

MUNICIPALITY OF THE DISTRICT OF LUNENBURG
Minutes of a Meeting of
FINANCE COMMITTEE
Held in Council Chamber, 210 Aberdeen Road, Bridgewater, NS
Tuesday, November 6, 2018 – 9:00 a.m.

ATTENDANCE

Councillor Eric Hustvedt, District 1, Vice Chair
Mayor Carolyn Bolivar-Getson
Deputy Mayor Martin Bell, District 2
Councillor Lee Nauss, District 3
Councillor Cathy Moore, District 5
Councillor Wade Carver, District 7
Councillor Michael Ernst, District 8
Councillor Reid Whynot, District 9
Councillor Errol Knickle, District 10

Regrets: Councillor Claudette Garland, District 6, Chair
Councillor John Veinot, District 4

Staff: Kevin Malloy, Chief Administrative Officer
Alex Dumaresq, Deputy Chief Administrative Officer
Elana Wentzell, Director of Financial Services
Angela Veinot, Manager of Accounting
Sarah Kucharski, Communications Officer
Rachel Hiltz, Recording Secretary

1. CALL TO ORDER

Councillor Garland called the meeting to order at 9:00 a.m.

2. ANNOUNCEMENTS/ACKNOWLEDGEMENTS/RECOGNITIONS:

Councillor Ernst recognized Diane Boulanger and Tom Ernst as they have been inducted onto the LCLC Sports Wall of Fame. He also noted that the Mahone Bay Centre now has a sign recognizing the Town of Mahone Bay and the Municipality of the District of Lunenburg for their financial contributions to the Centre.

Councillor Whynot recognized a resident in the Riverport area as they made an access road around the construction area, which has been of great benefit to the Fire Department.

Deputy Mayor Bell advised that residents held a recognition dinner for Reverend Douglas Porter and his wife Ella. Reverend Porter is an ordained Minister with a total of 65 years of missionary work and has received Pastor Emeritus status.

3. PUBLIC INPUT: (Nil)

4. APPROVAL OF AGENDA:

A question arose regarding when items are due for the budget deliberation. Mr. Malloy advised that items could either go to the Finance Committee meeting in December, or an upcoming Policy and Strategy Committee meeting, depending on the topic.

A question also arose regarding the November 15 Council session. Ms. Kucharski noted that the session is a mid-term Council retreat for Councillors and the Management Team to review

the last two years' of Council's mandate, see how communication to residents is working, and look at the next two years going forward.

Moved by Councillor Moore, seconded by Deputy Mayor Bell that the Finance Committee Agenda be approved. Carried unanimously.

5. APPROVAL OF MINUTES – September 4 and October 2, 2018:

It was requested that the September 4, 2018 Finance Committee Minutes be changed on Page 2, under Section 7.1 Josh Goode re HB Studios Sports Centre, to remove the word “washroom” from the statement “A question arose if there were any concerns from the users regarding the lack of shower/washroom facilities”, as this makes it sound like there are no washrooms at the facility.

Moved by Councillor Whynot, seconded by Councillor Carver that the Minutes of the September 4, 2018 Finance Committee meeting be approved with the deletion of the word “washroom” in the sentence on Page 2, under Section 7.1 “Josh Goode re HB Studios Sports Centre”. Carried.

Moved by Councillor Moore, seconded by Councillor Whynot that the Minutes of the October 2, 2018 Finance Committee meeting be approved as circulated. Carried.

6. BUSINESS ARISING FROM MINUTES (Nil):

7. PRESENTATIONS/SCHEDULED TIMES:

7.1 Ken Smith re South Shore Fieldhouse Update

Ken Smith, Treasurer, HB Studios Sports Centre, was in attendance at this time to discuss the financial options going forward for the Centre.

