

# **Special Finance Committee Meeting Agenda**

**Tuesday, April 19, 2022 – 9:00 a.m.**

**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. Staff Reports**
- 4.1. **Finance Department**
- 4.1.1. 2022/2023 Draft Operating Budget..... 1-9
- 4.2. **Administration Department**
- 4.2.1. Letter from Kingsburg Community Association re Bill 149 Financial Measures Act ... 10-19
- 5. Mayor's/Deputy Mayor's/Councillors' Matters**
- 6. Added Items**
- 7. In Camera**
- 8. Adjournment**

April 19, 2022

Item: 4.1.1

Authorization: E. Wentzell

## 2022/23 DRAFT OPERATING BUDGET SUMMARY

	2020/21 Actual	2021/22 Annual Budget	2021/22 Budget Forecast	2022/23 Adjusted Baseline	2022/23 Additions	2022/23 Proposed Budget
<b>Expenditures</b>						
<b>General Government Services</b>						
Council and Other Legislative	\$ 409,473	\$ 553,400	\$ 547,694	\$ 719,000	\$ -	\$ 719,000
Administrative and Finance	2,858,439	4,221,700	4,183,000	3,967,500	258,200	4,225,700
Grants to Organizations	378,479	448,900	609,400	501,500	71,100	572,600
Assessment Services	704,451	695,400	695,400	687,500	-	687,500
	<b>4,350,843</b>	<b>5,919,400</b>	<b>6,035,494</b>	<b>5,875,500</b>	<b>329,300</b>	<b>6,204,800</b>
<b>Protective Services</b>						
Police	3,374,921	3,563,800	3,565,600	3,958,400	-	3,958,400
Corrections and Other Law Enforcement	431,801	434,800	434,800	456,500	-	456,500
Water Supply and Hydrant Charges	62,978	64,700	64,700	64,700	-	64,700
Fire Protection Rate	3,437,239	3,538,500	3,538,500	3,846,300	-	3,846,300
Emergency Measures (REMO/EMO) & Fire Services	466,244	510,400	500,900	513,100	-	513,100
Inspection Services	407,721	530,200	531,000	553,600	178,500	732,100
Other Protective Services	52,077	59,000	59,000	69,900	-	69,900
	<b>8,232,981</b>	<b>8,701,400</b>	<b>8,694,500</b>	<b>9,462,500</b>	<b>178,500</b>	<b>9,641,000</b>
<b>Transportation Services</b>						
Engineering Services	452,212	713,600	713,600	764,900	-	764,900
Roads and Streets	2,440,354	1,600,100	1,220,800	1,648,900	8,600	1,657,500
Street Lighting	145,978	152,000	152,000	171,300	-	171,300
CES Facility	64,881	102,600	102,600	110,600	-	110,600
	<b>3,103,425</b>	<b>2,568,300</b>	<b>2,189,000</b>	<b>2,695,700</b>	<b>8,600</b>	<b>2,704,300</b>
<b>Environmental Health Services</b>						
Sewage Collections and Disposals	612,498	643,400	643,400	752,100	72,200	824,300
Garbage Collections	1,094,204	1,185,450	1,185,450	1,300,700	-	1,300,700
Waste Site	1,265,524	1,303,000	1,303,000	1,338,000	-	1,338,000
	<b>2,972,226</b>	<b>3,131,850</b>	<b>3,131,850</b>	<b>3,390,800</b>	<b>72,200</b>	<b>3,463,000</b>
<b>Public Health</b>						
Regional Housing	29,148	35,000	32,100	35,000	-	35,000
<b>Environmental Planning and Zoning</b>						
Planning and Zoning	589,356	777,400	772,700	847,500	534,300	1,381,800
Community and Economic Development	599,572	1,946,300	1,911,800	1,079,700	95,000	1,174,700
	<b>1,188,928</b>	<b>2,723,700</b>	<b>2,684,500</b>	<b>1,927,200</b>	<b>629,300</b>	<b>2,556,500</b>
<b>Recreation, Culture &amp; Tourism</b>						
Recreation	937,238	1,300,350	1,287,350	1,318,000	77,500	1,395,500
Active Transportation	-	560,000	-	-	-	-
Tourism	83,085	109,500	101,500	226,200	-	226,200
Multi-Purpose Facility	916,562	866,600	866,600	663,800	-	663,800
Regional Libraries	158,314	158,400	158,400	199,700	-	199,700
	<b>2,095,199</b>	<b>2,994,850</b>	<b>2,413,850</b>	<b>2,407,700</b>	<b>77,500</b>	<b>2,485,200</b>
<b>Education</b>						
	<b>8,401,602</b>	<b>8,597,300</b>	<b>8,597,300</b>	<b>8,802,600</b>	<b>-</b>	<b>8,802,600</b>
<b>Sub Total Expenditures</b>						
	<b>30,374,352</b>	<b>34,671,800</b>	<b>33,778,594</b>	<b>34,597,000</b>	<b>1,295,400</b>	<b>35,892,400</b>
<b>Debt, Financing and Transfers</b>						
	<b>3,759,670</b>	<b>(2,094,400)</b>	<b>(733,400)</b>	<b>62,200</b>	<b>(350,000)</b>	<b>(287,800)</b>
<b>Total Expenditures</b>						
	<b>34,134,022</b>	<b>32,577,400</b>	<b>33,045,194</b>	<b>34,659,200</b>	<b>945,400</b>	<b>35,604,600</b>
<b>Revenue</b>						
Tax Revenue	31,283,855	31,121,600	32,466,900	33,645,200	9,000	33,654,200
Non Tax Revenue	2,850,168	1,488,600	1,763,625	1,613,600	348,500	1,962,100
	<b>34,134,022</b>	<b>32,610,200</b>	<b>34,230,525</b>	<b>35,258,800</b>	<b>357,500</b>	<b>35,616,300</b>
<b>Surplus (Deficit)</b>						
	<b>\$ 0</b>	<b>\$ 32,800</b>	<b>\$ 1,185,331</b>	<b>\$ 599,600</b>	<b>\$ (587,900)</b>	<b>\$ 11,700</b>

