

Finance Committee Meeting AGENDA

02, February, 2021 – 9:00 a.m.

1. CALL TO ORDER
2. ANNOUNCEMENTS, ACKNOWLEDGEMENTS, RECOGNITION
- 2.1. Proclamation – African Heritage Month1
3. PUBLIC INPUT (15 Minutes)
4. APPROVAL OF AGENDA (as circulated)
5. APPROVAL OF MINUTES – December 1, 2020
6. BUSINESS ARISING FROM MINUTES - Nil
7. AWARDING OF TENDERS/RFPs – Nil
8. PRESENTATIONS/SCHEDULED TIMES
- 8.1. Region 6 2021/2022 Budget – Valda Walsh & Christine McClare9:15 a.m 2-18
9. CONSIDERATION OF CORRESPONDENCE – Nil
10. RECOMMENDATIONS FROM COMMITTEES & BOARDS - Nil
11. STAFF REPORTS
- 11.1. Finance Department
- 11.1.1. Operating and Capital Variance Report 19-29
- 11.1.2. 2021/2022 Area Rates 30-32
12. MAYOR’S/DEPUTY MAYOR’S/COUNCILLORS’ MATTERS
- 12.1. Lunenburg County Lifestyle Centre (LCLC) Update
13. ADDED ITEMS
14. IN CAMERA
15. ADJOURNMENT

African Heritage Month Proclamation

WHEREAS February is recognized internationally as African Heritage Month -a time to recognize and salute the many contributions and ongoing achievements of people of African Descent all over the world and here in the Municipality of the District of Lunenburg in the Province of Nova Scotia.

WHEREAS we are in the 7th year of the International Decade for People of African Descent

WHEREAS this year's theme: "Black History Matters: Listen, Learn, Share and Act", recognizes the important legacy of people of African Descent and the long-standing history in the development of Canada. This theme brings focus and increased awareness of racialized issues of a community that has overcome great adversity for inclusion in all aspects of Society.

THEREFORE, be it resolved that I, Carolyn Bolivar-Getson, Mayor of the Municipality of the District of Lunenburg do hereby proclaim the month of February to be African Heritage Month. I encourage residents, businesses, and community groups to participate in the activities and celebrations and to take the opportunity to reflect on the story of Nova Scotia's vibrant African Nova Scotian Community.



