconded by Councillor Bell that the Finance Committee direct staff to include the 2019-20 Operating Budget and Capital Plan for the Municipal Joint Services Board, as presented, with \$7,500 added to the IT Operating Reserve Fund for cyber security in the Municipality's 2019-20 Budget.

A question arose regarding the IT cyber security. It was noted that \$7,500 is MODL's share of this cost. The IT Department investigated getting insurance for cyber security but the premiums were very high and there is not a lot of claim experience. A decision was made to self-insure so if any partner units have a claim, the costs will be covered by the reserve fund.

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

It was also noted that MODL has a daily server backup, which is done off site, in East Pennant, NS and is secure. The IT Department gave a presentation to the Board regarding the risk of cyber security and a risk analysis was completed. Concern was raised that the three member units are self-insuring, but outside clients can purchase IT services. This will be discussed with MJSB staff and notice will be given to the clients.

10.2 Lunenburg County Lifestyle Centre (LCLC)**10.2.1 LCLC 2019-20 Operating & Capital Budget**

Trudy Payne, Director of Recreation Services, was in attendance to review the LCLC 2019-20 Operating & Capital Budget (circulated with Agenda).

The following points were noted:

- In 2017/2018 the budget increased by \$25,000 for the Marketing Coordinator position.
- The capital budget includes funding to repair the roof leak.
- A dehumidification system is also included in the budget as humidity is causing issues particularly with the ice surface. It is hoped that this system will fix the humidity issues, but there may be a requirement for a second part of the system, which could cost an additional \$75,000.
- An interim manager position is recommended. This will reduce the time Ms. Payne is required to spend at the LCLC as a current manager. The costs for Ms. Payne's work is not reflected in the 2019/20 budget being presented as most of the cost was in the 2018/19 fiscal year.
- Each year MODL puts \$165,000 into capital reserves. The Town of Bridgewater does not currently put any funds into capital reserves. This discussion will need to be held during the review of the Memorandum of Understanding.
- Questions arose regarding capital assets and lifecycles. An operations review is currently being held and when it is complete, staff will have a better understanding of asset management and lifecycle planning at the facility.

Moved by Councillor Hustvedt, seconded by Mayor Bolivar-Getson that the Finance Committee direct staff to include the proposed 2019/20 Lunenburg County Lifestyle Centre Budget being \$420,000 allocated for an Operating Budget and \$87,500 allocated for a Capital Budget in the Municipality's 2019/20 Budget. Carried unanimously.

11. STAFF REPORTS:

11.1 Finance Department

11.1.1 2019/20 Draft Operating & Capital Budgets

Ms. Wentzell reviewed the 2019/20 Draft Operating & Capital Budgets (circulated with Agenda).

Jamie Burgess, Municipal Engineer, and Jeff Merrill, Director of Planning and Development Services were in attendance at this time.

Discussions were held and the following points were noted:

- The LaHave River Straight Pipe Replacement program chart represents gross costs. 2/3 of the costs are covered by grants from the Federal and Provincial Governments. The final 1/3 is recovered from homeowners. Currently, 50% of homeowners billed for cost recovery are paying the bill in full, and the other 50% go on the loan program. The program budget is based on the replacement of 600 systems.
- The new MODL building budget of \$7.2 million includes a 15% contingency. There is a line item within the planning and design phase for a contingency and a contingency is included in the construction phase. Three options will be presented for Tenders. Option 1 is the plan as presented to Council, Option 2 is for a shingled roof versus metal roof, and Option 3 is to build the building without the tower. If the original design comes in over budget, the other two options will allow Council alternatives to stay within budget.
- The Department of Transportation and Infrastructure Renewal has provided letters regarding the J Class Roads. The letter indicates the costs will be lower than what has been budgeted, however, the tenders often come in higher so staff recommended the amount in the budget remain the same. This will come forward to the Council meeting on Tuesday, April 23, 2019.

- The CEF/CES parking lot replacement cost has increased. The original quote of \$85,000 was 3-4 years old and was for a patch job. The parking lot has since deteriorated. The new scope of work includes replacing gravel, building a base, putting in a new catch basin for stormwater drainage and replacing the asphalt.
- The Miller Point Peace Park interpretive sign is a carry forward. The project did not get tendered last summer due to staffing changes.

11.2 Economic Development Department

11.2.1 NOW Lunenburg Financial Request – Dr. Recruitment

Mr. Waters reviewed the NOW Lunenburg Financial Request – Dr. Recruitment (circulated with Agenda).