**Municipality of the District of Lunenburg  
Legislative and Administration**

	<b>2020/21 Actual</b>	<b>2021/22 Annual Budget</b>	<b>2021/22 Budget Forecast</b>	<b>2022/23 Adjusted Baseline</b>	<b>2022/23 Additions</b>	<b>2022/23 Proposed Budget</b>
<b>INCOME</b>						
Student Grants	4,620	4,200	4,200	8,400	-	8,400
Miscellaneous Revenue	13,879	6,800	6,800	6,300	-	6,300
	<b>18,499</b>	<b>11,000</b>	<b>11,000</b>	<b>14,700</b>	<b>-</b>	<b>14,700</b>
<b>EXPENDITURES</b>						
<b>General Government Services</b>						
Legislative Services	407,120	546,200	540,494	711,800	-	711,800
Members-at-Large	2,354	7,200	7,200	7,200	-	7,200
Administration Personnel Costs	667,271	776,300	785,700	1,119,000	-	1,119,000
Advisory Services	226,423	831,200	826,700	233,100	30,000	263,100
Office Expense	47,069	30,000	30,000	35,000	-	35,000
Council Approved Contingency	68,581	80,000	80,000	80,000	-	80,000
Community Pandemic Assistance	118,300	220,000	220,000	-	-	-
Grant - SSRH	-	-	-	-	50,000	50,000
Government Relations	70,369	132,000	132,000	103,500	-	103,500
	<b>1,607,485</b>	<b>2,622,900</b>	<b>2,622,094</b>	<b>2,289,600</b>	<b>80,000</b>	<b>2,369,600</b>
<b>Other</b>						
Elections	131,354	-	-	-	-	-
Litter Clean Up Program	1,050	10,000	10,000	10,000	-	10,000
	<b>132,404</b>	<b>10,000</b>	<b>10,000</b>	<b>10,000</b>	<b>-</b>	<b>10,000</b>
<b>Transfers to (from) Reserves &amp; Funds</b>						
Reserve for Pension Plan Transfer	(102,045)	(650,000)	(350,000)	-	-	-
Election Reserve	(113,000)	50,000	50,000	50,000	-	50,000
Transfer for Hospital Donation	-	-	-	-	(50,000)	(50,000)
Transfer for Pandemic Assistance	-	(220,000)	(220,000)	-	-	-
	<b>(215,045)</b>	<b>(820,000)</b>	<b>(520,000)</b>	<b>50,000</b>	<b>(50,000)</b>	<b>-</b>
	<b>1,524,844</b>	<b>1,812,900</b>	<b>2,112,094</b>	<b>2,349,600</b>	<b>30,000</b>	<b>2,379,600</b>
<b>NET EXPENDITURES</b>	<b>\$ (1,506,345)</b>	<b>\$ (1,801,900)</b>	<b>\$ (2,101,094)</b>	<b>\$ (2,334,900)</b>	<b>\$ (30,000)</b>	<b>\$ (2,364,900)</b>

Municipality of the District of Lunenburg  
Protective Services

	2020/21 Actual	2021/22 Annual Budget	2021/22 Budget Forecast	2022/23 Adjusted Baseline	2022/23 Additions	2022/23 Proposed Budget
<b>INCOME</b>						
Fire Protection Area Rates	\$ 3,482,292	\$ 3,538,500	\$ 3,538,500	\$ 3,846,300	\$ -	\$ 3,846,300
Police Prosecution Fines & Clearance Certificates	50,520	75,000	75,000	60,000	-	60,000
REMO - Partners contribution	59,565	67,800	67,800	73,400	-	73,400
	<b>3,592,377</b>	<b>3,681,300</b>	<b>3,681,300</b>	<b>3,979,700</b>	<b>-</b>	<b>3,979,700</b>
<b>EXPENDITURES</b>						
Fire Protection - Volunteer Fire Departments	3,437,239	3,538,500	3,538,500	3,846,300	-	3,846,300
Fire Services Administration & Grants	329,286	345,900	343,400	343,800	-	343,800
	<b>3,766,526</b>	<b>3,884,400</b>	<b>3,881,900</b>	<b>4,190,100</b>	<b>-</b>	<b>4,190,100</b>
Police Protection - RCMP	3,343,516	3,508,500	3,508,500	3,918,500	-	3,918,500
Provincial Corrections	431,801	434,800	434,800	456,500	-	456,500
Senior Safety Coordinator Grant	14,480	14,500	14,500	25,400	-	25,400
Other Law Enforcement	31,405	55,300	57,100	39,900	-	39,900
	<b>3,821,202</b>	<b>4,013,100</b>	<b>4,014,900</b>	<b>4,440,300</b>	<b>-</b>	<b>4,440,300</b>
REMO Personnel & Expenditures	118,677	135,100	135,100	146,200	-	146,200
Local EMO Services	18,281	29,400	22,400	23,100	-	23,100
	<b>136,957</b>	<b>164,500</b>	<b>157,500</b>	<b>169,300</b>	<b>-</b>	<b>169,300</b>
Dog Control	37,597	44,500	44,500	44,500	-	44,500
	<b>7,762,282</b>	<b>8,106,500</b>	<b>8,098,800</b>	<b>8,844,200</b>	<b>-</b>	<b>8,844,200</b>
<b>NET EXPENDITURES</b>	<b>\$ (4,169,905)</b>	<b>\$ (4,425,200)</b>	<b>\$ (4,417,500)</b>	<b>\$ (4,864,500)</b>	<b>\$ -</b>	<b>\$ (4,864,500)</b>