Finance Committee
February 2, 2021
Item: 8.1
Authorization: E. Wenzell

BUDGET 2021-22

CHRISTINE MCCLARE

REGIONAL COORDINATOR

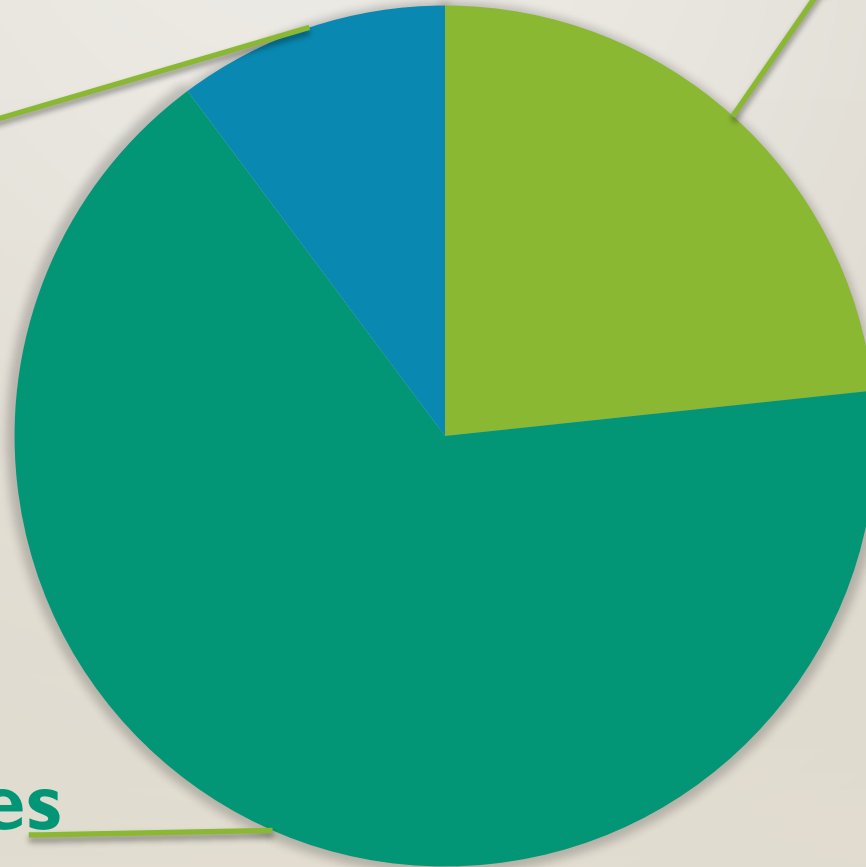
BUDGET 2021-22

EXPENSE SUMMARY	2020-21 Projection	2020-21 Budget	2021-22 Budget
Operations	\$131,509	\$124,192	\$124,901
Education	\$85,981	\$86,955	\$92,004
Payments to units	\$701,400	\$622,125	\$696,925

