

# Finance Committee Meeting Agenda

Tuesday, July 5, 2022 – **Immediately following Audit Committee Meeting**

MODL Council Chambers, 10 Allee Champlain Drive, Cookville, NS

And Via Video/Audio Teleconferencing

1. **Call to Order**
- 1.1. Mi'kma'ki Territorial Acknowledgement
2. **Announcements, Acknowledgements, Recognitions**
3. **Approval of Agenda** (as circulated)
4. **Approval of Minutes** – Special Finance - April 19, 2022 & Finance - May 3, 2022
5. **Business Arising from Minutes**
6. **Presentations/Scheduled Times - Nil**
7. **Consideration of Correspondence - Nil**
8. **Recommendations from Committees & Boards - Nil**
9. **Staff Reports**
- 9.1. **Finance Department**
- 9.1.1. 2021-22 Proposed Capital Funding and CCBF Investment ..... 1-5
- 9.1.2. Operating Variance Reports 4<sup>th</sup> Quarter ..... 6-9
- 9.2. **Administration Department**
- 9.2.1. Overestimate of J-Class Street Paving ..... 10-11
10. **Mayor's/Deputy Mayor's/Councillors' Matters**
11. **Added Items**
12. **In Camera**
13. **Adjournment**

**Finance Committee**  
Item: #9.1.1  
Date: July 5, 2022  
Approved By: E. Wentzell



## **Municipality of the District of Lunenburg**

### **Request for Decision**

**Report to:** Finance Committee  
**Submitted by:** Elana Wentzell, CPA, CMA  
**Date:** 2022-07-05  
**Re:** 2021-22 Proposed Capital Funding and CCBF Investment

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#### **Recommendation**

It is recommended the Finance Committee recommend that Municipal Council approve the funding of 2021/22 completed capital projects and CCBF investment as noted in this report and as summarized on the enclosed 2021/22 Capital Project & CCBF Investment Plan.

#### **Executive summary**

The financing of the completed 2021/22 capital projects have been allocated as per the approved budget with exceptions that are noted in this report. Changes in financing can occur when a project is completed over budget or new sources of financing are found. A summary of all completed projects compared to budget is enclosed.

#### **Discussion**

Many of the 2021/22 capital projects were budgeted to be funded from Reserve funds. Under Section 99 (4) of the Municipal Government Act, Council approval is required for all withdrawals from capital reserves. As well, Council must approve all CCBF expenditures. Compliance occurs when Council approves the capital budget that shows withdrawals from reserves to fund capital expenditures. When funding changes are made at year end, Council should be made aware of them, and approval should be sought.

#### **Budget implications**

Several projects were completed under budget, some were over budget, re-evaluated or deferred to a future year.

Of the \$8,853,300 approved 2021/22 Capital Budget, projects in the amount of \$5,684,190 were completed.

Financing of these projects included \$243,295 in Depreciation Reserves, \$1,463,531 in Provincial and Federal Grants, \$112,653 from Sewer Reserves, \$669,251 from General Operating Reserves, and \$508,654 from resident payments for the LaHave Straight Pipe Replacement Program.

CCBF spending for 2021/22 totals \$2,686,806 consisting of capital projects of \$928,539, contributions to non-owned trails \$59,850 and the New Germany Trail Bridge \$55,500, Rural Broadband Project Costs \$1,500,000 and \$142,917 in paving costs for non-owned roads in the Operating Fund.

The Lunenburg County Community Fund (LCCF) has made a one-million-dollar contribution to the LaHave River Straight Pipe Project. Payments received from residents participating in the Straight Pipe Project in the amount of \$124,558 was transferred to the Trust Fund as per the Memorandum of Understanding with the LCCF. This completes the final transfer to the fund. There is now \$1,000,000 available in the LCCF Trust.

## Conclusion

Staff has made this recommendation to ensure compliance with the Municipal Government Act and the Federal CCBF Agreement.

Report Preparation	
Department	Finance
Report Prepared by	Elana Wentzell
Report Approved by	
Date Reviewed by C.A.O.	