**Municipality of the District of Lunenburg  
Engineering Department**

	<b>2020/21 Actual</b>	<b>2021/22 Annual Budget</b>	<b>2021/22 Budget Forecast</b>	<b>2022/23 Adjusted Baseline</b>	<b>2022/23 Additions</b>	<b>2022/23 Proposed Budget</b>
<b>INCOME</b>						
<b>Area Rate - Streetlights</b>	\$ 138,278	\$ 149,600	\$ 149,800	\$ 143,100	\$ -	\$ 143,100
<b>CES Facility</b>						
Expense Recovery	64,708	79,000	79,000	79,000	-	79,000
Rental	86,966	87,000	87,000	87,000	-	87,000
	151,675	166,000	166,000	166,000	-	166,000
<b>Waste Water Treatment</b>						
Sewer Area Rates	443,538	441,700	466,900	462,300	-	462,300
Hydrant Charges	56,091	56,000	68,200	58,000	-	58,000
Sewer Interest and permit fees	2,175	3,500	1,700	2,000	-	2,000
	501,803	501,200	536,800	522,300	-	522,300
<b>Engineering Services</b>						
Student Grants	28,860	12,600	12,600	-	-	-
<b>Other Administration</b>						
Building rental	-	3,000	4,500	-	-	-
	<b>820,616</b>	<b>832,400</b>	<b>869,700</b>	<b>831,400</b>	<b>-</b>	<b>831,400</b>
<b>EXPENDITURES</b>						
<b>Engineering Services</b>						
Advertising, Legal and Advisory Services	54,268	77,000	77,000	95,500	-	95,500
Hydrants	62,978	64,700	64,700	64,700	-	64,700
Engineering Personnel Services	385,846	617,600	617,600	659,400	-	659,400
Office Expense	12,098	19,000	19,000	10,000	-	10,000
Return of Schools	14,024	17,200	17,200	20,700	-	20,700
Garbage Collections	1,094,204	1,185,450	1,185,450	1,300,700	-	1,300,700
	1,623,417	1,980,950	1,980,950	2,151,000	-	2,151,000
<b>Other Administration</b>						
Municipal Services Bldg - Janitorial	42,503	54,000	54,000	72,800	-	72,800
Municipal Services Bldg - maintenance	111,970	201,500	143,700	195,000	-	195,000
	154,473	255,500	197,700	267,800	-	267,800
<b>Transportation</b>						
Municipal Road Maintenance	202,873	381,500	381,500	426,100	-	426,100
Provincial Road Contribution	437,090	440,000	440,000	462,000	-	462,000
J Class Road Paving	1,572,911	528,000	148,700	500,000	-	500,000
Street Lighting	145,978	152,000	152,000	171,300	-	171,300
	2,358,853	1,501,500	1,122,200	1,559,400	-	1,559,400
<b>CES Facility</b>						
Building Maintenance	50,207	84,100	84,100	92,100	-	92,100
Non-recoverable expenses	14,674	18,500	18,500	18,500	-	18,500
	64,881	102,600	102,600	110,600	-	110,600
<b>Waste Water Treatment</b>						
Personnel & Shared Costs	683	6,500	6,500	(71,800)	72,200	400
Hebville	86,761	96,500	96,500	131,400	-	131,400
Riverside and Shore Drive	57,772	50,700	50,700	67,300	-	67,300
Cookville	271,333	293,400	293,400	361,000	-	361,000
New Germany Lift Stations	18,737	28,000	28,000	37,000	-	37,000
New Germany Treatment Plant	177,212	168,300	168,300	227,200	-	227,200
	612,498	643,400	643,400	752,100	72,200	824,300
	<b>4,814,122</b>	<b>4,483,950</b>	<b>4,046,850</b>	<b>4,840,900</b>	<b>72,200</b>	<b>4,913,100</b>
<b>Transfers to (from) Reserves &amp; Funds</b>						
Transfer To (From) Sewer Reserves	175,000	175,000	175,000	175,000	-	175,000
CCBF Reserve - Roads	(1,572,911)	(528,000)	(150,000)	(500,000)	-	(500,000)
Operating Reserve - Roads	25,000	25,000	25,000	25,000	-	25,000
Operating Reserve -CES	25,000	25,000	25,000	25,000	-	25,000
	(1,347,911)	(303,000)	75,000	(275,000)	-	(275,000)
	<b>3,466,210</b>	<b>4,180,950</b>	<b>4,121,850</b>	<b>4,565,900</b>	<b>72,200</b>	<b>4,638,100</b>
<b>NET EXPENDITURES</b>	<b>\$ (2,645,595)</b>	<b>\$ (3,348,550)</b>	<b>\$ (3,252,150)</b>	<b>\$ (3,734,500)</b>	<b>\$ (72,200)</b>	<b>\$ (3,806,700)</b>

**Municipality of the District of Lunenburg  
 Planning, Building Inspection and Zoning**

	<b>2020/21 Actual</b>	<b>2021/22 Annual Budget</b>	<b>2021/22 Budget Forecast</b>	<b>2022/23 Adjusted Baseline</b>	<b>2022/23 Additions</b>	<b>2022/23 Proposed Budget</b>
<b>INCOME</b>						
Private Roads Area Rate	\$ 238,854	\$ 263,200	\$ 263,200	\$ 274,000	\$ 9,000	\$ 283,000
Building Permits & Development Fees	99,020	61,800	92,625	82,500	-	82,500
Sale of Services	15,799	15,600	15,600	43,600	178,500	222,100
Civic Numbering	9,873	9,900	9,900	9,900	-	9,900
Floodline Mapping Grant	-	-	-	-	170,000	170,000
Sustainability/Student Grants	25,000	4,200	4,200	4,200	-	4,200
	<b>388,546</b>	<b>354,700</b>	<b>385,525</b>	<b>414,200</b>	<b>357,500</b>	<b>771,700</b>
<b>EXPENDITURES</b>						
<b>Building Inspection</b>						
Personnel Services	363,206	403,200	403,400	475,300	173,800	649,100
Office Expense	44,516	127,000	127,600	78,300	4,700	83,000
	407,721	530,200	531,000	553,600	178,500	732,100
Private Roads	227,480	250,600	250,600	260,800	8,600	269,400
<b>Planning</b>						
Personnel Services	547,838	623,600	618,800	695,400	146,300	841,700
Planning Services	17,085	7,700	8,800	3,400	5,000	8,400
Boundary Review	-	-	-	-	7,000	7,000
Legal & Other Administrative	21,761	46,100	45,100	48,700	(17,000)	31,700
<b>MODL 2040 Engagement</b>						
Flood Risk	-	-	-	-	25,000	25,000
Housing & Future Land Use	-	-	-	-	50,000	50,000
Agriculture & Lakeshore Development	-	-	-	-	25,000	25,000
Infrastructure	-	-	-	-	5,000	5,000
Rentals	-	-	-	-	1,000	1,000
<b>Climate Projects</b>						
Tree planting	-	-	-	-	7,000	7,000
Community Pledges	-	-	-	-	4,500	4,500
Environmental Champion Award	-	-	-	-	5,500	5,500
Floodline Mapping Project	-	-	-	-	170,000	170,000
Repayable CEF Grants	2,672	100,000	100,000	100,000	100,000	200,000
	589,356	777,400	772,700	847,500	534,300	1,381,800
<b>Transfers to (from) Reserves &amp; Funds</b>						
CEF Program	10,665	(100,000)	(20,000)	(100,000)	(100,000)	(200,000)
	10,665	(100,000)	(20,000)	(100,000)	(100,000)	(200,000)
	<b>1,235,222</b>	<b>1,458,200</b>	<b>1,534,300</b>	<b>1,561,900</b>	<b>621,400</b>	<b>2,183,300</b>
<b>NET EXPENDITURES</b>	<b>\$ (846,676)</b>	<b>\$ (1,103,500)</b>	<b>\$ (1,148,775)</b>	<b>\$ (1,147,700)</b>	<b>\$ (263,900)</b>	<b>\$ (1,411,600)</b>