REVENUE

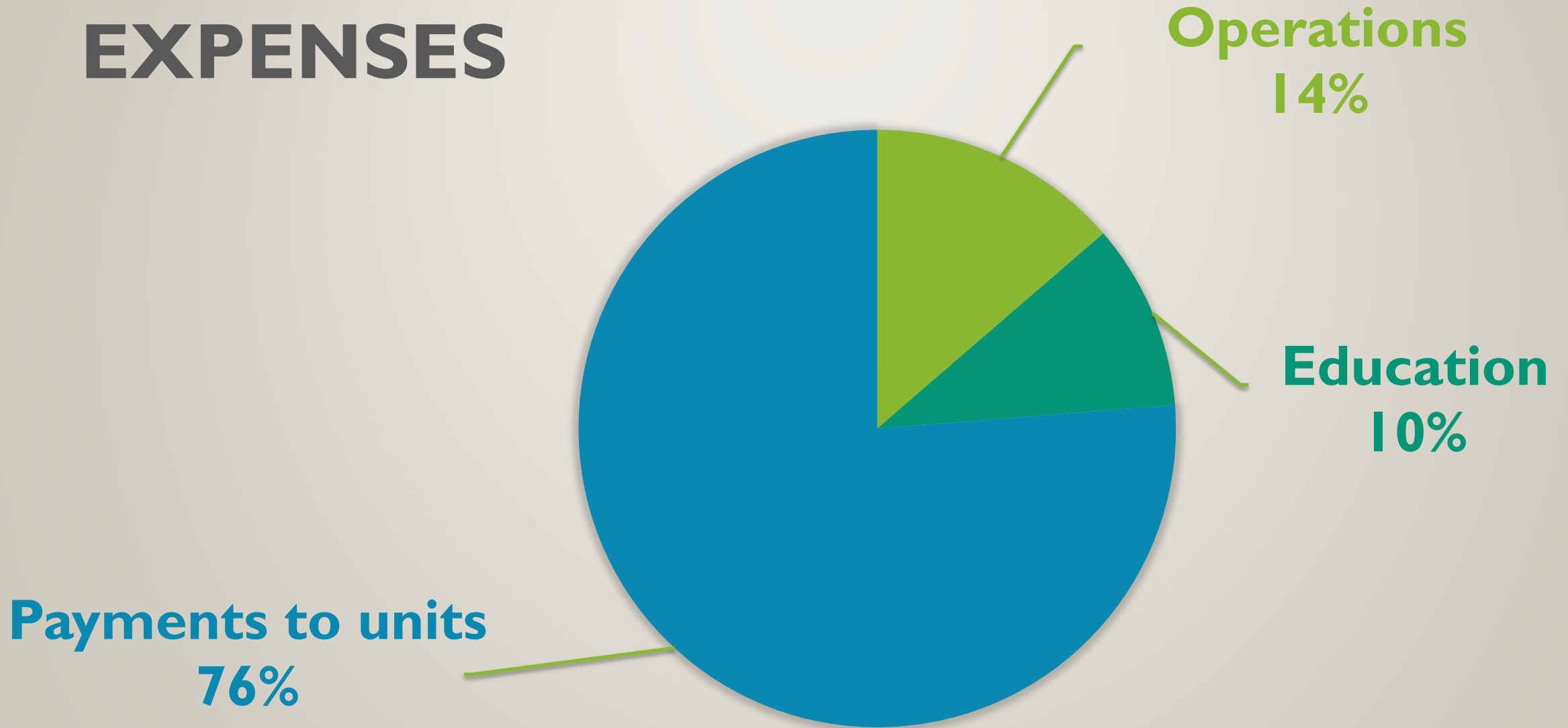
**Municipal
Contribution
10%**

**Contracts/Service
Agreement
23%**



**Stewardship/Incentives
67%**

EXPENSES



REVENUE	2020-21 Projection	2020-21 Budget	2021-22 Budget
CONTRACTS/SERVICE AGREEMENTS			
Education Contract ¹	80,392	70,163	80,392
Coordinator Agreement	43,286	43,286	43,286
Enforcement Contract	89,425	89,425	89,425
Services	3,000	3,000	0
Sub-total	\$ 216,103	\$ 205,874	\$ 213,103
STEWARDSHIP/INCENTIVES			
Dairy Stewardship	99,256	87,000	87,000
Diversion ²	432,219	365,200	440,000
Municipal Approved Programs	80,500	80,500	80,500
Interest		0	0
Sub-total	\$ 611,975	\$ 532,700	\$ 607,500
MUNICIPAL CONTRIBUTION			
Municipal Billing ³	94,699	94,699	93,227
Sub-total	\$ 94,699	\$ 94,699	\$ 93,227
TOTAL	\$ 922,777 ⁶	\$ 833,273	\$ 913,830

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Diversion ²	extra \$67k expected > 432,219	365,200	440,000
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Interest		0	0
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EXPENSES	2020-21 Projection	2020-21 Budget	2021-22 Estimates
OPERATING EXPENSE			
Admin Salaries and Benefits ⁴	87,307	77,782	75,327
Administration (host)	9,390	9,390	9,390
Travel	1,000	5,500	5,500
Training and conference	1,600	2,040	2,040
Office Rental	9,398	9,540	9,978
Office supplies/computer/advertising ^{4,5}	10,112	7,600	9,400
Insurance	3,364	3,100	3,400
Legal	1,000	1,000	1,000
Auditor	8,239	8,240	8,866
Sub-total	\$ 131,509	\$ 124,192	\$ 124,901
EDUCATION			
Education salaries and benefits	61,681	60,255	62,804
Education travel	10,500	10,500	10,500
Program materials & advertising ⁵	3,000	4,200	6,700
R6RECYCLES	10,800	12,000	12,000
Sub-total	\$ 85,981	\$ 86,955	\$ 92,004

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PAYMENTS TO UNITS			
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Diversion ²	432,219	365,200	440,000
Municipal Approved Program	80,500	80,500	80,500
Sub-total	\$ 701,400	\$ 622,125	\$ 696,925
TOTAL Expenses	\$ 918,890	\$ 833,273	\$ 913,830



INTER-MUNICIPAL RESERVES SCHEDULE

	F2021 Projection	Approved Expenses	Program amount remaining
Public bins Program 2021	5,400	30,000	24,600

TABLE I:**Municipal billing: (pending budget approval)**

Municipal area serviced:	Pop'n	% of Region	2021-22 Budget
Shelburne Shared Services	6,562	7.25%	\$ 5,244
Town of Bridgewater	8,532	9.43%	\$ 6,818
Town of Mahone Bay	1,036	1.15%	\$ 828
Municipality of Lunenburg	24,863	27.49%	\$ 19,870
Municipality of Barrington	6,646	7.35%	\$ 5,311
Town of Clark's Harbour	758	0.84%	\$ 606
Municipality of Chester	10,432	11.53%	\$ 8,337
Town of Lunenburg	2,263	2.50%	\$ 1,809
Municipality of West Hants	19,016	21.02%	\$ 15,197
Region of Queens Municipality	10,351	11.44%	\$ 8,272
Total	90,459	100.00%	* \$ 72,292

\$93,227 Municipal billing reduced by 20,935 audited surplus from last year

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FUNDING PROGRAM		2019-2020	
	Region 6 total	Per capita (calculated)	
MUNICIPAL APPROVED PROGRAMS	91,493		
ENFORCEMENT	89,425		
PAINT/HHW PROGRAM	20,652		
DIVERSION CREDITS *	383,636		
DAIRY STEWARDSHIP	94,060		
Sub-Total	\$ 679,266		~ 7.51 per capita
<i>In-kind</i>			
EDUCATION	70,163		
ADMINISTRATION/LIAISON	124,192		
Sub-Total	\$ 194,355		~ 2.15 per capita
TOTAL	\$ 873,621		~ 9.66 per capita



THANK YOU!

**Christine McClare
& Valda Walsh**

Regional Coordinator

902-624-1339

902-790-6834

Christine.McClare@Region6SWM.ca



Municipality of the District of Lunenburg

Request for Decision

REPORT TO: Finance Committee
SUBMITTED BY: Elana Wentzell, CPA, CMA
DATE: February 2, 2021
RE: 2020/21 Operating Fund Variance Report & Capital Project Status & Gas Tax Investment Update

EXECUTIVE SUMMARY

The enclosed Operating Fund Variance Report gives Council details of operating budget accounts where forecasted savings will be achieved and where additional costs are expected to be incurred. Changes to December's report are highlighted.