5 Year Capital Investment and CCBF Plan	Project #	Project	Actual Cost	PROPOSED FUNDING					
		Budget	31-Mar-22	Grants	CCBF	Depreciation	Gen Surplus	Sewer Reserve Open Space	Residents / Donations
<b>Corporate Infrastructure Projects</b>									
<b>Facilities</b>									
Municipal Services Building Final Costs	2021-01	150,000	170,058				170,058		
MARC Energy Audit (carry over)		-	15,643	11,250			4,393		
<b>Vehicles</b>									
Engineering Dept Vehicle (EV)	2021-02	80,000	155,054		155,054				
Rec - Float Trailer	2021-03	15,000	5,418			5,418			
Rec Vehicle Carry Over (2007 Mazda replacement) + Crew Truck	2021-04	40,000	41,560			41,560			
<b>Subtotal Corporate Infrastructure Projects</b>		<b>285,000</b>	<b>387,733</b>	<b>11,250</b>	<b>155,054</b>	<b>46,978</b>	<b>174,451</b>	<b>-</b>	<b>-</b>
<b>Climate Change Mitigation &amp; Adaptation Projects</b>									
Petite Riviere Watershed Flood Mitigation Phase 3	2021-10	146,000	62,363	31,182	31,182				-
Solar Panels - Municipal Building	2021-11	280,000	-				-		
LiDar Project (carry over)		-	10,123				10,123		
<b>Subtotal Climate Change Mitigation &amp; Adaptation Projects</b>		<b>426,000</b>	<b>72,486</b>	<b>31,182</b>	<b>31,182</b>	<b>-</b>	<b>10,123</b>	<b>-</b>	<b>-</b>
<b>Economic Development Projects</b>									
Internet	2021-20	1,500,000	1,500,000		1,500,000				
Osprey Village Community Hub Complex	2021-21	150,000	92,239				92,239		
Osprey Village Extension of Champlain - to Lot 9	2021-22	100,000	-				-		
Wayfinding	2021-23	145,000	45,039	12,500	32,539		-		
<b>Subtotal Economic Development Projects</b>		<b>1,895,000</b>	<b>1,637,278</b>	<b>12,500</b>	<b>1,532,539</b>	<b>-</b>	<b>92,239</b>	<b>-</b>	<b>-</b>

5 Year Capital Investment and CCBF Plan	Project #	Project	Actual Cost	PROPOSED FUNDING					
		Budget	31-Mar-22	Grants	CCBF	Depreciation	Gen Surplus	Sewer Reserve Open Space	Residents / Donations
<b>Trail Development Projects</b>									
Annual contribution to Trail Groups/NG Trail Bridge	2021-30	115,400	115,350		115,350				
Art on the Trail - phase 3	2021-31	11,000	2,750				2,750		
Osprey Village AT Connection	2021-32	169,000	7,300		7,300				
Indian Falls Trail upgrade & extension \$12K rec'd	2021-33	50,000	34,744	12,000	22,744				
MARC existing Trail Upgrade	2021-34	25,000	3,337				3,337		
MARC Trail Connect	2021-35	20,000	167				167		
Osprey Village Trail Connector	2021-37	27,000	9,874		9,874				
<b>Subtotal Trail Development Projects</b>		<b>417,400</b>	<b>173,522</b>	<b>12,000</b>	<b>155,268</b>	<b>-</b>	<b>6,254</b>	<b>-</b>	<b>-</b>
<b>Parks &amp; Open Space Projects</b>									
Future Land Purchases	2021-40	50,000	-						
Oakland Beach Conservation Area	2021-41	90,000	46,341		46,341				
Park Roads - Hirtle's Beach	2021-42	22,000	15,750		15,750				
- Indian Falls	2021-43	30,000	23,487		23,487				
Regional Recreation	2021-44	15,000	-						
River Ridge Phase 4 and Parking Lot	2021-45	276,000	148,018		148,018				
Sawpit Road /Switchback Trail	2021-46	15,000	15,747		15,747				
Wile's Lake Park Improvement	2021-47	20,000	4,698				4,698		
<b>Subtotal Parks &amp; Open Space Projects</b>		<b>518,000</b>	<b>254,041</b>	<b>-</b>	<b>249,343</b>	<b>-</b>	<b>4,698</b>	<b>-</b>	<b>-</b>
<b>Paving Projects - Roads &amp; Shoulders</b>									
AT Paved Shoulders	2021-50	560,000	-						
J Class Roads (NSTAT paving Partnership)	2021-51	528,000	142,917		142,917				
<b>Municipal Roads Paving</b>									
Billie Lane Upgrades	2021-52	320,000	-						
Harold Whynot Craig Chandler	2021-53	900,000	750,182		375,091		375,091		
Speed Radar Signs - post mounted	2021-54	10,000	7,012				7,012		
Paving - Meldrum/Buena Vista/Aspen		-	2,603				2,603		
Turner Heights final carry over		-	256				256		
Municipal Road Design		-	302				302		
<b>Subtotal Paving Projects - Roads &amp; Shoulders</b>		<b>2,318,000</b>	<b>903,272</b>	<b>-</b>	<b>518,008</b>	<b>-</b>	<b>385,264</b>	<b>-</b>	<b>-</b>