**Municipality of the District of Lunenburg  
Economic Development**

	<b>2020/21 Actual</b>	<b>2021/22 Annual Budget</b>	<b>2021/22 Budget Forecast</b>	<b>2022/23 Adjusted Baseline</b>	<b>2022/23 Additions</b>	<b>2022/23 Proposed Budget</b>
<b>INCOME</b>						
Grants & Other Revenue	\$ 6,857	\$ 6,600	\$ 6,600	\$ -	\$ -	\$ -
	<b>6,857</b>	<b>6,600</b>	<b>6,600</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURES</b>						
Personnel Services	318,990	355,800	346,300	294,200	-	294,200
Legal & Other	10,501	14,000	14,000	14,000	20,000	34,000
Community Development	270,081	1,576,500	1,551,500	771,500	75,000	846,500
	<b>599,572</b>	<b>1,946,300</b>	<b>1,911,800</b>	<b>1,079,700</b>	<b>95,000</b>	<b>1,174,700</b>
<b>Transfers to (from) Reserves &amp; Funds</b>						
Transfer From Reserves - CCBF	(209,023)	(1,500,000)	(1,500,000)	(700,000)	-	(700,000)
	<b>390,548</b>	<b>446,300</b>	<b>411,800</b>	<b>379,700</b>	<b>95,000</b>	<b>474,700</b>
<b>NET EXPENDITURES</b>	<b>\$ (383,692)</b>	<b>\$ (439,700)</b>	<b>\$ (405,200)</b>	<b>\$ (379,700)</b>	<b>\$ (95,000)</b>	<b>\$ (474,700)</b>

**Municipality of the District of Lunenburg  
Recreation Services**

	<b>2020/21 Actual</b>	<b>2021/22 Annual Budget</b>	<b>2021/22 Budget Forecast</b>	<b>2022/23 Adjusted Baseline</b>	<b>2022/23 Additions</b>	<b>2022/23 Proposed Budget</b>
<b>INCOME</b>						
Recreation Fees	\$ 48,146	\$ 60,900	\$ 39,800	\$ 57,000	\$ -	\$ 57,000
ProKids	15,507	10,000	21,000	15,000	-	15,000
Rental Revenue	128	7,000	3,000	7,000	-	7,000
Recreation Grant	126,200	105,000	349,400	155,000	-	155,000
Tourism - VIC	43,963	46,000	46,000	46,000	-	46,000
	<b>233,944</b>	<b>228,900</b>	<b>459,200</b>	<b>280,000</b>	<b>-</b>	<b>280,000</b>
<b>EXPENDITURES</b>						
<b>General Services</b>						
Sponsor Ad & Municipal Celebration	11,509	19,000	15,000	19,000	-	19,000
Grants to Organizations	362,937	418,200	588,700	470,800	21,100	491,900
DARE Program	-	1,500	500	1,500	-	1,500
Legal	3,903	10,000	5,000	10,000	-	10,000
Non-Owned Auto Insurance	130	200	200	200	-	200
Administration Personnel Costs	481,678	502,100	504,300	574,000	-	574,000
	860,157	951,000	1,113,700	1,075,500	21,100	1,096,600
<b>Parks &amp; Recreation Building</b>						
Park Maintenance Personnel	217,665	324,000	324,000	342,500	77,500	420,000
Building, Grounds & Park Maintenance	96,485	188,900	213,900	210,100	-	210,100
Building Utilities	10,874	18,200	11,400	18,700	-	18,700
Telephone	6,211	8,500	8,500	8,500	-	8,500
Insurance	49,831	58,750	75,050	73,500	-	73,500
Office Expense	7,543	10,200	7,500	10,200	-	10,200
	388,610	608,550	640,350	663,500	77,500	741,000
<b>Recreation Programs</b>						
Parks and Programs	73,990	130,200	115,200	134,200	-	134,200
Winter Program	7,112	13,700	10,500	13,700	-	13,700
Spring Program	8,410	10,800	5,000	10,800	-	10,800
Fall Program	5,888	14,000	9,800	14,000	-	14,000
Swimming Program	880	9,500	8,500	12,000	-	12,000
General	51,645	115,500	89,700	116,500	-	116,500
Sport Program	-	-	-	-	-	-
Special Events	3,677	5,500	5,500	5,500	-	5,500
	151,603	299,200	244,200	306,700	-	306,700
<b>Active Transportation - paved shoulders</b>	-	560,000	-	-	-	-
<b>Tourism</b>	83,085	109,500	101,500	226,200	-	226,200
<b>Transfers to (from) Reserves &amp; Funds</b>						
Open Space Strategy	60,000	60,000	60,000	60,000	-	60,000
General Reserves - Trail Contribution	16,234	-	-	(60,000)	-	(60,000)
Pro Kids	-	-	-	-	-	-
CCBF- Active Transportation	-	(560,000)	-	-	-	-
CCBF- Trail Groups	(160,888)	(120,400)	(120,400)	(59,900)	-	(59,900)
	(84,654)	(620,400)	(60,400)	(59,900)	-	(59,900)
	<b>1,398,802</b>	<b>1,907,850</b>	<b>2,039,350</b>	<b>2,212,000</b>	<b>98,600</b>	<b>2,310,600</b>
<b>NET EXPENDITURES</b>	<b>\$ (1,164,858)</b>	<b>\$ (1,678,950)</b>	<b>\$ (1,580,150)</b>	<b>\$ (1,932,000)</b>	<b>\$ (98,600)</b>	<b>\$ (2,030,600)</b>