The Capital Budget Status & Gas Tax Investment Report is enclosed to give Council information on the status of the Capital & Gas Tax funded Projects approved in this fiscal year.

A Safe Restart funding grant has been received to help offset increased costs and decreased revenues due to the COVID-19 pandemic. This is a Federal Grant administered by the Province. Details surrounding reporting was presented to staff on January 27, 2021. Staff will report costs and lost revenues attributable to COVID on the annual Financial Information Return. However, detailed definitions of eligible categories have yet to be solidified. An update will be provided once more details are known.

BUDGET IMPLICATIONS

Some Departments are forecasting budget shortfalls in some accounts with overages in others. Staff are projecting an Operating surplus of \$233,650 which represents a 0.75% budget variance.

Capital & Gas Tax funded Projects are moving forward as indicated on the attached status report.

CONCLUSION

Staff are projecting operating budget shortfalls in some accounts which are offset by budget overages in others. The Safe Restart Grant should cover the projected overages in expenditures and account for lost revenues due to COVID-19.

The Capital Budget Status Report indicates that projects in the amount of \$8,004,019 have been completed to date.

Gas Tax funded projects for non-owned infrastructure are budgeted at \$3,250,600 with \$1,212,395 spent to date.

Department:

Report Prepared By:

Date:

Report Approved By:

Date:

Reviewed By CAO:

Date:

**Municipality of the District of Lunenburg
Operating Fund Variance Report
December 31, 2020**

	Actual Cost	Annual Budget	FORECAST	Actual Variance (% Budget left)	Forecast Variance	Comments on Forecast Variance
REVENUE						
Tax Revenue	\$ 24,149,570	\$ 24,049,500	\$ 24,104,500	0%	\$ 55,000	Estimate based on actual billing
Business Property	114,877	162,500	160,000	29%	(2,500)	Estimate based on actual amount received
Deed Transfer Tax	1,900,808	902,000	2,100,000	-111%	1,198,000	Estimate based on actual received to date
Other Taxes	57,981	62,600	62,600	7%	-	
Grants in Lieu of Taxes	69,155	203,200	203,300	66%	100	
REMO/Accessibility recovery from Other Units	47,167	81,300	81,300	42%	-	
Sale of Services (Recreation & Bldg. Insp)	32,840	59,100	55,800	44%	(3,300)	Decrease based on Spring/Summer Program losses due to COVID (\$25,500) offset by a walking trail grant (\$22,000)
Other Revenue - Fines, Permits, Rentals & Interest	677,658	1,151,200	886,800	41%	(264,400)	Decrease based on reduced interest on tax billing and investments
Farm Acreage Grant	51,694	88,300	88,300	41%	-	
Provincial Grants	1,498,676	103,300	181,300	-1351%	78,000	ASK Coordinator Grant \$80,000 (unbudgeted - term extended) - Active Smarter Kids
TOTAL REVENUE	\$ 28,600,426	\$ 26,863,000	\$ 27,923,900	-6%	\$ 1,060,900	
EXPENDITURES						
Mayor & Council	\$ 305,243	\$ 453,700	\$ 453,700	33%	\$ -	
Bank Interest & Charges	3,597	2,800	2,800	-28%	-	
Administration	491,368	683,300	679,000	28%	(4,300)	Estimate for decreased staff travel costs
Finance	489,062	702,500	698,600	30%	(3,900)	Estimate for decreased staff travel costs
Tax Exemptions	173,664	180,900	173,900	4%	(7,000)	Non-profit exemption lower than expected
Legal & Advisory Services	177,036	1,034,300	1,064,800	83%	30,500	Based on actual legal fees paid
Administration Building, Supplies and Data Processing	440,787	761,500	791,900	42%	30,400	Estimate for increased costs due to COVID for PPE and signage - Safe Restart Funding eligible
Allowance for Uncollectible taxes	3,477	175,100	175,100	98%	-	
Tax Sale Expenses	58,711	70,000	70,000	16%	-	
Government Relations, Communications & Municipal Celebrations	38,019	113,000	107,700	66%	(5,300)	Estimate reduction as some Fire recruitment and retention events cancelled due to COVID
Insurance	94,640	92,700	102,200	-2%	9,500	Based on Oct 1 contract renewal- increased costs due to industry and COVID