5 Year Capital Investment and CCBF Plan	Project #	Project	Actual Cost	PROPOSED FUNDING					
		Budget	31-Mar-22	Grants	CCBF	Depreciation	Gen Surplus	Sewer Reserve Open Space	Residents / Donations
<b>Water, Wastewater &amp; Environmental Protection Projects</b>									
Garden Lots Sewer/Water Solution	2021-60	15,000	2,394	1,197				1,197	
Green Compost Carts	2021-61	35,000	35,401		35,401				
LaHave River Straight Pipe	2021-62	2,575,300	1,981,673	1,276,702		196,317			508,654
Osprey Village Water Tower	2021-63	150,000	19,397				19,397		
Riverport School	2021-64	50,000	95,525	118,700			(23,175)		
WWTP Hebbville Pump Stns - Assess & Design	2021-65	20,000	10,011		10,011				
WWTP NG Equipment Replacement	2021-66	105,000	59,458		Equipment ineligible for CCBF			59,458	
WWTP Scada - Conquerall Bank	2021-67	26,000	28,495					28,495	
WWTP Scada - Cookville	2021-68	17,600	23,504					23,504	
<i>Subtotal Water, Wastewater, Environmental Protection Projects</i>		<i>2,993,900</i>	<i>2,255,858</i>	<i>1,396,599</i>	<i>45,412</i>	<i>196,317</i>	<i>(3,778)</i>	<i>112,653</i>	<i>508,654</i>
<b>TOTAL PROJECT COST</b>		<b>\$ 8,853,300</b>	<b>\$ 5,684,190</b>	<b>\$ 1,463,531</b>	<b>\$ 2,686,806</b>	<b>\$ 243,295</b>	<b>\$ 669,251</b>	<b>\$ 112,653</b>	<b>\$ 508,654</b>
<i>Budgeted Funding</i>		<i>\$ 8,853,300</i>		<i>\$ 2,080,795</i>	<i>\$ 3,595,900</i>	<i>\$ 1,028,434</i>	<i>\$ 1,724,571</i>	<i>\$ 323,600</i>	<i>\$ 100,000</i>



## Municipality of the District of Lunenburg

### Report to Finance Committee

**Report To:** Finance Committee  
**Submitted By:** Elana Wentzell, Director of Finance  
**Date:** July 5, 2022  
**Re:** Operating Variance Reports 4<sup>th</sup> Quarter Draft (January 1 – March 31, 2022)

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The enclosed Operating Fund Variance Report gives Council details of operating budget accounts where expected savings have been achieved and where additional costs were incurred.

This is a draft forecast, as the numbers are unaudited. Staff are striving to ensure the FRAM requirement of posting quarterly variance reports is met and thus this report is provided for Council's information.