**Municipality of the District of Lunenburg  
Financial Services**

	<b>2020/21 Actual</b>	<b>2021/22 Annual Budget</b>	<b>2021/22 Budget Forecast</b>	<b>2022/23 Adjusted Baseline</b>	<b>2022/23 Additions</b>	<b>2022/23 Proposed Budget</b>
<b>INCOME</b>						
Assessable Property	\$ 26,720,931	\$ 26,448,000	\$ 27,729,200	\$ 28,607,400	\$ -	\$ 28,607,400
Grant In Lieu	203,872	224,600	251,100	254,100	-	254,100
Licenses and Permits	11,816	10,100	14,600	12,100	-	12,100
Interest Income	254,789	231,000	301,000	301,000	-	301,000
Interest on Taxes	114,366	273,500	165,500	212,500	-	212,500
Tax Sale Fees	71,995	70,000	70,000	70,000	-	70,000
Miscellaneous Revenue	190,710	149,800	196,700	187,800	-	187,800
Safe Restart Grant	1,414,036					
Grants of Farm & Conservation Properties	90,670	88,300	89,100	93,900	-	93,900
	<b>29,073,184</b>	<b>27,495,300</b>	<b>28,817,200</b>	<b>29,738,800</b>	<b>-</b>	<b>29,738,800</b>
<b>EXPENDITURES</b>						
<b>General</b>						
Finance Personnel Costs	699,988	717,200	716,000	747,300	-	747,300
Office & Equipment Expense	200,433	180,000	181,000	183,000	-	183,000
Bank Interest and Charges	5,386	4,000	4,000	4,200	-	4,200
Audit Fees	25,965	26,500	26,500	23,000	-	23,000
Tax Rebate and Exemptions	175,246	177,400	171,600	255,700	-	255,700
Advisory Services	1,610	5,000	5,000	5,000	-	5,000
Data Processing & IT Shared Services	320,238	278,000	276,000	304,500	-	304,500
Sundry	866	1,500	3,000	1,500	-	1,500
Tax Sale Expenses	61,955	70,000	70,000	70,000	-	70,000
LRCRC - Waste Site Costs	1,236,228	1,270,000	1,270,000	1,311,000	-	1,311,000
LRCRC - Monitoring Costs	24,307	26,000	26,000	20,000	-	20,000
Previously Exempt Waste (Parks & Fire Depts)	4,990	7,000	7,000	7,000	-	7,000
Region 6 Operating Grant	21,944	19,900	19,900	35,800	-	35,800
Grant Hebbville Area Rate	4,000	4,000	4,000	4,000	-	4,000
Insurance	94,510	104,400	133,100	138,100	28,200	166,300
Uncollectible Taxes	(154,453)	172,100	172,100	100,100	-	100,100
Garden Lots Sewer Project	32,231					
Safe Restart Expenses	-	-	-	-	200,000	200,000
Debt Service - Principal & Interest	2,284,415	655,000	655,000	-	-	-
	<b>5,039,858</b>	<b>3,718,000</b>	<b>3,740,200</b>	<b>3,210,200</b>	<b>228,200</b>	<b>3,438,400</b>
<b>Mandatory Contributions</b>						
Assessment Services	704,451	695,400	695,400	687,500	-	687,500
Regional Housing	29,148	35,000	32,100	35,000	-	35,000
Regional Library	158,314	158,400	158,400	199,700	-	199,700
Education	8,401,602	8,597,300	8,597,300	8,802,600	-	8,802,600
	<b>9,293,515</b>	<b>9,486,100</b>	<b>9,483,200</b>	<b>9,724,800</b>	<b>-</b>	<b>9,724,800</b>
Multi-Purpose Facility Costs	916,562	866,600	866,600	663,800	-	663,800
<b>Transfers to (from) Reserves &amp; Funds</b>						
Depreciation, Interest, Site Monitoring, LCLC						
Depreciation Reserve, Safe Restart	3,106,180	594,000	637,000	1,147,100	(200,000)	947,100
	<b>18,356,114</b>	<b>14,664,700</b>	<b>14,727,000</b>	<b>14,745,900</b>	<b>28,200</b>	<b>14,774,100</b>
<b>NET SURPLUS (EXPENDITURE)</b>	<b>\$ 10,717,071</b>	<b>\$ 12,830,600</b>	<b>\$ 14,090,200</b>	<b>\$ 14,992,900</b>	<b>\$ (28,200)</b>	<b>\$ 14,964,700</b>

**2022/23 Budget Additions**

Department/Description	Expenditure Amount	Revenue Amount	Net Cost (Surplus)
<b>Administration &amp; Legislative Services</b>			
South Shore Regional Hospital Grant (Year 1 of 4)	\$ 50,000	\$ -	\$ 50,000
Reserve Transfer	-	50,000	(50,000)
Anti-racism Initiatives	30,000	-	30,000
<b>Engineering &amp; Wastewater Services</b>			
Wastewater Personnel	72,200	-	72,200
<b>Building Inspection Services</b>			
Personnel	178,500	178,500	-
<b>Planning &amp; Development Services</b>			
Private Roads	8,600	9,000	(400)
Planning Personnel	146,300	-	146,300
Network Analysis	5,000	-	5,000
Boundary Review	7,000	-	7,000
Legal & Other Administrative	(17,000)	-	(17,000)
MODL 2040 Engagement	-	-	-
Flood Risk	25,000	-	25,000
Housing & Future Land Use	50,000	-	50,000
Agriculture & Lakeshore Development	25,000	-	25,000
Infrastructure	5,000	-	5,000
Rentals	1,000	-	1,000
Climate Projects	-	-	-
Tree planting	7,000	-	7,000
Community Pledges	4,500	-	4,500
Environmental Champion Award	5,500	-	5,500
Floodline Mapping Project	170,000	170,000	-
Repayable CEF Grants	100,000	-	100,000
CEF Program Reserve Transfer	-	100,000	(100,000)
<b>Economic Development Services</b>			
Legal for Land Sales	20,000	-	20,000
Economic Development Strategy	75,000	-	75,000
<b>Recreation Services</b>			
Grants to Organizations	21,100	-	21,100
Park Maintenance Personnel (year round)	77,500	-	77,500
<b>Financial Services</b>			
Cyber Insurance	28,200	-	28,200
Safe Restart Expenditures	200,000	-	200,000
Safe Restart Reserve Transfer	-	200,000	(200,000)
<b>TOTAL ADDITIONS</b>	<b>\$ 1,295,400</b>	<b>\$ 707,500</b>	<b>\$ 587,900</b>

April 14, 2022

Mayor Carolyn Bolivar-Getson  
[mayor@modl.ca](mailto:mayor@modl.ca)

Tom MacEwan, CAO  
[tom.macewan@modl.ca](mailto:tom.macewan@modl.ca)

Councillor Reid Whynot  
[reid.whynot@modl.ca](mailto:reid.whynot@modl.ca)

**RE: Bill 149 Financial Measures (2022) Act**

Dear Mayor, CAO and Councillor,

I am writing on behalf of the Kingsburg Community Association (KCA) representing over 80 households in the community of Kingsburg. The KCA advocates on behalf of all the members of our community (both residents and non-residents) to improve and strengthen the community.