A discussion was held regarding the South Shore Fieldhouse and the following points were noted:

- At a previous Council meeting, Council passed a motion to approve funding to the Fieldhouse, providing a positive cash flow was received. The report was received, and it showed a negative cash flow. This discussion has come back to Council for further consideration as the requirements of the last motion were not met.
- The Fieldhouse is requesting funding on a long-term basis from both municipal units. They currently have a \$300,000 commercial loan (originally \$800,000) and a credit line with a balance of \$49,000 and limit of \$70,000.
- There was recently a drop in usage and they lost a tenant, which contributed to the shortfall in revenue.
- The Fieldhouse had a sponsorship funding commitment of \$25,000 per year for 10 years, which ended a year and a half ago. The Board met with lawyers to determine if they could get new naming rights with sponsorship, but, although HB Studios' 10-year commitment was up, it was not clearly stated that the naming rights would end after 10 years. This could be looked at again as a way to increase revenue.

10.5 Administration Department

10.5.1 South Shore Field House Funding Request

Moved by Mayor Bolivar-Getson, seconded by Councillor Moore that the Finance Committee recommends to Council that Municipal Council authorizes the payment of \$31,000 from the 2018-19 Budget to the South Shore Field House and that the

Municipality enter into discussions with the Town of Bridgewater and HB Studios to look at a financial plan going forward for HB Studios including the option of integrating HB Studios into the overall recreation strategy.

Further discussion was held and the following points were noted:

- The facility has very little usage over the summer months, there may be benefit to operating only eight months of the year.
- There are demographic issues with all recreation-related facilities, as the number of youth are decreasing. The facility tries to target all ages through various programs. More focus needs to be made on programming to ensure that the programs offered are what people want, or to determine if new programs could be added that are lacking in this area.
- The facility needs marketing initiatives. This could include brochures and updates to the website, which should include pictures of people using the facility and having fun.
- The importance of an overall recreation strategy was noted. There needs to be a review of what assets are available regionally. The municipal units need to work together, and the various facilities providing recreation services need to work cooperatively to be successful. It was felt that this review needs to be done independently.

Moved by Mayor Bolivar-Getson, seconded by Councillor Moore that the motion on the floor be amended to add “with the support of an independent review” between the words “HB Studios” and “to look at”.

It was asked where the money would come from to fund an independent review. It was noted that the Town of Bridgewater and Municipality of the District of Lunenburg would pay for the review. The Grant Coordinator would look at options for funding this independent review. MODL, the Town of Bridgewater, HB Studios and the independent person will need to work together to make an appropriate financial plan as well.

The motion on the floor was voted on and carried. Those opposed: Councillors Ernst, Carver and Nauss.

MOTION ON THE FLOOR AS AMENDED: Moved by Mayor Bolivar-Getson, seconded by Councillor Moore that the Finance Committee recommends to Council that Municipal Council authorizes the payment of \$31,000 from the 2018-19 Budget to the South Shore Field House and that the Municipality enter into discussions with the Town of Bridgewater and HB Studios, with the support of an independent review, to look at a financial plan going forward for HB Studios including the option of integrating HB Studios into the overall recreation strategy. Carried. Those opposed: Councillors Ernst, Carver and Nauss.

Mr. Smith left the meeting at this time.

8. CONSIDERATION OF CORRESPONDENCE: (Nil)

9. RECOMMENDATIONS FROM COMMITTEES/BOARDS:

9.1 Municipal Joint Services Board

9.1.1 HR Shared Services Pilot Project

Mr. Malloy noted that a one-year pilot project for HR Shared Services was done in the past, but was not renewed. Due to the number of staff and complexity of the organization, it was felt that

an HR resource is needed. Staff are currently using Morneau Shepell, our benefits provider, as an HR resource, but MODL does not have a dedicated staff person, so responses are slower.

The Town of Bridgewater has an HR resource that they are using 60% of the time, and the other 40% the staff person does other work. The staff member is working towards receiving their designation. This person would be seconded to the Municipal Joint Services Board (MJSB) and would provide service to the Board, the Town of Bridgewater and MODL, and the service could also be purchased from other municipal units. The MJSB will ensure the units are billed accordingly.