Staff are projecting an Operating surplus of \$2.8M which represents a 8.5% budget variance. Significant variances are highlighted in yellow. Cost variances that are offset by financing and transfers are highlighted in blue.

The revenue variance shows \$1.8M in additional revenue received compared to budget. Deed transfer tax accounted for \$1.4M of this variance where \$3.1M was collected versus \$1.7M budgeted.

The expenditure variance shows \$958,166 less costs than budgeted. The enclosed report details where these cost savings were achieved. Many expenditure savings were due to decreased council and staff travel due to COVID restrictions.

The enclosed report is a draft, and some figures may change. However, staff believe that this report is fairly accurate based on the information we have to date. The audited financial statements and accompanying Treasurer's report will detail the final year end results and will be circulated to the Audit Committee for approval and recommendation to Council in September.

**Municipality of the District of Lunenburg  
Operating Fund Variance Report - 4th Quarter  
March 31, 2022**

	Actual DRAFT	Annual Budget	FORECAST	Actual Variance (% Budget left)	Draft Variance	Comments on Forecast Variance
<b>REVENUE</b>						
Tax Revenue	\$ 24,609,014	\$ 24,534,500	\$ 24,609,014	-0.3%	\$ 74,514	Based on actual billing
Business Property	202,895	159,500	202,895	-27%	43,395	Based on actual - HST offset increased due to capital spending in prior fiscal year
Deed Transfer Tax	3,155,420	1,750,000	3,155,420	-80%	1,405,420	Based on actual received 2021-22
Other Taxes	87,415	60,000	87,415	-46%	27,415	Change in use taxes received
Grants in Lieu of Taxes	250,619	224,600	250,619	-12%	26,019	Estimate reduction based on actual Federal grants received
REMO/Accessibility recovery from Other Units	60,124	67,800	60,124	11%	(7,676)	Actual costs 2021-22
Sale of Services (Recreation & Bldg. Insp)	62,999	76,500	62,999	18%	(13,501)	Reduced Recreation revenues due to COVID
Other Revenue - Fines, Permits, Rentals & Interest	1,278,954	1,120,100	1,278,954	-14%	158,854	Increases for Tax Certificates, permit fees, bank interest and Open Space fees(\$40K in/out)
Farm Acreage Grant	93,940	88,300	93,940	-6%	5,640	Based on actual grant received
Provincial Grants	229,056	135,900	229,056	-69%	93,156	Increased grant received for ASK Program (in/out)
<b>TOTAL REVENUE</b>	<b>\$ 30,030,439</b>	<b>\$ 28,217,200</b>	<b>\$ 30,030,439</b>	<b>-6%</b>	<b>\$ 1,813,239</b>	
<b>EXPENDITURES</b>						
Mayor & Council	\$ 480,319	\$ 553,400	\$ 480,319	13%	(73,081)	Reduced travel and expense costs and lower costs for AV in Council Chamber
Bank Interest & Charges	4,045	4,000	4,045	-1%	45	
Administration	779,421	785,800	779,421	1%	(6,379)	Employee vacation paid out
Finance	709,093	737,700	709,093	4%	(28,607)	Estimate for reduced staff travel & expenses due to COVID
Tax Exemptions	161,446	177,400	161,446	9%	(15,954)	Estimate decrease based on non-profit exemption actual
Legal & Advisory Services	522,749	936,200	522,749	44%	(413,451)	Estimate for reduced HR consulting use and Pension transfer requirements significantly lower than expected (\$350K less than budget - see financing and transfers for offset)
Administration Building, Supplies and Data Processing	715,108	866,000	715,108	17%	(150,892)	Actual Mun Bldg. costs less than budget (\$35K), Office expenses less than budget (\$43K), Decrease based on actual number of users in accounting software (\$8K less than budget) & Council unspent Contingency \$60K
Allowance for Uncollectible taxes	21,043	172,100	21,043	88%	(151,057)	Estimate for allowance lower than expected
Tax Sale Expenses	54,461	70,000	54,461	22%	(15,539)	in/out