The KCA has significant concerns regarding Bill 149 which will establish an annual non-resident Property Tax of \$2.00 per \$100 of assessed value and a Deed Transfer Tax of 5% of the value of property purchased by non-residents.

The KCA has written to the Premier, Minister of Finance & Treasury Board, Minister of Economic Development and MLA for Lunenburg, and Standing Committee on Law Amendments outlining our concerns and providing them with a paper prepared by Duncan MacLennan, a housing economist and KCA Board member, on this issue. (attached to email)

**We request that Council consider these concerns and petition the NS government (as noted above) on the need to undertake a full analysis of the short- and long-term impacts of Bill 149 on both the supply and affordability of housing in Nova Scotia and on individuals, families, communities, businesses and the economy of MODL, rural areas and all of Nova Scotia.**

**Timely action is required as the Bill may move quickly through the legislative process. It is currently being considered, clause-by-clause, in the Committee on Law Amendments.**

Respectfully,  
Debora Walsh,  
President, Kingsburg Community Association  
[kingsburgcommunityassociation@gmail.com](mailto:kingsburgcommunityassociation@gmail.com)

April 13, 2022

Premier Tim Houston  
[premier@novascotia.ca](mailto:premier@novascotia.ca)

The Honourable Allan MacMaster  
Minister of Finance and Treasury Board  
[FinanceMinister@novascotia.ca](mailto:FinanceMinister@novascotia.ca)

The Honourable Susan Corkum-Greek  
Minister of Economic Development and MLA for Lunenburg  
[edminister@novascotia.ca](mailto:edminister@novascotia.ca)  
[susancorkumgreekmla@gmail.com](mailto:susancorkumgreekmla@gmail.com)

Standing Committee on Law Amendments  
[Legc.office@novascotia.ca](mailto:Legc.office@novascotia.ca)

CC:

The Honourable Iain Rankin  
Leader of the NS Liberal Party  
[laura.bignell@novascotia.ca](mailto:laura.bignell@novascotia.ca)

Mr. Gary Burrill  
Leader of the NS NDP Party  
[garyburrill@gmail.com](mailto:garyburrill@gmail.com)

**RE: BILL 149 Financial Measures (2022) Act**

Dear Premier, Ministers and Standing Committee on Law Amendments,

I am writing on behalf of the Kingsburg Community Association (KCA) representing over 80 households in the community of Kingsburg, Lunenburg County. The KCA advocates on behalf of all the members of our community (both residents and non-residents) to improve and strengthen the community.

Ministers claim that the impacts of the measures will improve the affordability of housing opportunities facing Nova Scotians. This seems unlikely, unless the tax measures are to collapse housing asset values across the Province, and that seems unlikely. Pressures on housing affordability in Nova Scotia are greatest in the bottom half of the regional housing market. You really need to spell out who, in relation to housing affordability, will gain, when and where from the proposed Bill.

In December 2021 we wrote to the Ministers of Finance & Treasury Board and Economic Development identifying concerns with the proposed tax changes and raising questions for the government to consider in its deliberations regarding the policy proposals. That letter included a background paper prepared by Duncan Maclennan, a housing economist and KCA Board member, to inform our Board and membership about the proposed changes. We are aware that many individuals, groups and organizations have expressed the same and related concerns. (letter and paper attached to email)

The economic analysis underpinning the beneficial impacts of the Bill claimed by the Province is seriously flawed. We are concerned that Bill 149 shows little understanding of who the non-residents are, their strong connections to the Province and the benefits that they bring in terms of local jobs, through their direct spending and its associated multiplier effects on resident jobs and incomes, as well as roles in supporting significant business start-ups.

It is clear that if the tax policy succeeds and drives out non-resident owners with minimal average service demands and replaces them with new, full-time residents paying existing taxes but with much greater service demands that there will be no net benefit to the budget of the Province.

Frankly, the government does not seem to recognise and value the diaspora of loyal and connected Nova Scotians, who don't stop being Capers or Bluenosers when they are currently earning their living in Toronto or Calgary but aiming to come back one day. They may be your best ambassadors.

We are convinced that the government does not understand these concerns and has not adequately modelled the short- and long-term impacts on individuals, families, communities and businesses of these tax changes.

We are concerned there will be no net benefit to Nova Scotia if non-residents are compelled to leave the province significantly reducing investment and expenditures in rural communities. Non-residents are a vital part of our and other communities.

We have identified below the concerns raised in our earlier letter and some additional considerations:

- What evidence and analysis are these policy changes based on?
- What will be the short- and long-term impacts on housing supply and affordability in local housing markets and the overall provincial economy?
- What are the economic and societal impacts of discouraging non-resident, former Nova Scotians and others from having new or existing secondary homes in the province? Will this reduce their possible transition to permanent residency at some point?

- What is the tax impact on resident Nova Scotians' property succession to non-resident children/heirs?
- What are the longer-term impacts on the property tax base and revenues?
- What will be the financial impacts on small businesses and local governments in towns and rural areas which have benefitted from new construction and renovation of homes?
- Will the proposed changes disproportionately impact longstanding, non-resident owners whose past investment has been significant in reinvigorating towns and villages?
- Will the impact on non-resident commercial rental property owners reduce the supply of much-needed affordable rental housing, especially in Halifax?
- What are the impacts on Nova Scotia's image as welcoming returning Nova Scotians and others to the province and as a desirable location to live and work?

We believe these questions must be addressed before the Bill moves to final approval in order that law makers can make informed, effective policy decisions and act in the interest of all Nova Scotians.

We urge you to consider how these changes will affect those directly impacted by the changes (non-resident property owners and purchasers) as well as all Nova Scotian citizens and taxpayers over the short- and long-term.

