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Finance Committee Meeting Agenda

Tuesday, July 2, 2024– 9:00 a.m.

MODL Council Chambers – 10 Allée Champlain Drive, Cookville

1. Call to Order

1.1 Mi'kma'ki Territorial Acknowledgement

2. Announcements, Acknowledgements, Recognition

3. Public Input (15 Minutes)

4. Changes/Approval of Agenda

5. Approval of Minutes – March 5, 2024 (as circulated)

6. Business Arising from Minutes

7. Presentations/Scheduled Times

7.1 Weathering What's Ahead - Alex Cadel, CLIMAtlantic & 10:15 a.m. 1-6
Gavin Kennedy, NS Environment & Climate Change

8. Consideration of Correspondence – Nil

9. Recommendations from Council - Nil

10. Staff Reports

10.1 Finance Department

10.1.1 4th Quarter Variance Report 2023/24..... 7-12

11. Added Items

12. In Camera

12.1 Potential Litigation under Section 22(2)(f) of the MGA

12.2 Contract Negotiations under Section 22(2)(e) of the MGA

13. Adjournment

WEATHERING WHAT'S AHEAD:

NOVA SCOTIA'S CHANGING CLIMATE AND CLIMATE CHANGE RISK ASSESSMENT

Municipality of the District of Lunenburg

Gavin Kennedy, P.Geo., Lead Climate Risk Assessment

Alex Cadel, Climate Services Specialist

Climate Change Division, NS Environment and Climate Change
 CLIMAtlantic

July 2, 2024



Nova Scotia's Changing Climate

It's Getting Warmer

Data is specific to Lunenburg Census Division

	Recent Past (1981-2010)	Present (2011-2040)	Mid-century (2041-2070)	End century (2071-2100)
Average temperature	7.2°C	8.5°C (+1.3)	10.4°C (+3.2)	12.4 (+5.2)
Annual hottest day	31.1°C	32.5°C	34.2°C	36.2°C
Days > 29°C	5 days	11 days	23 days	49 days
Annual coldest day	-22.3°C	-19.8°C	-16.4°C	-12.5°C
Winter temperature	-3.2°C	-1.7°C	0.2°C	2.2°C
Last spring frost	May 5	Apr 29	Apr 18	Apr 7
First fall frost	Oct 12	Oct 22	Nov 1	Nov 17

- ▶ Summer days and nights will be more uncomfortable.
- ▶ Rapidly warming winters: less extreme cold, more temperatures above freezing.
- ▶ Increased risks of hazards such as heat waves, wildfires and droughts.

Precipitation Patterns are Changing

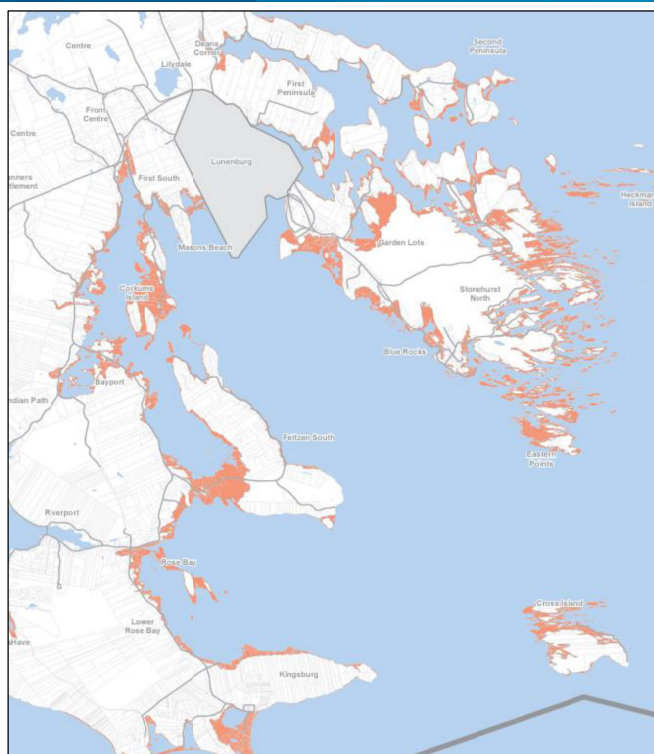
Data is specific to Lunenburg Census Division