Discussion was held and the following points were noted:

- NOW Lunenburg County is not a Not-for-Profit and not registered with Joint Stocks. For this reason, the Community Foundation of Nova Scotia Society (the Foundation) has resubmitted the grant request for \$5,000. If approved, the Foundation will then provide the \$5,000 to NOW Lunenburg County. It was asked if there would be any administration fees to come out of the grant for the Foundation. Staff will need clarification on this.
- The original request was for \$13,250 and included mostly operating costs. MODL will not cover those operating costs, therefore, the request is now \$5,000 and will go toward the event and marketing materials.
- In the past, MODL has bought an advertisement from NOW Lunenburg. The *Municipal Government Act* stipulates how the Municipality can provide funding and grants, which is why it could buy the ad in the past and why, to provide the grant, it would have to go through the Foundation.
- The importance of recruiting and retaining doctors was noted. NOW Lunenburg County has been trying to attract doctors to the area, however, it would be beneficial to see figures on how many doctors have been recruited and how many have stayed.
- Concern was raised that doctor recruitment needs to be a Federal and Provincial mandate and MODL should not be trying to solve the issue.
- The \$5,000 grant will remain in the budget and staff will ask NOW Lunenburg to attend a future Council meeting to clarify the questions noted.

11.3 Recreation Department

11.3.1 2019/20 Municipal Grant Program; Funding for Other Municipal Units/Groups with Management Agreements, Trail Groups

Ms. Payne reviewed the report titled “2019/20 Municipal Grant Program; Funding for Other Municipal Units/Groups with Management Agreements, Trail Groups” (circulated with Agenda).

The following points were noted:

- The Town of Lunenburg (the Town) would prefer to receive the full \$40,000 for the ice resurfer in the 2019/20 budget year. It was noted that they will not be purchasing it until 2020/21. Staff recommended providing \$10,000 per year over four years. Alternatively, Council can provide the funding over two years, giving the Town the full amount when it comes time to purchase.
- Mayor Bolivar-Getson sent letters to all other units requesting some funding for the Lunenburg County Lifestyle Centre. No response has been received yet from the Town. Further discussions on the regionalization of recreation services needs to be held by all

units. It is recognized that residents from across the County use recreation facilities in all the municipal units and supporting each other is important.

- The Town also budgeted to receive \$30,000 for operating expenses and \$10,000 toward the roof of the community centre from MODL.
- The Burg Classic was a recent hockey event held at the Lunenburg Arena, which raised \$37,000 for medical costs for those in need. This money goes to residents in all the municipal units. There were also attendees and players from Tantallon to Barrington. Also, all four school systems use the rink and the only two rinks available for the South Shore Minor Hockey Association are the Lunenburg Arena and the LCLC.
- A question arose regarding whether the Town is fundraising for the ice resurfer and if they are asking other municipal units or for Provincial or Federal funding. MODL could provide funding in the 2019/20 budget and have remaining funding contingent on other units providing funding.
- The budget request for the ice resurfer will be considered in the 2020/2021 budget.
- The Pinegrove Outdoor Play Association received \$5,300 for the splash pad last year. This year they will receive another \$16,700, for a total funding of \$22,000. This funding was committed to in last year's budget. They also received \$6,000 last year and will receive another \$6,000 this year for their operating grant.
- The Grant Program Categories, Non-Profit Groups with Management Agreements, and Rail to Trail Group grant recommendations were approved.
- A question arose regarding how many people in Lunenburg County go mountain biking. MODL is budgeting \$7,000 for a pump track in addition to funding the current skills park and trails. Ms. Payne will get this information from the Lunenburg County Mountain Bike Association.

11.1.1 2019/20 Draft Operating & Capital Budgets

Mr. Malloy and Ms. Wentzell reviewed the additions to the budget. The following points were noted:

- The South Shore Fieldhouse Society has requested \$42,000 in funding. Council has not agreed to support the request from the Society, however, the facility will likely require funding in the future and the funds should remain in the budget for that time.
- The draft budget surplus is \$84,600 and Council has an \$80,000 contingency fund so there is about \$164,000 available in the budget for unexpected costs or investments.

12. MAYOR'S/DEPUTY MAYOR'S/COUNCILLORS' MATTERS: (Nil)

13. IN CAMERA:

At 2:40 p.m., it was moved by Deputy Mayor Moore, seconded by Councillor Whynot that Municipal Council go In Camera to discuss item 13.1 Personnel Matter under Section 22(2)(c) of the *Municipal Government Act*. Carried.

Municipal Council In Camera in session.

At 2:50 p.m., it was moved by Deputy Mayor Moore, seconded by Councillor Hustvedt 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 2:50 p.m., it was moved by Councillor Bell, seconded by Councillor Whynot that the meeting adjourn. Carried.