

**AGENDA**  
**MEETING OF MUNICIPAL COUNCIL**

Bridgewater, NS

Tuesday, November 26, 2019 – 9:00 a.m.

Time & Page

1. CALL TO ORDER
  - 1.1 Mi'kma'ki Territorial Acknowledgement
2. ANNOUNCEMENTS, ACKNOWLEDGEMENTS, RECOGNITION
3. PUBLIC INPUT (15 Minutes)
4. APPROVAL OF AGENDA
5. APPROVAL OF MINUTES – November 12, 2019
6. BUSINESS ARISING FROM MINUTES
7. AWARDING OF TENDERS/RFPs
8. PRESENTATIONS/SCHEDULED TIMES
  - 8.1 PRO Kids Donation – Lunenburg Rotary Club ..... 9.15 a.m.
9. CONSIDERATION OF CORRESPONDENCE
10. RECOMMENDATIONS FROM COMMITTEES & BOARDS
  - 10.1 Policy & Strategy Committee
    - 10.1.1 Development of Conservation Agreement with NS Nature Trust  
re Cape LaHave Island ..... (1) 2-13
    - 10.1.2 Letter of Intent to NS Nature Trust re Cape LaHave Island..... (1) 2-13
  - 10.2 Fire & Emergency Services Committee
    - 10.2.1 Municipal Grants Increase ..... 14
11. STAFF REPORTS
  - 11.1 Finance Department
    - 11.1.1 Loan Guarantee – Martin's River Fire Commission ..... 15-33
12. MAYOR'S/DEPUTY MAYOR'S/COUNCILLORS' MATTERS
  - 12.1 Deputy Mayor's Update
  - 12.2 Mayor's Update
13. ADDED ITEMS
14. IN CAMERA
  - 14.1 Land Negotiations re Broad Cove Property under Section 22(2)(a) of the MGA
  - 14.2 Contract Negotiations re LCLC under Section 22(2)(e) of the MGA
  - 14.3 Personnel Matters re LCLC under Section 22(2)(c) of the MGA
15. ADJOURNMENT





# Municipality of the District of Lunenburg

November 20, 2019

To Her Worship, Mayor Bolivar-Getson, and Councillors  
of the Municipality of the District of Lunenburg

Dear Mayor and Councillors:

The Policy & Strategy Committee in session on Tuesday, November 19, 2019, made the following recommendation to Council:

1. That Municipal Council direct staff to develop a Conservation Agreement with the Nova Scotia Nature Trust for Cape LaHave Island and to bring the Agreement back to a Council meeting for consideration; and further, that the Agreement developed include a community consultation process.
2. That Municipal Council sign the Letter of Intent, as presented, to be sent to the Nova Scotia Nature Trust pertaining to Cape LaHave Island and Council's intentions of donating a conservation easement.

Respectfully submitted,

Chairman and Members  
Policy & Strategy Committee

/jp  
Attachments



# Municipality of the District of Lunenburg

Recreation Services

## MEMORANDUM

TO: Municipality of the District of Lunenburg Council – Policy and Strategy Committee  
FROM: Trudy Payne, Director of Recreation Services  
DATE: November 19, 2019  
RE: Cape LaHave Island Conservation Agreement – Nova Scotia Nature Trust

### RECOMMENDED MOTION

**That the Policy and Strategy Committee recommend to Council to direct staff to develop a Conservation Agreement with the Nova Scotia Nature Trust for Cape LaHave Island and to bring the Agreement back to a Council meeting for consideration.**

**That the Policy and Strategy Committee recommend to Council to sign the letter of intent as presented to be sent to the Nova Scotia Nature Trust pertaining Cape LaHave Island and Council's intentions of donating a conservation easement.**

### BACKGROUND

The Nova Scotia Nature Trust made a presentation to Council on September 24, 2019. The purpose of the presentation was request that the Municipality of the District of Lunenburg consider working in partnership with the Nature Trust to place a conservation easement on Cape LaHave Island to permanently protect its conservation values for current and future generations. The following motion was made at that meeting:

Moved by Councillor Hustvedt, seconded by Councillor Bell that Municipal Council refer the request of the Nova Scotia Nature Trust to a future Policy & Strategy Committee meeting. Carried unanimously

Planning and recreation staff met with representatives of the Nature Trust after the September 24<sup>th</sup> Council meeting to find out more about what would be required to enter into a conservation agreement, what the responsibilities of MODL would be and what would be the responsibilities of the Nature Trust.

A draft guide was provided by the Nature Trust to help explain what is involved. (attached).

A conservation easement is a written agreement between a landowner and the holder of the easement created to protect some or all of a property's conservation value.

The Nova Scotia Nature Trust are designated under the Nova Scotia legislation as eligible to hold Conservation Agreements. Legislation may also enable municipalities and the provincial government to hold Conservation Agreements.

Conservation Agreements create a structured and legally enforceable relationship between the Owner (MODL) of the land and the Land Trust (Nature Trust). In such an agreement the Owner gives up some of his/her rights to use the land. The rights given up will be determined by the landowner and the Land Trust. The owner gives the Land Trust access to the land in order to monitor and enforce the conditions established in the Conservation Agreement, and to address any damage that might happen to the land if a condition of the Agreement is broken. The land Trust commits to monitor and enforce the conditions in the Agreement. Also, the agreement stays with the land, the conservation agreement in most cases is granted in perpetuity.

The first step the Nature Trust would undertake is to do an inventory which is called a baseline documentation report. This report is a description of the property's natural and human-made features, and includes maps, photographs and possibly coordinates of certain features. This information would be recorded with the deed.

The owner would need to maintain property liability insurance and name the Land Trust as an insured party, keep the property free of claims and liens and inform the Land Trust of any damage to the property or breach of the Agreement. The owner must also let the Land Trust know if he/she intends to sell or otherwise transfer the property or an interest in the property to a new owner.

Permitted and restricted uses must be carefully thought-through by the Owner and the Land Trust. The Owner and future Owners of the land must live by these provisions, and the Land Trust must monitor and enforce these provisions in perpetuity.

An owner is not responsible for actions of a third party done without the Owner's knowledge that damage the conservation values of the property. However, the Agreement may require the Owner to work with the Land Trust to find a mutually agreeable course of action to address the damage. The Agreement may also require the Owner to put any proceeds of insurance benefits or other compensation resulting from damage towards the repair of the damaged conservation values.