**Municipality of the District of Lunenburg  
Operating Fund Variance Report - 4th Quarter  
March 31, 2022**

	<b>Actual DRAFT</b>	<b>Annual Budget</b>	<b>FORECAST</b>	<b>Actual Variance (% Budget left)</b>	<b>Draft Variance</b>	<b>Comments on Forecast Variance</b>
Government Relations, Communications & Municipal Celebrations	113,553	140,500	<b>113,553</b>	19%	<b>(26,947)</b>	Costs for Fire recruitment & retention less than budgeted due to COVID (\$19K) and costs for communication projects less than budgeted (\$6K)
Insurance	125,576	104,600	<b>125,576</b>	-20%	<b>20,976</b>	Increase based on actual insurance costs for year
Grants to Organizations	704,337	742,200	<b>704,337</b>	5%	<b>(37,863)</b>	Decreased grants due to COVID - events cancelled or deferred
Election Costs	63	-	<b>63</b>	0%	<b>63</b>	Should be \$0 (small cost to keep election phone #)
Assessment Services	695,379	695,400	<b>695,379</b>	0%	<b>(21)</b>	Based on actual billing
Police Protection	3,508,163	3,510,000	<b>3,508,163</b>	0%	<b>(1,837)</b>	Based on actual billing
Correction Services & Prosecutions	485,175	504,600	<b>485,175</b>	4%	<b>(19,425)</b>	Based on actual billing
Fire Protection Municipal Costs	355,128	410,600	<b>355,128</b>	14%	<b>(55,472)</b>	Based on actual costs & grants
Emergency Measures	132,416	164,500	<b>132,416</b>	20%	<b>(32,084)</b>	Reduction based on actual shelter grants paid
Protective Inspection Services	526,294	530,200	<b>526,294</b>	1%	<b>(3,906)</b>	Based on actual costs
Dog Control	43,301	44,500	<b>43,301</b>	3%	<b>(1,199)</b>	Based on actual costs
Common Services (Engineering)	461,458	636,600	<b>461,458</b>	28%	<b>(175,142)</b>	Based on delayed hiring of Engineer and reduced staff travel and expenses due to COVID
Provincial Roads & NSTIR Paving Partnerships	583,066	1,528,000	<b>583,066</b>		<b>(944,934)</b>	Offset in Financing and Transfers below
Municipal Road Maintenance	360,684	381,500	<b>360,684</b>	5%	<b>(20,816)</b>	Based on actual costs
Garbage & Waste Collection	2,421,390	2,519,450	<b>2,421,390</b>	4%	<b>(98,060)</b>	Based on actual waste collection contract & tipping fees costs
Regional Housing	35,000	35,000	<b>35,000</b>	0%	-	
Planning & Zoning	616,317	644,400	<b>616,317</b>	4%	<b>(28,083)</b>	Based on actual costs and reduced staff travel and expenses due to COVID
Economic Development	2,016,838	2,175,500	<b>2,016,838</b>	7%	<b>(158,662)</b>	Reductions in staff travel, and events/initiatives cancelled or delayed due to COVID
Recreation Staffing, Facilities and Programming	1,260,099	1,409,850	<b>1,260,099</b>	11%	<b>(149,751)</b>	Reduction based on reduced programming due to COVID
Libraries	158,134	158,400	<b>158,134</b>	0%	<b>(266)</b>	Based on actual costs
LCLC	867,746	866,600	<b>867,746</b>	0%	<b>1,146</b>	Based on actual costs billed and paid
Education	8,598,029	8,597,300	<b>8,598,029</b>	0%	<b>729</b>	Based on actual costs