**Municipality of the District of Lunenburg
Operating Fund Variance Report
December 31, 2020**

	Actual Cost	Annual Budget	FORECAST	Actual Variance (% Budget left)	Forecast Variance	Comments on Forecast Variance
Grants to Organizations	407,276	715,900	702,000	43%	(13,900)	Estimate for reduced grants based on cancelled events due to COVID
Election Costs	131,167	189,000	134,100	31%	(54,900)	Forecast for final costs - savings due to electronic voting
Assessment Services	528,338	704,500	704,500	25%	-	
Police Protection	2,507,637	3,345,500	3,345,500	25%	-	
Correction Services & Prosecutions	364,860	501,300	501,300	27%	-	
Fire Protection Municipal Costs	256,015	385,700	376,100	34%	(9,600)	Estimate reduction in WCB premium costs for Fire Personnel based on Oct 1 start date vs April 1
Emergency Measures	101,771	142,800	142,200	29%	(600)	
Protective Inspection Services	284,820	514,000	513,900	45%	(100)	
Dog Control	23,980	36,500	36,500	34%	-	
Common Services (Engineering)	296,096	458,400	456,900	35%	(1,500)	Estimate based on reduced staff travel costs due to COVID
Municipal Road Maintenance	1,584,064	2,638,600	2,802,200	40%	163,600	Additional J Class road costs approved by Council
Garbage & Waste Collection	1,812,872	2,482,800	2,654,000	27%	171,200	MJSB est \$300,000 deficit (MODL share approx. 65% \$195K)
Regional Housing	-	35,000	35,000	100%	-	
Planning & Zoning	409,902	580,200	590,400	29%	10,200	Estimate based on Final costs for Fancy Lake Study paid in current year and encroachment survey costs
Economic Development	489,696	2,005,700	938,200	76%	(1,067,500)	Estimate reduction for Internet Projects that will be carried forward into 2021-22 (\$1 M) and reduction in staff travel and conferences and events promotion due to COVID
Recreation Staffing, Facilities and Programming	819,927	1,193,600	1,166,450	31%	(27,150)	Estimate reduction based on cancelled programs due to COVID
Libraries	118,599	159,700	159,700	26%	-	
LCLC	674,270	796,900	866,600	15%	69,700	Estimate based on prior year deficit (2019/20) paid in current year. Current year deficit due to COVID not yet known.

**Municipality of the District of Lunenburg
Operating Fund Variance Report
December 31, 2020**

	Actual Cost	Annual Budget	FORECAST	Actual Variance (% Budget left)	Forecast Variance	Comments on Forecast Variance
Education	5,601,068	8,401,600	8,401,600	33%	-	
Financing & Transfers	365,000	\$ (2,889,500)	\$ (1,358,500)	113%	1,531,000	Budgeted \$481,000 from reserves to balance budget - should not be required due to Safe Restart Grant (see below) and Gas Tax to be carried over for Internet Projects \$1,050,000
TOTAL EXPENDITURES	\$ 19,052,962	\$ 26,668,000	\$ 27,488,350	29%	\$ 820,350	Forecast for increased expenditures some of which should be covered by Safe Restart Grant
Area Rates						
Fire Protection Revenue	3,465,068	3,491,400	3,491,400	1%	-	
Fire Protection Expenditures	(3,491,339)	(3,491,400)	(3,491,400)	0%	-	
Sewage Collection & Disposal Revenue	406,934	434,700	434,700	6%	-	
Sewage Collection & Disposal Expenditures	(428,319)	(709,300)	(716,200)	40%	(6,900)	Based on estimated costs to date
Private Road Maintenance Revenue	238,854	238,300	238,300	0%	-	
Private Road Maintenance Expenditures	(166,419)	(161,700)	(161,700)	-3%	-	
Street Lighting Revenue	138,278	148,600	148,600	7%	-	
Street Lighting Expenditures	(110,544)	(145,600)	(145,600)	24%	-	
NET AREA RATES	\$ 52,512	\$ (195,000)	\$ (201,900)		\$ (6,900)	
SURPLUS (DEFICIT)	\$ 9,599,976	\$ -	\$ 233,650		\$ 233,650	
% Annual Budget					0.75%	

**Municipality of the District of Lunenburg
Operating Fund Variance Report
December 31, 2020**

	Actual Cost	Annual Budget	FORECAST	Actual Variance (% Budget left)	Forecast Variance	Comments on Forecast Variance
Federal Safe Restart Grant	\$ 1,414,000	\$ -	\$ 1,414,000	\$ -	\$ 1,414,000	Funding has been received - full details on reporting requirements and limitations are not yet known. Program parameters include: address increased operating costs resulting from a reduction in revenue due to COVID-19; continue to implement social distancing and infection prevention and control protocols required to operate facilities, public spaces and effectively deliver services to citizens; support safe transit operations and innovative solutions required to adjust to modified capacity; and acquire additional PPE.