The Owner is not liable for damage to the conservation values of the property resulting from causes beyond his/her control such as fires and floods. The Owner is also not responsible for damages caused by actions taken under emergency conditions to prevent damage to the property. The Land Trust likewise is not responsible to the Owner for damages occurring under these circumstances.

The Nature Trust would be looking to conduct public consultation to understand current uses, concerns and to find out more about the Island.

If Council proceeds with a conservation easement agreement, a separate agreement called a Stewardship Plan would be created which is a stand-alone document from the easement agreement. The Nature Trust would also look at establishing a property guardians volunteer

program who would help monitor and steward the Island. These volunteers would fall under the Nature Trust's insurance.

The Nature Trust also sent a letter of intent they are seeking Council to approve (attached). In an email from Ross Firth, Director of Conservation with the Nature Trust, "The letter is a non-binding document intended to be used in funding applications and as a helpful aid as part of the property acquisition process."

## **BUDGET IMPLICATIONS**

If Council provides direction to staff to proceed to work with the Nova Scotia Nature Trust to develop a conservation easement for Cape LaHave Island there would be legal and staff resources required which would have financial implications.

## **ALTERNATIVES**

The alternative is not to proceed with a conservation agreement.

## **CONCLUSION**

Cape LaHave Island is a natural gem owned by the Municipality. The Nova Scotia Nature Trust has been a registered charity since 1994 and has over 14,000 acres of outstanding lands protected, forever. They now protect and steward 43 conservation lands in the region. This would be a great partnership for the Municipality who will help investigate, monitor, develop a management plan and steward the Island to conserve it for not only for today but for tomorrow.

Nova Scotia Nature Trust  
Box 284  
Station Main  
Dartmouth, NS  
B2Y 3Y3

**Re: Cape LaHave Island**

Dear Nature Trust Board of Directors:

We, the Municipality of the District of Lunenburg, the beneficial and registered owner of Cape LaHave Island, located in the County of Lunenburg, Nova Scotia, and having Property Identification Number 60358793 intend to work with the Nova Scotia Nature Trust to conserve this land.

We intend to donate a conservation easement at Cape LaHave Island to the Nature Trust.

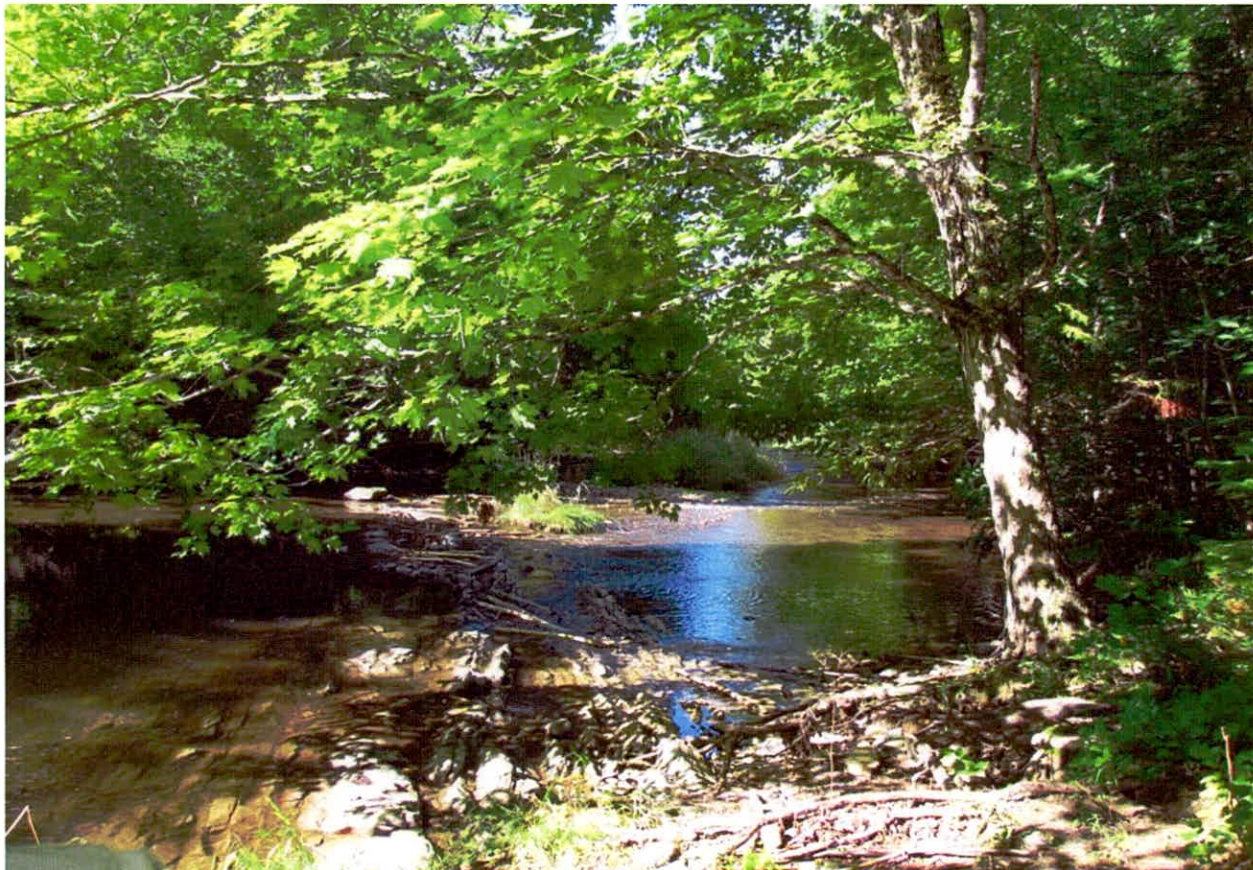
We confirm that this decision has been freely and voluntarily made and that we will seek independent legal and financial advice in making this land conveyance.

Our intent in this undertaking is that this land be conserved in perpetuity in a natural and undeveloped state. We value the ecological significance of this property and look forward to working with the Nature Trust to ensure our mutual goal of land preservation is reached.