	Recent Past (1981-2010)	Present (2011-2040)	Mid-century (2041-2070)	End century (2071-2100)
Annual precipitation	1372 mm	1450 (+6%)	1502 (+9%)	1561 (+14%)
Days with rain	108	115	120	126
Days with snow	34	28	22	15
Days with > 20 mm	19	22	23	24
1-in-1 year storm	65 mm	71 mm	75 mm	82 mm
1-in-100 year storm	170 mm	190 mm	214 mm	240 mm

- ▶ More total precipitation, but more of that water will evaporate in warmer air or run off in more intense downpours.
- ▶ As temperatures warm, more precipitation will fall as rain instead of snow.
- ▶ Trend towards more intense rainfall events, increasing the risk of flooding.

Sea Level Rise

- ▶ Lunenburg:
 - Historical: +3 cm/decade
 - 2050: +33 cm (median)
 - 2100: +81 cm (median), +119 cm (high end)
- ▶ Water levels still depend on tides and storm surge.
- ▶ Hazards include coastal flooding, saltwater intrusion, damage to coastal ecosystems.

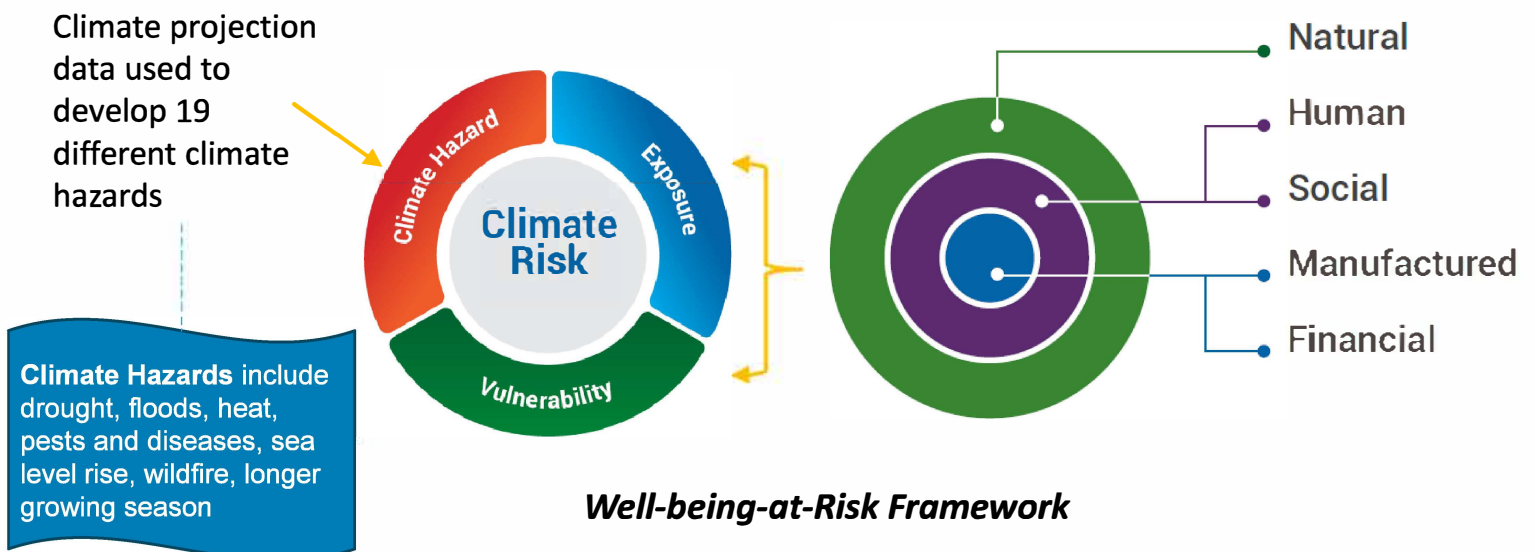


Provincial Climate Change Risk Assessment

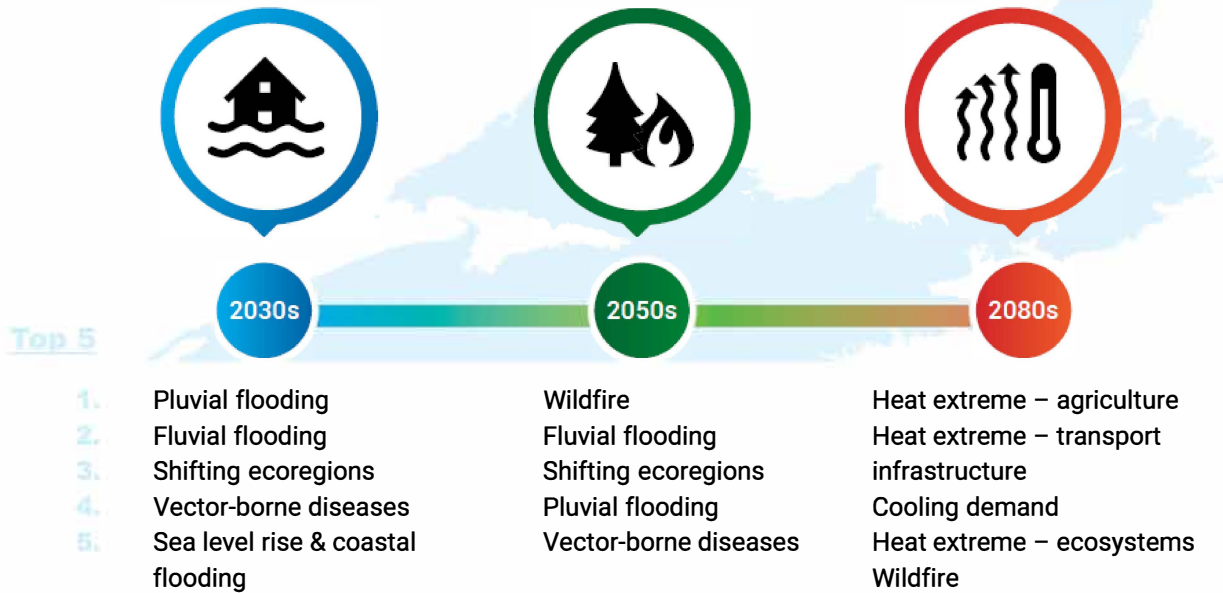
- ▶ A provincial climate change risk assessment helps to:
 - Understand how the climate is changing
 - Explore climate impacts and opportunities
 - Identify priorities and areas of concern
- ▶ An evidence-based resource that governments, businesses, communities, and Nova Scotians can use to guide action
- ▶ The Province released a climate change risk assessment in 2022 with the next update planned for 2025 – legislated commitment under EGCCRA