Respectfully,

Debra Walsh  
President, Kingsburg Community Association  
[kingsburgcommunityassociation@gmail.com](mailto:kingsburgcommunityassociation@gmail.com)

**BACKGROUND PAPER | Duncan MacLennan**

# Proposed Tax Changes to Title Deed Transfer and Property Taxes for Non-Residents of Nova Scotia

## **1. Taxing Changes!**

The government of Nova Scotia has indicated that it wishes to change the tax treatment of properties purchased and owned by non-residents who do not pay income tax in Nova Scotia. The proposals for change, outlined in government papers and debates, are very general, non-transparent and unaccompanied by any evidence of their likely incidence and impact on the Nova Scotia economy. The next Provincial budget debate is scheduled to take place Jan 20 and it is possible that important decisions about how and when tax change will proceed may be taken at that meeting.

Members have asked KCA to provide relevant information about, and more detailed understanding of, what the changes might mean in terms of long-term impacts on the community and the province.

This paper, in Section 2, notes broad processes of recent housing market changes in Nova Scotia, and identifies the key housing issues concerning policymakers. The tax changes proposed by the Government are presented in Section 3. Section 4 briefly outlines the issues likely to arise in the Kingsburg context. The concluding Section is a list of questions that government should address to inform policymakers and citizens about future taxation of non-residents owning property in Nova Scotia.

## **2. Context and Issue**

*Nova Scotia: Growing at Last!*

Prior to the onset of Covid-19, population, and house prices, had been increasing steadily in all of Nova Scotia's counties, except one, since 2016. Peaking numbers of retiring households with housing assets in metropolitan Canada have fuelled increasing numbers of households returning, full- or part-time, to their provinces of origin and family connection.

A second significant stream, increasing over the last decade, has been an increased flow of younger, often well-qualified households. They have found that the rapid increase of metropolitan house prices has inhibited their shift into owner-occupied housing and ability to develop family-oriented living. In consequence, they have shifted to smaller cities and well-serviced towns in rural areas. Good quality, affordable housing has become an important asset for Nova Scotia in attracting new talent. Though this group may be the main source of upward price pressure in Halifax

and the main towns of Nova Scotia they will, on becoming residents, be excluded from property tax surcharges.

Covid-19 has significantly increased inflows out of metropolitan cores and into towns and rural areas with marked price increases through 2021. In 2020, NSAR MLS® real estate sales increased dramatically with 13,923 homes sold (an increase of over one-third). 2021 has been a record-breaking year of sales and rental markets were also pressured. It must be stressed that these evident housing market pressures were despite the near disappearance of the inward flow of international immigrants (also increasing 2010-19) and sharply reduced inflows of students from outside of Nova Scotia and Canada. Nova Scotia has, in essence, become more competitive in attracting households with human capital and spending power.

The pandemic has reinforced rather than initiated the flows involved. The environmental qualities and community strengths of Nova Scotia have attracted the interest of rising numbers of households looking for lower density and greener lifestyles. It is likely that the demands for more local lifestyles, shaped by environmental preferences and reducing daily household travel, will continue after a 'new normal' of managed Covid-19 and it will be facilitated by the work practices that individuals, managers and firms, and governments, have developed since March 2020.

Arguably it is well-delivered housing supply programmes and not differential property taxes that will sustain that growing flow of new Nova Scotians. Individuals and firms do not usually shift locations based on a single factor, such as house prices or property, but on the net advantages that a move will bring. Increasingly the 'net advantage' being considered is not just to a household, but to a more extended family including parents, grandparents and siblings.

Seasonal homes play an important role in holding the past diaspora of Nova Scotia families together and in extending the sense of the Atlantic community across Canada as a whole. Family connections, and wealth too, are important in selecting new residential locations. The Province of Nova Scotia, having faced the problems of small town and rural decline for almost a century now appears to have a significant strategic opportunity to capture this new Wave of Canadian interest in its Atlantic coast. It is important than any tax policy changes for revenue today do not lose that opportunity for a more diverse and growing Nova Scotia tomorrow.

### *Growth Downsides*

Over the last year house prices in Nova Scotia (according to RBC estimates) have increased by around a fifth, and at roughly the same rate as Ontario. Forward forecasts to the end of 2022 suggest a much lower uplift of 4 percent as monetary policy gradually raises mortgage rates.

Rising prices and transaction volumes are good news for existing property owners but bad news for younger households currently renting but intending to buy. Where

housing demand rises more sharply than supply there are varied government policy responses. Tightening rent controls or shaping taxes to favour local as opposed to new arrivals are inherently short-term rationing measures. They do not resolve long-term supply deficits; the resolution is to augment housing supply by facilitating development through faster planning, better infrastructure provision and active, supportive provincial housing policies. Long-term solutions require the latter 'growth accommodating' rather than short-term 'controlled sharing' policy approaches. The newly-elected Government of Nova Scotia appear to have leaned towards short-term, palliative measures rather than supply augmenting strategies in what they see as measures designed to make housing more affordable and increase supply. They might miss the Wave.

### **3. Changing Taxes of Property Transfers and Use**

A key element of the Government's 'housing' strategy, and arguably its tax revenue strategy, has been to propose two, rather loosely-defined property tax measures. They are both aimed at non-residents - those who own property in Nova Scotia or who are future purchasers -who do not pay income tax in Nova Scotia.

The proposals were outlined in the government's election campaign. They noted that, according to Statistics Canada, estimates for 2018 indicate that non-residents own 3.9 per cent of Nova Scotia's housing stock (excluding purpose-built multifamily rental properties) and that this rate was higher than in either British Columbia or Ontario (although ownership rates by overseas owners are lower). There was then expressed a vague concern, unbacked by evidence, that many properties are being purchased by non-residents, who may or may not plan to spend time in those properties. Whilst the claim was vague the policy recommendation was not: "We will impose a new tax and property levy for buyers who do not pay income tax in Nova Scotia. These fees will limit purchases from non-Nova Scotia income taxpayers and, for those who do purchase, will bring in an added regular stream of revenue for the province." Again, the evidence to support these last two claims of impact was missing and is scrutinized below.