\_\_\_\_\_  
*Name(s) of donor(s)*

\_\_\_\_\_  
*(Date)*

# CONSERVATION EASEMENTS IN ATLANTIC CANADA – AN INTRODUCTION



2017

A guidance document for those interested in  
establishing conservation easements in Atlantic  
Canada

# Conservation Easements in Atlantic Canada – an introduction

## A GUIDANCE DOCUMENT FOR THOSE INTERESTED IN ESTABLISHING CONSERVATION EASEMENTS IN ATLANTIC CANADA

### PREFACE

This document's intended audience are those seeking general information on conservation easements in Atlantic Canada, whereas the more technical and larger version, *Conserving your Title*, is for those at the implementation stage. A conservation easement is a legal tool property owners can use to conserve ecologically significant land. The landowner still retains title and, depending on the terms of the easement, can keep a residence on the land. Conservation easements remain on title when the land is transferred. They are eligible for tax incentives through Environment and Climate Change Canada's Ecological Gifts Program.

It is important to note that this document is intended for educational purposes and not as a substitute for legal or tax advice, for which all parties are urged to seek their own professional advice.

### ACKNOWLEDGMENTS

This document is a collaboration between Jamie Simpson, Juniper Law & Consulting, Halifax, Nova Scotia; the Nova Scotia Nature Trust, Dartmouth, Nova Scotia; the Nature Trust of New Brunswick, Fredericton, New Brunswick; the Island Nature Trust, Charlottetown, Prince Edwards Island; Environment and Climate Change Canada's Canadian Wildlife Service, Sackville, New Brunswick.

*Cover Photo: Meander River, Nova Scotia.  
Courtesy Nova Scotia Nature Trust*

## CONTENTS

<b>PREFACE</b> .....	<b>1</b>
<b>ACKNOWLEDGMENTS</b> .....	<b>1</b>
<b>1. WHAT IS A CONSERVATION EASEMENT?</b> .....	<b>3</b>
<b>2. WHO CAN ENTER INTO A CONSERVATION AGREEMENT?</b> .....	<b>3</b>
<b>3. HOW DO CONSERVATION AGREEMENTS WORK?</b> .....	<b>3</b>
<b>4. WHEREAS RECITAL, BASELINE DOCUMENTATION &amp; PURPOSE</b> .....	<b>4</b>
<b>5. RIGHTS AND RESPONSIBILITIES OF THE LAND OWNER</b> .....	<b>4</b>
<b>6. RIGHTS AND RESPONSIBILITIES OF THE LAND TRUST</b> .....	<b>5</b>
<b>7. PERMITTED AND RESTRICTED USES</b> .....	<b>5</b>
<b>8. WHAT HAPPENS IF THE AGREEMENT IS VIOLATED?</b> .....	<b>6</b>
<b>9. WHO IS LIABLE FOR WHAT AND WHEN?</b> .....	<b>6</b>
<b>10. AMENDING, ASSIGNING OR TERMINATING THE AGREEMENT</b> .....	<b>7</b>

## 1. WHAT IS A CONSERVATION EASEMENT?

A conservation easement is a written agreement between a landowner and the holder of the easement created to protect some or all of a property's conservation value. Across Canada, these sorts of agreements are variously known as conservation easements, conservation covenants or servitudes. In PEI, they are called restrictive covenants; these are a unique form of restrictive covenants created by legislation in PEI, and are different from the restrictive covenants generally known to lawyers. For sake of simplicity, this guide refers to all of these as 'Conservation Agreements.'

Conservation Agreements exist thanks to legislation enacted by individual provinces (the *Conservation Easements Acts* of New Brunswick and Nova Scotia, the *Natural Areas Protection Act* of PEI). Without this legislation, Conservation Agreements would not be legally enforceable. Newfoundland and Labrador does not have Conservation Agreement legislation.

## 2. WHO CAN ENTER INTO A CONSERVATION AGREEMENT?

Any landowner can enter into a Conservation Agreement with any organization (or person in some provinces) that the enabling legislation allows, which often is a land trust or government body. In Nova Scotia, for example, specific conservation organizations, such as the Nova Scotia Nature Trust, are designated under the legislation as eligible to hold Conservation Agreements. Legislation may also enable municipalities and the provincial government to hold Conservation Agreements. In this Guide, we assume the holder of a Conservation Agreement is a Land Trust organization.

## 3. HOW DO CONSERVATION AGREEMENTS WORK?

Conservation Agreements create a structured and legally enforceable relationship between the Owner of the land and the Land Trust. Each relationship is unique; each should reflect the particular circumstances of the Owner, the land and the Land Trust. However, there are common elements to all Conservation Agreement relationships.

First, the Owner gives up some of his or her rights to use the land. For example, the Owner might give up her right to subdivide the land, or her right to clearcut the forest on the land, or her right to build houses on the land. The rights given up will be determined by the landowner and the Land Trust on a case-by-case basis. Second, the Owner gives the Land Trust access to the land in order to monitor and enforce the conditions established in the Conservation Agreement, and to address any damage that might happen to the land if a condition of the Agreement is broken. Third, the Land Trust commits to monitor and enforce the conditions in the Agreement. Finally, the Agreement 'runs with the land.' That is, anyone who owns the land in the future is bound by the conditions of the Agreement. Conservation Agreements are usually granted in perpetuity, although some may be created to exist for a fixed period of time.

There may be tax incentives available to homeowners who place a conservation easement on their property through Environment and Climate Change Canada's (ECCC) Ecological Gifts Program. These incentives can be a motivating factor for property owners who are unsure whether a conservation easement is right for them.

There may be additional legal obligations, other than those set out in the legislation, depending on the specifics of the particular conservation agreement. For example, there are legally binding conditions and

## Conservation Easements in Atlantic Canada – an introduction

requirements that must be followed when an owner is proposing to dispose of conservation lands acquired using ECCC funding from programs like the Habitat Stewardship Program for Species at Risk.

With all its legalese, a Conservation Agreement can seem daunting. At its core, though, a Conservation Agreement is reflection of the desires of the Owner and the Land Trust to protect the conservation value of the property in the long term. Of course, anyone considering entering into a Conservation Agreement should seek the assistance of a lawyer and a tax professional.

## 4. WHEREAS RECITAL, BASELINE DOCUMENTATION & PURPOSE

Within the document the Background or 'Whereas Recitals' section sets up the legal rationale for the Agreement. The section establishes who the parties are, why they are entering into the Agreement, and how the Agreement is legally possible. This section includes a statement of the Owner's intent for entering into the Agreement, a brief recognition of the conservation values of the property that the Owner and the Land Trust wish to protect through the Agreement, and an acknowledgement of the enabling legislation.