Approach to Risk Assessment



Well-being at Risk Results: Top Climate Hazards Change Over Time

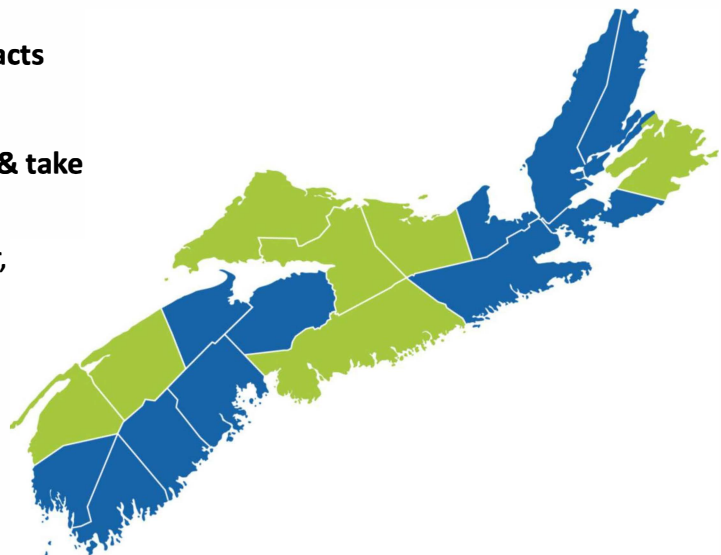


Under a high emissions scenario, median values



Regional Adaptation Needed: Priority Regions

- ▶ All areas need to address climate impacts
- ▶ Highest need to adapt to reduce risks & take advantage of opportunities
 - Annapolis, Cape Breton, Colchester, Cumberland, Digby, Halifax, Pictou



Regional Analysis: Lunenburg County



Top ranked hazard based on Lunenburg county's attributes

Early century (2015-2045)	Mid century (2035-2065)
Fluvial flooding	Wildfire
Pluvial flooding	Fluvial flooding
Vector-borne diseases	Pluvial flooding
Heat extremes for agriculture	Heat extremes for agriculture

County level (Lunenburg) climate projection data

Sea level change

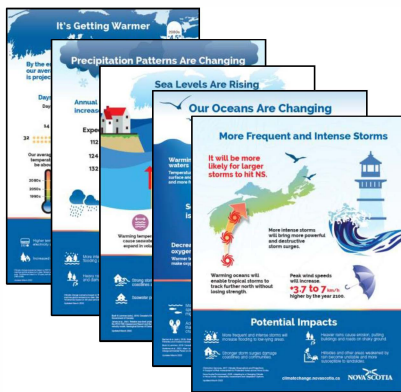


Climate Index	Baseline (1981-2010)	Early century (2015-2045)	Mid century (2035-2065)	End century (2065-2095)
Annual hottest day	31.4°C	32.7°C	34.1°C	36.0°C

Sharing Results of the Risk Assessment

► Website: <https://climatechange.novascotia.ca/climate-impacts>

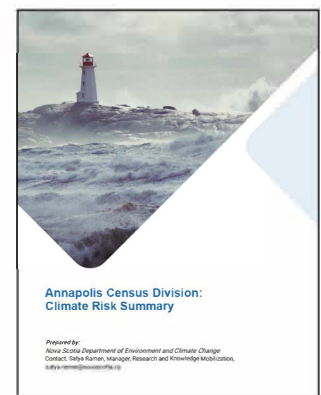
Series of Infographics



Summary Report, Full technical Report + Appendices



County Profiles



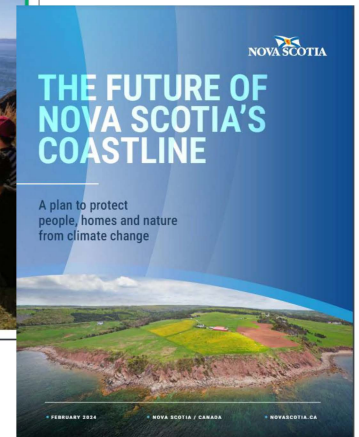
Acting on Climate Change

1. **Addressing the source of the problem**
 - ▶ Reducing greenhouse gas emissions that cause climate change

2. **Reduce risks and take advantage of opportunities**
 - ▶ Addressing the impacts we see now
 - ▶ Preparing for future changes