**Municipality of the District of Lunenburg  
Operating Fund Variance Report - 4th Quarter  
March 31, 2022**

	Actual DRAFT	Annual Budget	FORECAST	Actual Variance (% Budget left)	Draft Variance	Comments on Forecast Variance
Financing & Transfers	(481,098)	(2,109,400)	(481,098)	77%	1,628,302	\$944K offset in Roads costs, \$350K less required for pension transfer, no paved shoulders offset \$560K, reduced LCLC transfer, reduced required for road paving offset, safe restart not budgeted but used \$361K (safe restart balance \$449K)
<b>TOTAL EXPENDITURES</b>	<b>\$ 27,034,734</b>	<b>\$ 27,992,900</b>	<b>\$ 27,034,734</b>	<b>3%</b>	<b>\$ (958,166)</b>	
Area Rates						
Fire Protection Revenue	3,565,895	3,538,500	3,565,895	-1%	27,395	
Fire Protection Expenditures	(3,560,821)	(3,538,500)	(3,560,821)	-1%	(22,321)	
Sewage Collection & Disposal Revenue	482,279	441,700	482,279	-9%	40,579	Increase based on actual Lahave Sewer maintenance charges billed
Sewage Collection & Disposal Expenditures	(669,139)	(643,400)	(669,139)	-4%	(25,739)	
Private Road Maintenance Revenue	262,456	263,200	262,456	0%	(744)	
Private Road Maintenance Expenditures	(249,958)	(250,600)	(249,958)	0%	642	
Street Lighting Revenue	139,491	149,600	139,491	7%	(10,109)	
Street Lighting Expenditures	(161,895)	(152,000)	(161,895)	-7%	(9,895)	
Third Party Grants						
ACOA Grant Received New Germany Trail Bridge	183,900	-	183,900		183,900	ACOA Grant received for NG Trail bridge and paid out to Trail Association
ACOA Grant Paid New Germany Trail Bridge	(183,900)	-	(183,900)		(183,900)	
<b>NET AREA RATES</b>	<b>\$ (191,693)</b>	<b>\$ (191,500)</b>	<b>\$ (191,693)</b>		<b>\$ (193)</b>	
<b>SURPLUS (DEFICIT)</b>	<b>\$ 2,804,012</b>	<b>\$ 32,800</b>	<b>\$ 2,804,012</b>		<b>\$ 2,771,212</b>	
<b>% Annual Budget</b>		<b>0.10%</b>	<b>8.61%</b>		<b>8.51%</b>	

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## **MEMO - URGENT**

**To:** Mayor Carolyn Bolivar-Getson  
**CC:** Mr. Tom MacEwan  
**From:** Laura Cunningham  
**Email:** laura.cunningham@novascotia.ca  
**Date:** June 28, 2022  
**Re:** 2022-23 J-Class Subdivision Street Paving  
**# of Pages:** 2

As per section 6.2 of the cost share agreement 2020-015, the Province is required to notify the Municipality in writing of any cost overruns of more than 10% on approved projects for the current fiscal year.

The Department is prepared to proceed with this work, but the Municipality's approval of these costs is required to award the contract. An immediate response is requested so that this project may proceed within the current construction season.

Please indicate on the attached list whether the Municipality wishes to accept or decline the new tender (and cost share) amounts. The Department will proceed to award the projects that have been accepted by the Municipality. **Sign the attached page and scan and email this document back to [laura.cunningham@novascotia.ca](mailto:laura.cunningham@novascotia.ca).**

Yours truly,

*Laura Cunningham*

Laura Cunningham  
Capital Program Administration Officer

**Page 2**  
**2022-23 J-Class Subdivision Street Paving**

Dear Ms. Cunningham

The Municipality of the District of Lunenburg agrees to proceed/cancel projects as indicated on the list below.

<b>Road Name</b>	<b>Original Estimate</b>	<b>Tender Amount</b>	<b>New Cost Share Amount</b>	<b>% Over original estimate</b>	<b>Municipality to proceed with project (Y/N – please write in)</b>
Lester Getson Road, paving	\$235,000	\$306,000	\$153,000	+30.2%	
Forest View Drive, paving	\$160,000	\$192,000	\$96,000	+20%	

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**Signature**

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**Name and Title (Print)**

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**Date**