This section also includes a reference to the Baseline Documentation Report (the 'Report'). This Report is a description of the property's natural and human-made features, and includes maps, photographs and possibly coordinates of certain features. The Report is the record of the property's condition at the time the Conservation Agreement is registered, and thereby provides a reference point against which to assess changes in the property and to monitor for violations of any conditions of the Agreement. Landowners entering into a Conservation Agreement must review the Report carefully to ensure it accurately reflects the property's conditions.

The Purpose section is a critical part of a Conservation Agreement because it establishes the landowner's and the Land Trust's reasons for entering into the Agreement. Should the Agreement ever be challenged someday, for example a new owner of the land wants to do something that was not covered in the Agreement, the parties will turn to the Purpose section to help interpret the intentions of the original parties to the Agreement.

## 5. RIGHTS AND RESPONSIBILITIES OF THE LAND OWNER

It is important to remember that when entering into a Conservation Agreement, the landowner remains the owner of the land. The landowner retains all of the rights of ownership except for those that are specifically restricted in the Agreement or inconsistent with the purpose of the Agreement. Land transfer can occur at any time, that is the owner can sell, rent or lease the land, or pass it on to whomever he or she wishes. The landowner can live on, visit and use the land as she has always done, save for those uses excluded by the Agreement. The Owner also still has to pay taxes on the property, although property taxes may be waived in PEI for those properties designated as natural areas under the *Natural Areas Protection Act*, and in NS for non-residential portions of a Conservation Agreement property.

An Owner can mortgage a property, provided that the Conservation Agreement has priority over the mortgage. Banks and other mortgage providers may not be familiar with Conservation Agreements, so an owner should be sure to discuss the Agreement when inquiring about a mortgage.

The Conservation Agreement may place certain responsibilities on the Owner. These can include maintaining property liability insurance and naming the Land Trust as an insured party, keeping the property free of claims and liens (that is, financial charges against the property), and informing the Land Trust of any damage to the property or breach of the Agreement. The Owner must also let the Land Trust know if he or she intends to sell or otherwise transfer the property or an interest in the property to a new owner.

## **6. RIGHTS AND RESPONSIBILITIES OF THE LAND TRUST**

The Owner gives the Land Trust the right to access the property for purposes of monitoring, enforcement and restoration of damage. The Owner may require in the Agreement that the Land Trust must give notice before entering the property, save for emergency situations.

Beyond having a right to enter the property, the Agreement will require the Land Trust to enter the property to ensure that the conditions of the Agreement are upheld and to clean-up or fix the property if necessary. The Agreement may also require the Land Trust to give the landowner reports on its monitoring visits.

The Agreement will contain a provision stating that the Land Trust does not waive its right to enforce a provision of the Agreement through failure to enforce that provision or any other provision of the Agreement.

## **7. PERMITTED AND RESTRICTED USES**

An Owner maintains all of her or his rights to use the land, save for those specifically restricted, and any uses that violate the overarching purpose of the Agreement. An Owner may also wish to identify specific uses of the land that will be permitted on the property, such as a right to build a cabin or a tent platform within a specific area on the property.

Conservation Agreements will contain a number of restricted uses, many of which are common to most conservation agreements. A Land Trust must ensure that it can monitor and enforce any restricted use contained in a Conservation Agreement. Some Owners might be tempted to restrict activities on the property that do not relate to the property's conservation values, or to include restrictions that are impractical for a Land Trust to monitor and enforce. However, restrictions that do not relate to the property's conservation values (as identified in the Purpose section of the Agreement), or which are not enforceable, could put the Agreement at risk of a legal challenge. Such restrictions also reduce the Land Trust's ability to focus on restrictions that relate to the property's primary conservation values.

Permitted and restricted uses must be carefully thought-through by the Owner and the Land Trust. The Owner and all future Owners of the land must live by these provisions, and the Land Trust must monitor and enforce these provisions in perpetuity.

## 8. WHAT HAPPENS IF THE AGREEMENT IS VIOLATED?

The first step in any potential dispute is for the Owner and the Land Trust to discuss the issue. If discussion does not lead to a resolution, the Owner and the Land Trust may wish to hire a mediator to help them resolve the problem. A mediator will facilitate the resolution process, but will not tell the parties how to resolve the issue. A next step could be to hire an arbitrator, who will be asked to resolve the issue. An arbitrator's decision can be binding on the parties, or non-binding. Finally, the Owner or the Land Trust may wish to ask a Court to resolve the issue. A Court could order an Owner to stop doing a certain action on the land, or could decide on a certain interpretation of the Conservation Agreement. A Court could also order an Owner to pay for certain damages that an Owner caused to the conservation values of the property.

An Owner is not responsible for actions of a third party done without the Owner's knowledge that damage the conservation values of the property. However, the Agreement may require the Owner to work with the Land Trust to find a mutually agreeable course of action to address the damage. The Agreement may also require the Owner to put any proceeds of insurance benefits or other compensation resulting from damage towards the repair of the damaged conservation values.

Any violation of the Agreement that occurs after the property is transferred to a new owner is not the responsibility of the previous owner. However, any violation that happened before the transfer to the new owner may remain the responsibility of the owner who caused it. For this reason, an owner may wish to ensure that the Land Trust inspects the property prior to the transfer and confirm that there are no unaccounted for violations.

## 9. WHO IS LIABLE FOR WHAT AND WHEN?

If the Owner damages the conservation values of the property, and does nothing to remedy, then the Owner may be required to reimburse the Land Trust's expenses for doing so. As mentioned above, the Owner is usually not responsible for costs to remedy unauthorized damages caused by a third party.

If there is more than one owner of the property, then each owner will be liable for up to 100% of any money owned due to a violation of the Agreement. In other words, in the event that the Owners are found liable for damage they caused, it does not matter how much each owner pays so long as the Land Trust is fully compensated. (This is the 'joint and several' provision in the Agreement.)

The Owner is not liable for damage to the conservation values of the property resulting from causes beyond her or his control. This includes accidental fires, floods, storms, insect plagues and disease. The Owner is also not responsible for damages caused by actions he or she takes under emergency conditions to prevent damage to the property. The Land Trust is likewise not responsible to the Owner for damages occurring under these circumstances.

However, the Owner is required to reimburse (indemnify) the Land Trust for any costs or other liability that arises against the Land Trust resulting from a negligent act by the Owner or a breach of the Agreement by the Owner (or someone acting on the Owners behalf). This requirement applies whether the claim against the landowner originates from the Owner or from a third party. The Land Trust is required to do the same for the Owner if the situation is reversed.