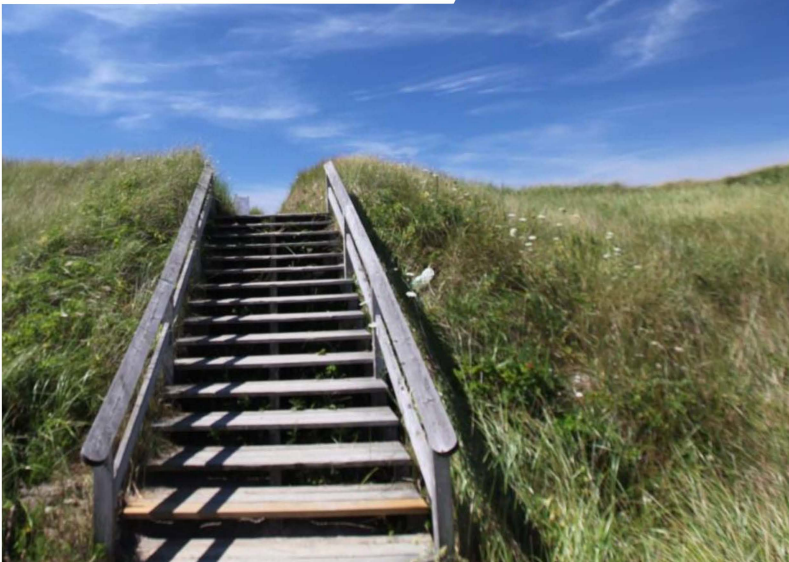
68 actions



15 actions



Thank-you



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Alex Cadel, Climate Services Specialist
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Climate Change Division,
 NS Department of Environment and Climate Change

Questions?



Municipality of the District of Lunenburg

Report to Finance Committee

Report To: Finance Committee
Submitted By: Elana Wentzell, CPA, CMA
Date: July 2, 2024
Re: 4th Quarter Operating Budget Variance Report – March 31, 2024

Executive Summary

The enclosed Operating Fund Variance Report gives Council details of operating budget accounts where variances to budget have occurred. The actual figures are in draft until the year-end is finalized. There may be some adjustments which will be included in the Treasurer's Report when the draft financial statements are presented.

Staff have commented on all variances over \$1,000.

In this fourth quarter report, staff are projecting an Operating surplus of \$3.413 M which represents a \$3.385 M (8.70%) budget variance.

The revenue variance shows \$2,677,249 in additional revenue recorded as compared to budget. Deed transfer tax and interest on deposits account for \$1,739,162 of this variance. Tax Revenue accounts for an additional \$1,168,890 where successful appeals were lower than expected.

The expenditure variance shows \$666,131 less than budgeted, a 2% budget variance. Expenditure variances usually occur due to timing: projects do not start when expected or are delayed, timing of when staff retire or are hired; or when Council approves expenditure overages (like the property tax rebate).

Please refer to the enclosed report for more detailed information.