Platform quickly became policy and the September 14th mandate letter from the Premier to the new Deputy Premier and Minister of Finance, Allan MacMaster, gives him responsibility to develop a timeline and proposals to:

*a) Implement an additional, provincial deed transfer tax on any Nova Scotia property purchased by individuals who do not pay taxes in Nova Scotia (a once-off tax on new non-residents purchasing property)*

*b) Impose a levy on every non-Nova Scotian taxpayer held property in Nova Scotia of an additional \$2 per \$100 of assessed property value (an annual additional property tax levy on the total stock of non-residents of Nova Scotia: ReMax note that the extra annual tax for a non-resident in a Halifax waterfront apartment, at summer 2021 values, would mean an additional \$14,000 in property taxes).*

The letter did not provide a timeline for implementation, and little in the way of firm details and evidence-based policy analysis has emerged. However, there has been the rapid emergence of a quite heated debate about the transparency, fairness and likely efficacy of the taxes proposed.

#### 4. KCA Commentary

Members of the KCA, NS residents and non-residents alike, have asked the KCA to prepare this background note to inform their thinking, either because the new taxes will have a major direct incidence upon them (who formally will pay the taxes) or they will be adversely impacted by the consequences of the taxes.

It is important for policymakers and voters to have a clear understanding of the distinction between the **incidence** and **impacts** of tax. The **initial incidence** of a tax is defined by those who formally pay the tax (in this instance, non-resident property owners in Nova Scotia). It is usually relatively easy to identify. However, the final impacts of a tax are often complex. When taxes are imposed they may shift either, or both, the supply and demand for a good or asset. For example, where property taxes are levied on owners in markets that are characterized by fast and flexible supply responses (that quickly remove shortages) then owners are unable to pass the tax on to tenants. However, in rental markets with shortages, it is easy for landlords to pay the tax (incidence) but then raise tenant rents to cover the extra tax costs (impact). Tight markets allow those incurring initial incidence to shift the real burden of taxes to consumers. Non-resident commercial landlords, known to be of some importance in pressured Halifax, may then (depending on whether rent controls are in place) eventually drive up the cost of housing for younger and middle-income households. Non-resident owners who let their homes to holidaymakers for significant parts of the year in popular localities, such as the South Shore and Cape Breton, will respond by raising the cost of holidaying, and staycations, in Lunenburg and Inverness Counties.

Where suppliers and demanders change their behaviours in relation to the new taxes there may then be quite complex adjustments that reduce or entirely remove the gains in housing affordability and supply mentioned in Government debates and that have potentially wider negative economic impacts for the province.

The information available to homeowners and voters in Nova Scotia does not yet make it clear how the Government have assessed the impacts and balanced revenue raising incidence effects from longer-term economic benefits. If the broad tax measures proposed are implemented, then they may raise tax revenue in the short-term. That gain may quickly atrophy if Nova Scotia transaction flows fall and prices stabilize. It is not a clear logic chain in the new proposals running from title deed or property tax increases to more affordable housing and increased housing supply. And the balancing of increased tax revenue versus downside effects on economic activity in the province is not at all evident in the policy discussion within the Government.

In what follows below questions are posed about whether the proposed changes will raise revenue in a sustained fashion, improve housing affordability and enhance

provincial economic development. Governments owe taxpayers transparent statements on the revenue potential, incidence and impact of the tax changes they propose. Outside of Nova Scotia, in the places and for the people whom the Government reaches in its Connections strategy, potential investors could see the proposed tax changes (at least until specific, well-argued tax plans are produced) as simply a tax grab on those who want to restore or make some, if not yet a full, immediate residential connection to Nova Scotia.

Debates about taxes hinge around disagreements on wider impacts and on the fairness of incidence (initial and final). The KCA does not propose to take a collective position at this time on whether the tax measures proposed are likely to be beneficial. But we can pose a series of questions about the likely impacts of the tax in relation to the goals vaguely outlined by the government.

## 5. Questions for Policymakers

1. Policymakers have widely referred to tax measures in other jurisdictions. Was there a systematic review completed on what our competitor provinces do and whether additional surcharges have achieved desired housing affordability and supply outcomes? Is there any conclusive evidence that the widely-reported additional surcharges for non-resident owners in Toronto and Vancouver have assuaged price increases and improved affordability? Subsequent house price and affordability measures suggest otherwise.
2. Will the tax changes discourage non-residents from buying seasonal homes as a step towards residence (gradually increasing their Atlantic involvement)? Will the Nova Scotia diaspora of the 1960s to the 80s be discouraged from coming home?
3. If the tax changes reduce external demand for Nova Scotia properties, is the income/wealth distribution in Nova Scotia likely to support current house price and land values in the upper decile of the market? Could the value of the residential property tax base, in consequence, fall and thereby reduce property tax revenues?
4. Official data suggest that non-residents currently own 4 percent of the NS housing stock. In the Kingsburg area it is around half of households. How geographically concentrated is the non-resident ownership pattern? Will concentrated effects induce potentially more damaging impacts on the smaller towns and the rural economy? A blip for Halifax may be a blot for jobs in Inverness County.
5. What proportion of current non-residents have constructed the homes they live in (augmenting supply), and strengthened the economic base of places before the onset of Covid-19 and the price rises of 2021?
6. The imposition of the additional annual property tax will have impacts on older households who bought substantial seasonal homes in earlier stages of their

earnings cycles. Will a \$10,000 additional tax (not least when combined with more general revaluations and tax increases proposed) on a property valued at \$500k be a real disincentive to staying in the province? Is that an intended effect of the tax?

7. If the property taxes induce existing non-resident owners to sell their homes that are then purchased by thriving Nova Scotians as holiday homes, how will this meet any of the Government's goals to increase affordable housing supply for Nova Scotians?
8. What will be the employment effects of reducing external demand for residential property in Nova Scotia? There are significant multiplier effects from housing investment arising from construction, renovation, sales, white goods, etc. How have the Government of Nova Scotia estimated these effects, what is their value to the economy and how will they be impacted by the tax changes?
9. Will non-resident owners of commercial rental property in Nova Scotia maintain their NS businesses? If new rental investors become more difficult to attract, how will this inhibit supply, especially in Halifax?
10. Will the image of Nova Scotia as 'open for business, welcoming seasonal returning Nova Scotians and hospitable to all, disappear? Do these proposed tax changes negatively impact the image of Nova Scotia held by those very parties who the Government wishes to attract to the province? What does this mean for the future prospects of all Nova Scotians?