If the property is designated under the Ecological Gifts Program for the purposes of the Agreement, then the Owner may be required to reimburse the Land Trust should the Land Trust be subjected to a penalty or tax imposed due to a change in the use of the property. Under the *Income Tax Act*, a Land Trust that holds a Conservation Easement on a property that has been designated under the Ecological Gifts Program may be liable for a penalty equal to 50% of the property's value should the property's conservation values be damaged.

## **10. AMENDING, ASSIGNING OR TERMINATING THE AGREEMENT**

Once created, a Conservation Agreement is rarely amended or changed. Reasons for amending an Agreement might include a need to correct an error in the Agreement or to rewrite a provision in light of significantly changed circumstances of the property. In any event, amendments must be agreed to by both the Owner and the Land Trust, be in writing, and be registered on the title to the Property.

In rare circumstances, a Land Trust may decide it must assign the Agreement to another entity. This could occur due to extenuating circumstances within the Land Trust, if the Land Trust ceases to be eligible to hold the Agreement under provincial legislation, or if the Land Trust ceases to exist as an organization. The Conservation Agreement should specify that the Agreement can only be assigned to an organization with similar conservation purposes.

Conservation Agreements are very rarely terminated. An Agreement might be terminated if, for example, the Property's conservation values were irreparably lost. A decision to terminate an Agreement must follow any requirements under the applicable legislation.



## Municipality of the District of Lunenburg Fire & Emergency Services

### MEMORANDUM

Date: November 26, 2019  
To: Mayor Carolyn Bolivar-Getson & Council  
From: Chris Kennedy, Fire & Emergency Services Coordinator  
Subject: Fire Services Grant Amounts

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In the past requests for an increase to Fire and Emergency Services grants have always been approved by Municipal Council. A 2% increase was approved for 2019 by Municipal Council, previously to that date, there were no increases requested by the FESC since 2014. The Fire and Emergency Services Committee (FESC) decided to revisit the grants again this year to discuss a possible increase. During a discussion at November 18, 2019, FESC meeting it was decided to request a 2% increase to grants given for fire services.

Listed below are the current grants;

Matching Grant	\$41,500.00
Municipal Grant	\$62,800.00
Training Grant	\$10,600.00
Insurance Grants	<u>\$53,000.00</u>
Total Grants	\$167,900.00

The Fire & Emergency Services Committee (FESC), on Monday, November 18, 2019, made the following motion:

**“That Municipal Council approve a 2% increase (which totals \$3,600) over the 2019/2020 grant amounts and approves the following municipal grants for the 2020/2021 fiscal year:**

<b>Matching Grant</b>	<b>\$42,400.00</b>
<b>Municipal Grant</b>	<b>\$64,100.00</b>
<b>Training Grant</b>	<b>\$10,900.00</b>
<b>Insurance Grant</b>	<b><u>\$54,100.00</u></b>
<b>Total Grants</b>	<b>\$171,500.00”</b>

Chris Kennedy  
Fire Services Coordinator



# Municipality of the District of Lunenburg

## REQUEST FOR A DECISION

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**REPORT TO:** Municipal Council

**SUBMITTED BY:** Elana Wentzell, CPA, CMA

**DATE:** November 26, 2019

**RE:** Loan Guarantee – Martin’s River Fire Commission

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### RECOMMENDATION

That Municipal Council approve the request from the Martin’s River Fire Commission for a loan guarantee in the amount of \$100,000 for a period not exceeding three years, and further, that Municipal Council seek ministerial approval for the guarantee.

### BACKGROUND

On September 25, 2019 application was made by the Martin’s River Fire Commission for a loan guarantee of \$100,000 for a three-year period effective April 1, 2020. This request has been made to secure bridge financing for a new Emergency Rescue Pumper Truck. The purchase has been approved by the Department and the truck has been ordered. The loan guarantee will help secure the financing required between the time the new truck is received and the old truck has been sold. The Department had \$359,251 in net financial assets at March 31, 2019 and no outstanding loans. Total assets costing \$683,847 have a net book value of \$176,755 at year end.

The Department’s request (attached) is within the limits of policy MDL-06 which states:

- Does not exceed the maximum amount to be guaranteed (\$100,000)
- Does not exceed the maximum period (10 years)
- Does not exceed 60% of the organization’s capital assets.

The Department has agreed to provide a first lien on the truck as security and include MODL by name on the new truck’s insurance policy.

The *Municipal Government Act* does provide municipalities with the authority to guarantee loans for fire service providers. These guarantees must be approved by the Minister of Municipal Affairs. The appropriate documentation to make this request is attached to this memo.

Policy MDL-06 also requires that the total amount of funds guaranteed to community organizations at any one time not exceed \$500,000. At this time, there is one loan guarantee outstanding with the Blockhouse Volunteer Fire Department for \$100,000 which will expire in May of 2026. Thus, this requirement is also satisfied.

**OPTIONS**

Council has the option to approve or deny the request. Council could also make revisions to the amount requested.

**CONCLUSION**

Because the Martin’s River Fire Commission’s request meets the requirements set out in policy MDL-06, staff recommends that Council approve the request for the loan guarantee.

Department: Finance and Administration

Report Prepared By: Elana Wentzell

Date: Nov 6, 2019

Report Approved By: \_\_\_\_\_

Date \_\_\_\_\_

Reviewed By CAO: \_\_\_\_\_

Date \_\_\_\_\_



MARTIN'S RIVER FIRE COMMISSION

7533 Hwy. #3, RR #2  
MAHONE BAY, NS  
BOJ 2E0

September 25, 2019

Municipality of the District of Lunenburg  
210 Aberdeen Road  
Bridgewater Nova Scotia Canada B4V 4G8

Dear Elana Wentzell;

The Martin's River Fire Commission, incorporated under the Rural Fire District Act, is requesting a loan guarantee in the amount of \$100,000.00 from the Municipality of the District of Lunenburg.

Please see the attached quote from Fort Garry Fire Trucks in the amount of \$527,174.95 including tax which has been accepted by the Commission on May 16, 2019, at such time the truck was ordered.

Our request for the \$100,000.00 is mainly bridge financing for us to be able to sell our existing truck we are replacing after receiving the new vehicle and refund of the taxes which will take 6 months to a year in total to receive. We feel that a loan should be for a period of 3 years or less.

Please find enclosed a copy of our audited financial statement of March 31, 2019 and as well a copy of the Fort Garry Fire Truck tender.