**Municipality of the District of Lunenburg
2020/21 Capital Budget & Gas Tax Investment Status Report**

	Project Budget	Actual Cost 31-Dec-20	Actual Cost Variance	Forecast 31-Mar-21	Forecast Variance	Staff Comments
Infrastructure Investment						
Buildings						
Municipal Services Building	5,369,300	4,739,265	630,035	5,369,300	-	Move of Municipal services to Champlain Drive building complete. Commissioning and deficiency correction now underway. Total construction cost forecast from Building Design to Completion \$8,623,261 as per budget
Riverport School demolition and remediation	1,069,000	190,524	878,476	250,000	(819,000)	Demolition bids came in substantially below Consultant's budget estimates. Site work now substantially complete. Consultant performing final round of ground water monitoring and will be submitting final report to NSE in mid-February, 2021 seeking clearance.
Centre School Demolition	100,000	-	100,000	25,000	(75,000)	Further Environmental Site Assessment (ESA) work to be done...little progress due to other project priorities and limited resources.
Vehicles						
Engineering Vehicle Purchase (Facilities Superintendent)	35,000	-	35,000	42,000	7,000	EV vehicles are \$45,000 less \$5,000 instant rebate, plus net HST; Tender being prepared.
Rec- Truck (2007 Mazda)	35,000	-	35,000	35,000	-	Tender being prepared
Paving & Sidewalks						
Municipal Road Infrastructure Design	75,000	40,934	34,066	75,000	-	Design work ongoing on Municipal Roads
Paving Meldrum, Buena Vista, Aspen	833,000	570,595	262,405	833,000	-	Work recently completed, expected to be at or close to budget.
CES/CEF Building Parking Lot	-	(1,061)	1,061	-	-	Project completed
Osprey Village - Nathan Cirillo Road Expansion	-	14,672	(14,672)	-	-	Project completed
White Ave Paving Holdback	-	18,435	(18,435)	-	-	Project completed

**Municipality of the District of Lunenburg
2020/21 Capital Budget & Gas Tax Investment Status Report**

	Project Budget	Actual Cost 31-Dec-20	Actual Cost Variance	Forecast 31-Mar-21	Forecast Variance	Staff Comments
Environmental Protection						
Garden Lots Water/Sewer Upgrades	75,000	15,172	59,828	75,000	-	Exp Services Inc. currently working on Study.
LaHave River Straight Pipe Replacement Program	2,476,800	1,977,738	499,062	2,060,000	(416,800)	Completed 74 septic system installations in 2020/2021 construction season.
Conquerall Bank WWTP Upgrades	15,000	-	15,000	15,000	-	PH effluent meter design and purchase to be completed later in the year
Conquerall Bank WWTP Generator	50,000	3,650	46,350	25,000	(25,000)	RFQ awarded to 1st Electric with installation scheduled for March, 2021
New Germany Pipe Replacement/refurbishment	190,000	-	190,000	25,000	(165,000)	Design tender package being prepared in 2020/2021 with plans to tender construction work in early 2021/2022 for best pricing. Budget carry over.
Local Economic Development						
Highway 103 Signage Project	15,000	-	15,000	5,000	(10,000)	No Change at this time. Waiting for DOT correction to sign installation
Wayfinding Strategy & Implementation	60,000	8,498	51,502	60,000	-	Project on track
Osprey Village Land Development	-	2,721	(2,721)	-	-	Survey Lot 20-1
Sustainable Planning & Climate Change Mitigation						
Corporate and Community Energy Action Plan	50,000	2,607	47,393	30,000	(20,000)	\$25,000 for MARC energy audits; \$2,500 for natural asset inventory
Electric Vehicle Charge Stations	32,000	-	32,000	32,000	-	Did not receive a grant. Ordered EV Charge stations as a change request.
Petite Riviere Watershed Flood Mitigation and Assessment Project (Phase 3)	100,000	-	100,000	10,000	(90,000)	Phase 2 completed, including first evaluation of options to address flood risk (\$9,385). Funding anticipated from provincial grant to offset some of phase 3 costs. Carryover of majority of project funds will be requested from council and funding partner to allow phase 3 to be completed in 2021/22.
LiDar Inland Flood Mapping	-	(16,058)	16,058	-	-	Revisions to final data pending