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

**Municipality of the District of Lunenburg
Operating Fund Variance Report - 4rd Quarter DRAFT
March 31, 2024**

	DRAFT Year End Actual	Annual Budget	Actual Variance \$ (under) over Budget	Actual Variance (% Budget left)	Comments on Draft Actual Variance
REVENUE					
Tax Revenue	\$ 29,702,890	\$ 28,534,000	\$ 1,168,890	4.1%	Actual taxes billed for year. Completed appeals have resulted in 4% average value reduction. Budget estimate was 10%
Business Property	168,791	191,500	(22,709)	-11.9%	HST Offset grant lower then prior years
Deed Transfer Tax	2,212,249	1,800,000	412,249	22.9%	Actual received similar to 2019/20 levels (pre-pandemic)
Other Taxes	82,311	68,000	14,311	21.0%	Actual hydrant charges billed
Grants in Lieu of Taxes	268,565	255,100	13,465	5.3%	Based on actual calculation of Federal PILT
REMO/Accessibility recovery from Other Units	86,085	87,100	(1,015)	-1.2%	Amount of REMO cost overage billed to partner units
Sale of Services					
Recreation Services	100,172	78,500	21,672	27.6%	Actual recreation revenues received - Spring & Fall Program revenue higher than budgeted
Regional Building Inspection Services	111,282	352,200	(240,918)	-68.4%	Budgeted for full year Regional Service. Regional service agreements not yet in place. MODL continues to bill out inspection services based on previous hourly rate agreements.
Other Revenue - Fines, Permits, Rentals, Tax sale fees & Interest	3,245,213	1,918,300	1,326,913	69.2%	Actual interest earned based on higher interest rates than budgeted
Farm Acreage Grant	101,363	95,200	6,163	6.5%	Actual Farm Acreage Grant received
Provincial Grants	221,531	243,300	(21,769)	-8.9%	Total grants received less than budgeted
TOTAL REVENUE	\$ 36,300,449	\$ 33,623,200	\$ 2,677,249	8.0%	
EXPENDITURES					
Mayor & Council	\$ 729,703	\$ 791,400	\$ (61,697)	-7.8%	Mayor & Council Travel & Expenses less than budgeted (Budget \$116,700; actual \$67,900) & budget savings in contracted Council Chamber AV costs & member at large costs
Bank Interest & Charges	4,240	4,700	(460)	-9.8%	
Administration	1,184,063	1,331,500	(147,437)	-11.1%	Admin staff wages, training & conference budget savings based on hiring delays of staff

**Municipality of the District of Lunenburg
Operating Fund Variance Report - 4rd Quarter DRAFT
March 31, 2024**

	DRAFT Year End Actual	Annual Budget	Actual Variance \$ (under) over Budget	Actual Variance (% Budget left)	Comments on Draft Actual Variance
Finance	800,717	830,200	(29,483)	-3.6%	Budget savings based on staff retirements
Tax Exemptions	351,284	309,400	41,884	13.5%	Budget overage for low income tax rebates per Council approval
Legal & Advisory Services	269,158	491,800	(222,642)	-45.3%	Delayed hiring IDEA Coordinator, legal fees less than expected, safety & other consulting services costs less than expected.
Administration Building, Supplies, Advertising and Data Processing	960,322	1,161,700	(201,378)	-17.3%	Estimate reduction for Mun Services Bldg maintenance & Planning advertising costs
Allowance for Uncollectible taxes	88,126	74,500	13,626	18.3%	Actual based on uncollectible allowance estimates calculated at year end
Tax Sale Expenses	56,496	70,000	(13,504)	-19.3%	Based on actual costs for tax sale (in/out) - fees charged to tax sale accounts
Government Relations, Communications & Municipal Celebrations	108,174	118,500	(10,326)	-8.7%	Actual cost of Municipal Celebrations, public consultations & communications projects
Insurance	195,513	227,900	(32,387)	-14.2%	Actual costs lower than budgeted amounts
Grants to Organizations	786,706	1,146,800	(360,094)	-31.4%	PACE Grants issued \$164K vs \$500K budget; balance of budget savings dispersed throughout other grant programs
Election Costs	4,676	-	4,676		Actual costs to start working on upcoming election
Assessment Services	690,276	690,300	(24)	0.0%	
Police Protection	4,130,648	4,130,600	48	0.0%	
Correction Services & Prosecutions	497,318	524,900	(27,582)	-5.3%	Actual cost lower than budgeted
Fire Protection Municipal Costs	496,702	456,700	40,002	8.8%	Fire Personnel Insurance & WCB coverage over budget
Emergency Measures	243,724	269,900	(26,176)	-9.7%	Increased REMO costs due to 2023 flooding offset by budget saving in local EMO (dry well financing budget \$60K, actual \$14K)
Protective Inspection Services	809,089	870,500	(61,411)	-7.1%	Reduced costs due to the delay in implementation of the Regional Building Service
Dog Control	40,385	44,500	(4,115)	-9.2%	Actual cost less than budgeted
Common Services (Engineering)	651,228	682,000	(30,772)	-4.5%	Reduced costs for staff travel & expenses, & office expenses