If you have any questions regarding this request please contact me at 902-624-0904 or e-mail [gslangille1049@gmail.com](mailto:gslangille1049@gmail.com).

Thank you for considering this request,

Gary Langille  
Secretary, Martin's River Fire Commission



MARTIN'S RIVER VOLUNTEER FIRE DEPARTMENT

Box 655  
Mahone Bay, NS  
B0J 2E0

To whom it may concern/ Adam Baldwin, after a review by our Fire Department and Commission of your proposal for the supply of a Fort Garry Fire Truck 2020, 4 door Freightliner Emergency Rescue Pumper, emailed to Scott Rafuse on April 24<sup>th</sup> 2019 with related drawing 19AB0004 sent to Scott on April 24<sup>th</sup> 2019, We have decided to move forward with this proposal at the purchase price of \$458413.00 plus applicable taxes. This quote dose include delivery to our Fire Department, An Eight hour demo day on the day of delivery and everything entailed within the proposal provided to us on April 24<sup>th</sup> 2019. We the Martins River Fire ~~Department~~<sup>Commission</sup> will cover all costs associated to any visits to your facility as well to send our members for a final inspection visit to your facility. Please accept this letter of intent as well as PO#368782 as approval to move forward with this project for the Martins River Fire Department.

Signature and Date Arden A Bohner May 16/2019  
Debbie Rengelle May, 16, 2019

BON DE COMMANDE  
PURCHASE ORDER

A TO	Fort Garry Fire Trucks
ADRESSE ADDRESS	
EXPÉDIER À SHIP TO	MARTINS RIVER VOLUNTEER FIRE DEPT.
ADRESSE ADDRESS	

300782

CE NUMÉRO DOIT APPARAÎTRE SUR TOUT COLIS, FACTURE, ETC.  
THIS NUMBER MUST APPEAR ON ALL INVOICES, PACKAGES, ETC.

N° DEM. OU SERV. REQ. NO. OR DEPT.	
DATE	
POUR FOR	

QUANTITÉ QUANTITY	DESCRIPTION	PRIX PRICE	DATE DATE	MONTANT AMOUNT
1				
2	Selling Price	\$ 458,413.00		
3	Applicable Taxes	\$ 16,761.95		
4				
5	Total Proposal Price	\$ 527,174.95		
6				
7				
8	New Fire Truck			
9				
10				

DATE REQUISE - DATE REQUIRED	VIA	VEUILLEZ ENVOYER PLEASE SEND	COPIE(S) DE VOTRE FACTURE COPY(IES) OF YOUR INVOICE
CONDITIONS TERMS		ACHETEUR - PURCHASING AGENT	

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STAPLES 53B



## Consolidated Financial Statements

Commission for Fire Prevention for the District  
of Martin's River and District #5

March 31, 2019

# Contents

	<b>Page</b>
Management Responsibility Statement	
Independent Auditor's Report	1 - 2
Consolidated Statement of Operations and Changes in Net Assets	3
Consolidated Statement of Changes in Net Financial Assets	4
Consolidated Statement of Financial Position	5
Consolidated Statement of Cash Flows	6
Notes to the Consolidated Financial Statements	7 - 10

# Management Responsibility Statement

Management of the Commission for Fire Prevention for the District of Martin's River and District #5 is responsible for preparing the consolidated financial statements, the notes to the consolidated financial statements and other financial information contained in this annual report.

Management prepares the consolidated financial statements in accordance with Canadian public sector accounting standards. The consolidated financial statements are considered by management to present fairly the Commission's financial position and results of operations.

The Commission, in fulfilling its responsibilities, has developed and maintains a system of internal accounting controls designed to provide reasonable assurance that commission assets are safeguarded from loss or unauthorized use, and that the records are reliable for preparing the consolidated financial statements.

The consolidated financial statements have been reported on by Grant Thornton LLP, Chartered Professional Accountants, the Commission's auditors. Their report outlines the scope of their examination and their opinion on the consolidated financial statements.

Treasurer  
August 8, 2019



# Independent Auditor's Report

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To the Members of  
Commission for Fire Prevention for the District of Martin's River and District #5

## Qualified opinion

We have audited the consolidated financial statements of Commission for Fire Prevention for the District of Martin's River and District #5 (the "Commission"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations and changes in net assets, changes in net financial assets, and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Commission as at March 31, 2019, and consolidated its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian public sector accounting standards.

## Basis for qualified opinion

In common with many not-for-profit organizations, the Commission derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Commission. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, accumulated surplus, and cash flows from operations for the years ended March 31, 2019 and 2018, assets as at March 31, 2019 and 2018, and accumulated surplus as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Commission in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

## Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

# Independent Auditor's Report (continued)

In preparing the consolidated financial statements, management is responsible for assessing the Commission's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Commission or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Commission's financial reporting process.

## **Auditor's responsibilities for the audit of the consolidated financial statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Commission's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Commission's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Commission to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Grant Thornton LLP*

Bridgewater, Canada  
August 8, 2019

Chartered Professional Accountants  
Licensed Public Accountants

**Commission for Fire Prevention for the District of Martin's  
River and District #5  
Consolidated Statement of Operations and Changes in Net  
Assets**

Year ended March 31	2019 Budget (Note 4)	2019 Actual	2018 Actual
<b>Revenue</b>			
Fire taxes	\$ 133,100	\$ 133,677	\$ 116,318
Grants	5,000	25,404	5,281
Donations	3,000	6,925	3,250
Bingo	6,000	6,000	6,000
Interest income	-	3,240	977
Insurance (off duty)	-	1,297	1,158
Other	-	-	269
	<u>147,100</u>	<u>176,543</u>	<u>133,253</u>
<b>Expenditures</b>			
<b>Fire and rescue service</b>			
Communication	4,100	4,119	3,844
Dues and fees	2,100	1,420	1,722
Equipment repairs and maintenance	6,500	12,078	5,755
Fuel - trucks	1,500	1,320	999
Insurance (on and off duty)	3,500	3,435	4,475
Other expenses	-	2,719	2,397
Small equipment	-	2,636	1,353
Training	4,000	1,784	3,378
	<u>21,700</u>	<u>29,511</u>	<u>23,923</u>
<b>Fire fighting force</b>			
Electricity	3,000	3,266	2,614
Ground maintenance	2,000	2,333	1,195
Heating	5,000	5,708	3,423
Insurance	9,500	9,559	9,305
Miscellaneous	-	2,620	1,819
Office supplies	400	384	353
Professional fees	12,000	10,726	7,000
Repairs and maintenance	-	3,376	3,159
Service and bank charges	-	699	650
Supplies, cleaning and garbage removal	600	456	500
Telephones	2,700	1,176	1,122
	<u>35,200</u>	<u>40,303</u>	<u>31,140</u>
<b>Financial</b>			
Amortization	36,063	36,210	33,425
	<u>92,963</u>	<u>106,024</u>	<u>88,488</u>
Surplus	54,137	70,519	44,765
Accumulated Surplus, beginning of year	473,482	473,482	428,717
Accumulated Surplus, end of year	<u>\$ 527,619</u>	<u>\$ 544,001</u>	<u>\$ 473,482</u>

See accompanying notes to the consolidated financial statements.