Municipality of the District of Lunenburg
2020/21 Capital Budget & Gas Tax Investment Status Report

	Project Budget	Actual Cost 31-Dec-20	Actual Cost Variance	Forecast 31-Mar-21	Forecast Variance	Staff Comments
Recreation Infrastructure						
Recreation Facilities						
Ballfield Upgrades	30,000	-	30,000	30,000	-	Park Supervisor pursuing contractors to determine work can be completed by end of Fiscal.
MARC Facilities Assessment	50,000	-	50,000	50,000	-	In partnership with Engineering, conditions assessments of the facilities will be conducted, including fire/life safety, structural and building envelope. Planning work to proceed with identifying facility requirements. Once facility needs are established, a plan will be developed to address the facility deficiencies and determine a long-term solution.
MARC Soil Remediation	30,000	15,956	14,044	17,500	(12,500)	Strum Consulting recently completed draft report to be submitted to NSE seeking Regulatory Closure of MARC Soil Contamination.
MARC Water System	15,000	-	15,000	6,000	(9,000)	A study was carried out (Design Point) for a new system suggesting a capital cost in excess of \$100,000. This has been put on hold. Replaced water bunker roof, and replaced toilets. Cost under \$10,000 thus coded to operating
Parks & Playgrounds						
Future Land Purchases	15,000	307,780	(292,780)	307,800	292,800	Oakland Rd Property purchase \$262,500
MICA contribution to Oakland ppty		(42,500)	(42,500)	(42,500)	(42,500)	Monies due from MICA for Oakland Rd Property purchase
LaHave Sunset Park Parking	30,000	5,762	24,238	13,500	(16,500)	Parking Lot has been completed, invoices pending. Landscaping rocks etc expected to be purchased and completed by end of fiscal.

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Wile's Lake	30,000	-	30,000	10,000	(20,000)	Working with Engineering to demolish/remove two small out buildings and do upgrades to main building for storage/maintenance use. It is hoped demo will happen this fiscal, but may need carry over to 2021/22. Following demolition, we expect a gap year and then budget for Maintenance to main building \$20K in 22/23 & \$20K in 23/24 or 23/24 & 24/25
River Ridge Common	138,000	146,958	(8,958)	147,000	9,000	Phase 3 is complete - Underestimated Project Management Invoices
Trails & Active Transportation						
Indian Point Rest Stop	10,000	2,373	7,627	8,000	(2,000)	Culvert and entrance has been installed. Landscaping, seating and signage expected to be completed by end of fiscal.
Osprey Village Trail	30,000	-	30,000	13,000	(17,000)	Consultant has been engaged and is working towards an RFP, which is expected to have this complete by the end of fiscal. Remaining budget of \$17K will be a carry-over
TOTAL CAPITAL INVESTMENT	10,958,100	8,004,019	2,869,081	9,526,600	(1,431,500)	

Municipality of the District of Lunenburg
2020/21 Capital Budget & Gas Tax Investment Status Report

	Project Budget	Actual Cost 31-Dec-20	Actual Cost Variance	Forecast 31-Mar-21	Forecast Variance	Staff Comments
Gas Tax Investment - Non-owned Infrastructure						
Paved Shoulders - Active Transportation	565,000	-	565,000	387,500	(177,500)	Placeholder for projects to be identified. Council allocated funds for J Class Roads, \$387,500 remaining.
Contribution to Local Trail Groups/NG Trail Bridge	187,000	132,951	54,049	187,000	-	\$55,000 to local trail groups, \$132,000 NG Trail Bridge. Trail Groups are being contacted to claim their grant balances before end of fiscal. Final \$42,000 for Trail Bridge will be carried-over to 2021/22
Rural Internet Partnerships	1,300,000	113,608	1,186,392	250,000	(1,050,000)	It is too early to tell but it is expected that we will only expend the remaining billing to Eastlink for 2020/21. Roughly \$100,000. There may be some initial Bell billing but it will be minimal. The remainder will need to be carried over to 2021/22.
Paving Non-owned Roads (cost shared with NSTIR)	1,198,600	965,835	232,765	1,530,000	331,400	Council has approved paving of 12.635 km of non-owned roads throughout the Municipality. Allocated Active Transportation monies \$177,500 for road infrastructure plus Operating Reserves \$153,900
TOTAL GAS TAX NON-OWNED INFRASTRUCTURE	3,250,600	1,212,395	2,038,205	2,354,500	(896,100)	