**Municipality of the District of Lunenburg
Operating Fund Variance Report - 4rd Quarter DRAFT
March 31, 2024**

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Provincial Roads & NSTIR Paving Partnerships	832,513	993,100	(160,587)	-16.2%	Paved shoulders not completed in this fiscal
Municipal Road Maintenance	287,710	350,000	(62,290)	-17.8%	Estimate savings based on actuals: \$19K summer maintenance costs, \$43K winter maintenance for Municipal roads
LaHave Sewer post-install & recoverable costs	157,808	\$ -	157,808		Maintenance fees recovered as a rate on applicable tax bills \$36K, post install costs \$121K (recovered from contractor \$44K)
Garbage & Waste Collection	2,765,384	2,800,700	(35,316)	-1.3%	Actual cost Collection contract & MJSB tipping fees
Regional Housing	-	35,000	(35,000)	-100.0%	There is a \$44K accrual on the balance sheet for this and this is the last year to pay these costs
Planning & Zoning	975,216	1,024,400	(49,184)	-4.8%	Based on actual staff wages, training and travel & office expenses
Economic Development, Schools, CES Bldg & Tourism	906,024	1,567,900	(661,876)	-42.2%	Estimate reduction for Internet \$249K and Community Hub set up \$257K, Food hub \$50K & Other Ec Dev Projects \$58K, Tourism Projects \$11K
Recreation Staffing, Facilities and Programming	1,605,422	1,844,400	(238,978)	-13.0%	Cost savings in programs \$57K, parks staffing and maintenance costs \$162K, insurance & office \$18K
Libraries	199,700	199,700	-	0.0%	
LCLC	912,309	671,600	240,709	35.8%	\$115K (2022/23) Estimate \$125K (2023/24)
Education	9,539,851	9,539,900	(49)	0.0%	
Financing & Transfers	1,253,788	(65,100)	1,318,888	-2025.9%	Reserves transfer interest to reserve funds \$54 over budget, CCBF for Operating Projects \$755K less than budgeted (in/out), PACE & Well financing (in/out) \$469 under budget, Pro Kids budget overage \$21K, Lahave sewer reserve \$24K
TOTAL EXPENDITURES	\$ 32,534,269	\$ 33,189,400	(655,131)	-2.0%	

**Municipality of the District of Lunenburg
Operating Fund Variance Report - 4rd Quarter DRAFT
March 31, 2024**

	DRAFT Year End Actual	Annual Budget	Actual Variance \$ (under) over Budget	Actual Variance (% Budget left)	Comments on Draft Actual Variance
Area Rates					
Fire Protection Revenue	4,370,604	4,359,900	10,704	0.2%	
Fire Protection Expenditures	(4,352,169)	(4,359,900)	7,731	-0.2%	
Sewage Collection & Disposal Revenue	529,407	488,800	40,607	8.3%	Actual revenue collected and expenses incurred -
Sewage Collection & Disposal Expenditures	(896,742)	(886,400)	(10,342)	1.2%	
Private Road Maintenance Revenue	315,621	315,700	(79)	0.0%	
Private Road Maintenance Expenditures	(300,589)	(301,000)	411	-0.1%	
Street Lighting Revenue	161,800	148,900	12,900	8.7%	Actual revenue collected and expenses incurred - over/shortages move to rates in subsequent fiscal year
Street Lighting Expenditures	(181,050)	(172,100)	(8,950)	5.2%	
NET AREA RATES	\$ (353,118)	\$ (406,100)	52,982	-13.0%	
SURPLUS (DEFICIT)**	\$ 3,413,062	\$ 27,700	\$ 3,385,362		Surplus will move to Operating Reserve per FRAM once year end is complete
% Annual Budget	8.92%	0.07%	8.70%		