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**Commission for Fire Prevention for the District of Martin's River and District #5**  
**Consolidated Statement of Change in Net Financial Assets**

Year Ended March 31	2019 Budget	2019 Actual	2018 Actual
Surplus	\$ 54,137	\$ 70,519	\$ 44,765
Acquisition of tangible capital assets	(99,200)	(27,851)	(20,986)
Amortization of tangible capital assets	<u>36,063</u>	<u>36,210</u>	<u>33,425</u>
	<u>(9,000)</u>	<u>78,878</u>	<u>57,204</u>
Change in prepaids	<u>-</u>	<u>(360)</u>	<u>983</u>
(Decrease) increase in net financial assets	<u>(9,000)</u>	<u>78,518</u>	<u>58,187</u>
Net financial assets			
Beginning of year	<u>280,733</u>	<u>280,733</u>	<u>222,546</u>
End of year	<u>\$ 271,733</u>	<u>\$ 359,251</u>	<u>\$ 280,733</u>

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See accompanying notes and schedules to the consolidated financial statements.

**Commission for Fire Prevention for the District of Martin's River and District #5  
Consolidated Statement of Financial Position**

March 31	2019	2018
<b>Financial Assets</b>		
Cash and cash equivalents	\$ 357,013	\$ 282,146
Receivables	5,822	-
HST receivable	5,156	5,716
	<u>367,991</u>	<u>287,862</u>
<b>Liabilities</b>		
Payables and accruals	8,740	7,129
	<u>8,740</u>	<u>7,129</u>
<b>NET FINANCIAL ASSETS</b>	<u>359,251</u>	<u>280,733</u>
<b>Non-Financial Assets</b>		
Tangible capital assets (Note 3)	176,755	185,115
Prepays	7,995	7,634
	<u>184,750</u>	<u>192,749</u>
<b>ACCUMULATED SURPLUS</b>	<u>\$ 544,001</u>	<u>\$ 473,482</u>

On behalf of the Commission for Fire Prevention for the District of Martin's River and District #5

Andrew A. Boehner Chairperson

Debbie Langiolo Treasurer

See accompanying notes and schedules to the consolidated financial statements.

**Commission for Fire Prevention for the District of Martin's  
River and District #5  
Consolidated Statement of Cash Flows**

Year ended March 31	2019	2018
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Surplus	\$ 70,519	\$ 44,765
Item not affecting cash		
Amortization	<u>36,210</u>	<u>33,425</u>
	106,729	78,190
Change in non-cash working capital items		
Receivables	(5,822)	3,096
Prepays	(360)	983
HST Receivable	560	6,036
Payables and accruals	<u>1,611</u>	<u>7,128</u>
	102,718	95,433
<b>Investing</b>		
Purchase of tangible capital assets	<u>(27,851)</u>	<u>(20,986)</u>
Increase in cash and cash equivalents	74,867	74,447
Cash and cash equivalents		
Beginning of year	<u>282,146</u>	<u>207,699</u>
End of year	<u>\$ 357,013</u>	<u>\$ 282,146</u>

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# **Commission for Fire Prevention for the District of Martin's River and District #5**

## **Notes to the Consolidated Financial Statements**

March 31, 2019

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### **1. Nature of operations**

Commission for Fire Prevention for the District of Martin's River and District #5 (the "Commission") is incorporated under the Rural Fire District Act of Nova Scotia. The Commission administers the rates levied by the Municipality of the District of Chester and the Municipality of the District of Lunenburg for fire protection on behalf of the District of Martin's River and District #5.

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### **2. Significant accounting policies**

These consolidated financial statements have been prepared in accordance with Canadian public sector accounting standards. These consolidated financial statements have, in management's opinion, been properly prepared within the framework of the accounting policies summarized as follows.

#### **Basis of accounting**

Revenues and expenditures are reported using the accrual basis of accounting. The basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay. Contributions restricted for future period expenses are deferred and are recognized as revenue in the year in which the related expenses are incurred.

#### **Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the amounts recorded in the financial statements and notes to financial statements. These estimates are based on management's best knowledge of current events and actions that the Commission may undertake in the future. Actual results may differ from the estimates.

#### **Cash and cash equivalents**

The Commission's policy is to present bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn, and term deposits with a maturity period of three months or less at the date of acquisition. Term deposits that the Commission cannot use for current transactions because they are pledged as security are excluded from cash and cash equivalents.

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# Commission for Fire Prevention for the District of Martin's River and District #5

## Notes to the Consolidated Financial Statements

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March 31, 2019

### 2. Significant accounting policies (continued)

#### Revenue recognition

##### Tax revenue

Revenue consists of rates levied by the Municipality of the District of Chester for fire protection on behalf of the Commission for Fire Protection for the District of Martin's River and District #5 (the "Commission") based on the assessment rolls issued by the Property Valuation Services Corporation. The Commission set the fire rate at seventeen cents per \$100 of property tax assessment.

##### Government transfers

Federal, provincial and/or municipal transfers for operating and capital purposes are recognized in the period in which all eligibility criteria and/or stipulations have been met and the amounts are authorized. Any funding received prior to satisfying these conditions is deferred until conditions have been met. When revenue is received without eligibility criteria or stipulations, it is recognized when the transfer(s) from the government are authorized.

##### Net investment income

Interest income is recognized on an accrual basis.

#### Tangible capital assets

Each class of tangible capital asset is carried at cost less, where applicable, any accumulated amortization and impairment losses.

Cost includes the purchase price and other acquisition costs such as brokers' commissions, installation costs including architectural, design and engineering fees, legal fees, survey costs, site preparation costs, freight charges, transportation insurance costs, duties, testing and preparation charges.