Municipality of the District of Lunenburg

Request for Decision

REPORT TO: Municipal Council
SUBMITTED BY: Elana Wentzell, CPA, CMA
DATE: February 2, 2021
RE: 2020/21 Proposed Area Rates: Streetlights, Hydrants, Sewers

RECOMMENDATION

It is recommended that the Finance Committee recommend Municipal Council approve:

- The 2021/22 Fire Hydrant Rate at \$0.1684 per \$100 of Assessment
- The 2021/22 Street Light Rates as presented
- The 2021/22 Sewer Rates at \$0.43/\$100 assessment Global rate and \$0.25/\$100 assessment Hebbville rate.

EXECUTIVE SUMMARY

Enclosed please find proposed budgets for Street Lights, Fire Hydrants and Sewer Rates for the fiscal year 2021/22.

The Street Light and Hydrant rates are calculated based on the prior years' revenues collected against actual costs taking into consideration the current year's property assessment and any estimated cumulative overage and shortages in the accounts.

Sewer rates were set in December 2019 based on a 5-year sewer rate review. 2021/22 marks Year 2 of 5 for these approved rates.

DISCUSSION

As part of the budget process, area rates are required to be approved by Council. Street Light and Hydrant rates can be easily forecasted based on the nature of the revenues and expenditures. Revenues have been billed and most expenditures have been recorded. The revenues and expenditures for these rates are analyzed by the Accounting Manager and a running total of the account balance is kept. Any surpluses or deficits from a prior year are rolled into the next year to be recovered through the area rate.

The street light rates are detailed on the attached schedule for your information. These rates vary slightly from year to year.

The hydrant rates are increasing 24% based on three factors: the billing amount has increased 7% as two hydrants have been added (30 vs 28 in the prior year), a prior year adjustment billed in the current year by the Town of Bridgewater resulted in the additional 3.6% increase and 13.41% for the prior year deficit in the account.

Sewer rates are billed in two categories: The General rate and the Hebbville rate. The approved 5-year rates are \$0.43/\$100 assessment Global rate and \$0.25/\$100 assessment Hebbville rate. As per past practice in the budget process, Council is asked to approve the sewer rates annually.

BUDGET IMPLICATIONS

Once Council approves the rates, they will be used to calculate the revenue budgets for 2021/22.

ALTERNATIVES

The rates presented follow the policies and procedures for setting area rates.

CONCLUSION

Staff recommend Council approve the rates as presented.

Department:

Report Prepared By: Elana Wentzell

Date: 2021-01-25

Report Approved By:

Date:

Reviewed By CAO:

Date:

**Municipality of the District of Lunenburg
Area Rates 2021/22 Draft Budget**

STREET LIGHT RATES	Approved 2020-21	Proposed 2021-22
Rates per \$100 of assessment		
Riverport	\$ 0.027	\$ 0.026
Dayspring	\$ 0.066	\$ 0.068
New Germany	\$ 0.039	\$ 0.039
Catidian Place	\$ 0.012	\$ 0.012
Pine Haven Subdivision	\$ 0.038	\$ 0.038

Flat Rates Per Property		
Barss Corner	\$ 47.99	\$ 48.62
Vogler's Cove, Broad Cove & Cherry Hill	\$ 47.12	\$ 47.49
Chelsea	\$ 83.45	\$ 86.11
Pine Grove	\$ 49.83	\$ 50.46
Oakhill acres	\$ 31.73	\$ 32.14
Little Tancook	\$ 31.27	\$ 31.62
Whitley & Jenny	\$ 29.74	\$ 23.78
Westside Drive	\$ 126.62	\$ 117.52

FIRE HYDRANT RATES	Approved 2020-21	Proposed 2021-22
Rate per \$100 of assessment	0.1358	0.1684
Opening Surplus (Deficit)	\$3,950	(\$3,725)
Total Cost to Recover	\$63,766	\$63,766
Net Cost	<u>\$59,816</u>	<u>\$67,491</u>
Area Rate Generated	\$56,091	\$67,492
Ending Surplus (Deficit)	<u>(\$3,725)</u>	<u>\$1</u>

SEWER RATES	5-Year Rate Approved - starting 2020-21	
	Year 1 of 5 2020-21	Year 2 of 5 2021-22
Global Sewer*	\$ 0.43	\$ 0.43
Hebbsville Sewer*	\$ 0.25	\$ 0.25

*per \$100 assessment