Where constructed by the Commission, the cost also includes direct construction or development costs, such as materials and labour, as well as overhead costs directly attributable to the construction or development activity.

The cost incurred to enhance the service potential of an item of tangible capital assets (betterment) is also included in the cost of an asset.

For property and equipment with a finite life, the cost of each item is amortized over its estimated life / useful life in a systematic manner appropriate to the nature of that item and its use by the Commission. Accordingly, using the straight-line method, a fixed amount is periodically amortized into income over their respective life/useful life, which in total would be the greater of:

- (a) The cost less salvage value over the life of the asset; and
- (b) The cost less residual value over the useful life of the asset.

Tangible capital assets are amortized on the basis of their useful life using the following methods and rates:

**Commission for Fire Prevention for the District of Martin's  
River and District #5  
Notes to the Consolidated Financial Statements**

March 31, 2019

**2. Significant accounting policies (continued)**

**Tangible capital assets (continued)**

Building	40 years Straight-line
Fire equipment	10 years Straight-line
Vehicles	10 years Straight-line
Hall equipment	10 years Straight-line

**Contaminated sites**

Contaminated sites are a result of contamination being introduced into air, soil, water or sediment of a chemical, organic or radioactive material or live organism that exceeds an environmental standard. The liability would be recorded net of any expected recoveries. A liability for remediation of contaminated sites would be recognized when all the following criteria are met:

- (i) an environmental standard exists;
- (ii) contamination exceeds the environmental standard;
- (iii) the Commission:
  - (a) is directly responsible; or
  - (b) accepts responsibility; and
- (iv) a reasonable estimate of the amount can be made.

As at March 31, 2019 the Commission has not identified any contaminated sites.

**3. Tangible capital assets**

			<u>2019</u>	<u>2018</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	\$ 1	\$ -	\$ 1	\$ 1
Building	48,170	12,728	35,442	36,646
Fire equipment	156,263	96,454	59,809	46,847
Vehicles	475,747	395,656	80,091	99,926
Hall equipment	3,666	2,254	1,412	1,695
	<u>\$ 683,847</u>	<u>\$ 507,092</u>	<u>\$ 176,755</u>	<u>\$ 185,115</u>

**Commission for Fire Prevention for the District of Martin's River and District #5**  
**Notes to the Consolidated Financial Statements**

March 31, 2019

**4. Budget figures - 2019**

Canadian public sector accounting standards require a comparison of the results for the period with those originally planned on the same basis as that used for actual results. The fiscal plan in the consolidated statement of operations and the consolidated statement of change in net debt has been adjusted to be on a consistent basis as actual results. Below is a reconciliation of the figures from the approved fiscal plan to the fiscal plan per the consolidated financial statements, adjustments consist of amortization and HST rebates received on expenditures:

	<u>Approved Fiscal</u> <u>Plan</u>	<u>Adjustments</u>	<u>Fiscal Plan per</u> <u>Consolidated</u> <u>Financial</u> <u>Statements</u>
Revenue			
Fire tax levies and grants in lieu	\$ 133,100	\$ -	\$ 133,100
Bingo	6,000	-	6,000
Grants	5,000	-	5,000
HST Rebate	9,000	(9,000)	-
Donations	3,000	-	3,000
	<u>156,100</u>	<u>(9,000)</u>	<u>147,100</u>
Expenditures			
Fire and Rescue Services			
Communication	4,100	-	4,100
Dues and fees	2,100	-	2,100
Equipment repairs and maintenance	6,500	-	6,500
Fuel	1,500	-	1,500
Insurance (on and off duty)	3,500	-	3,500
Other	-	-	-
Small Equipment	-	-	-
Training	4,000	-	4,000
	<u>21,700</u>	<u>-</u>	<u>21,700</u>
Fire Fighting Force			
Electricity	3,000	-	3,000
Ground maintenance	2,000	-	2,000
Heating	5,000	-	5,000
Insurance	9,500	-	9,500
Miscellaneous	-	-	-
Professional Fees	12,000	-	12,000
Office Supplies	400	-	400
Repairs and maintenance	-	-	-
Service and bank charges	-	-	-
Supplies, cleaning and garbage removal	600	-	600
Telephone	2,700	-	2,700
	<u>35,200</u>	<u>-</u>	<u>35,200</u>
Financial			
Amortization	-	36,063	36,063
	<u>56,900</u>	<u>36,063</u>	<u>92,963</u>
Annual surplus	\$ 99,200	\$ (45,063)	\$ 54,137

MUNICIPALITY OF THE DISTRICT OF LUNENBURG

GUARANTEE RESOLUTION

\$100,000

Martin's River Fire Commission  
Emergency Rescue Pumper Truck

**WHEREAS** the Martin's River Volunteer Fire Commission is registered with the Municipality of the District of Lunenburg;

**AND WHEREAS** the Martin's River District Volunteer Fire Commission has determined to borrow the aggregate principal amount of One Hundred Thousand Dollars (\$100,000) for the purpose of maintaining and equipping a fire Commission;

**AND WHEREAS** the Martin's River District Volunteer Fire Commission has requested a municipality to guarantee the said borrowing;

**AND WHEREAS** Section 294(6) of the Municipal Government Act provides that a municipality may grant or lend money to, or guarantee a loan for, a registered fire Commission for operating or capital purposes;

**AND WHEREAS** Section 88(3) of the Municipal Government Act provides that no guarantee of a borrowing by a municipality shall have effect unless the Minister of Municipal Affairs has approved of the proposed borrowing or debenture and of the proposed guarantee;

**BE IT THEREFORE RESOLVED**

**THAT** the Municipality of the District of Lunenburg does hereby approve the borrowing by the Martin's River District Volunteer Fire Commission of One Hundred Thousand Dollars (\$100,000) for the purpose set out above;

**THAT** subject to the approval of the Minister of Municipal Affairs of the guarantee, the Municipality unconditionally guarantee repayment of the principal and interest of the borrowing so made;

**THAT** upon the issue of the debentures, the Warden and Clerk of the Municipality do sign the guarantee attached to each of the debentures and affix thereto the corporate seal of the Municipality.

**THIS IS TO CERTIFY** that the foregoing is a true copy of a resolution duly passed at a meeting of the Council of the Municipality of the District of Lunenburg held on the \_\_\_ day of \_\_\_\_\_, 2019.

**GIVEN** under the hands of the Warden and the Clerk and under the seal of the Municipality this \_\_\_ day of \_\_\_\_\_ 2019.

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
Clerk