A question arose regarding why MODL is not buying the service from the MJSB, rather than hiring a part time staff person. It was felt that having an employee is more cost effective than buying services.

Moved by Councillor Moore, seconded by Councillor Nauss that the Finance Committee recommends to Council that Municipal Council accepts the recommendation of the Municipal Joint Services Board and agrees to undertake Human Resources (HR) shared services for a twelve (12) month trial period; and further, that an agreement for the provision of shared HR support services be developed whereby the HR support person of the Town of Bridgewater is seconded to the Municipal Joint Services Board for this trial period. Carried unanimously.

10. STAFF REPORTS:

10.1 Finance Department

10.1.1 2018/19 Operating Fund Variance Report & Capital Project Status

Ms. Wentzell reviewed the operating fund variance report and noted the following changes: increased tax revenue; increased building services revenue; increased IT services expense; increased grant expense due to the Fieldhouse; decreased expenses for recreation staff, facilities and programs, and, a decreased expense for sewage collection and disposal.

A question arose regarding the increased tax revenue. Ms. Wentzell advised that Council sets and approves the budget each year. The budget does not get changed when actual figures are determined, a forecast is created which shows these variances. If there is an increase in revenue, it becomes a surplus at the end of the year. Staff are not authorized to spend any surplus without CAO or Council approval.

A question also arose regarding the paving of South Side Road as it is not complete. Ms. Wentzell noted that if the funds are not spent, they will be brought forward in the next budget so they are available when the project is done.

10.1.2 Tax Relief - Damaged Property

Moved by Councillor Carver, seconded by Councillor Moore that the Finance Committee recommends to Council that Municipal Council approves tax relief in the amount of \$217.91 as per the submitted application for the property located at 532 Back Street 2 Road AA#03476464 as per the Municipality's Damaged Property Relief Policy. Carried unanimously.

10.1.3 Procurement Policy re: Group Rate for Sewer Installations

Ms. Wentzell reviewed the report titled "Procurement Policy re: Group Rate for Sewer Installation" (circulated with Agenda). She advised that she was speaking to the Municipal

Advisor and was informed the only way MODL could loan money to homeowners for septic installations is to create a Wastewater Management District and to create Policies and Bylaws regarding same. Since the *Municipal Government Act* was already amended to reflect well drilling, MODL would have to create Policies and Bylaws regarding providing funding for well drilling, but not a Wastewater Management District.

A question arose regarding a specific property that could connect to the Town of Lunenburg water supply. Ms. Wentzell advised that the resident would have to contact the Town of Lunenburg to get approval to connect to their system, and if the Town of Lunenburg does not approve them, the resident could then go to the Nova Scotia Utility and Review Board to request approval to connect to the Town's system.

A discussion was held on creating a municipal-wide Wastewater Management District so all residents could be treated fairly. It was also noted that the Town of Mahone Bay and Town of Lunenburg have recorded issues with water contamination in their harbours. These areas, in particular, should be considered for a program similar to the LaHave River Straight Pipe Replacement Program. It was noted that during the LaHave Project development, consideration was given to adding 23 properties in Garden Lots, which have straight pipes going in Lunenburg Harbour, to the Wastewater Management District, however, they were not approved as they could hook up to the Town sewer system. Creating a Wastewater Management District in these other coastal areas will be brought forward to a future meeting.

Mr. Malloy added that there will be a meeting with the Minister regarding water shortage, and the topic of an inter-municipal partnership around water and sewer infrastructure needs to be brought up as the Province can help facilitate this.

10.1.4 SSREN Asset Distribution

Mr. Malloy advised that, as part of the South Shore Regional Enterprise Network (REN) closure effective September 30, 2018, the Board made a motion to appoint MODL as the trustee of many of their assets. This included financial assets, such as the bank accounts, collecting bills and paying bills. There is also furniture, fixtures and equipment. An inventory was taken (circulated with Agenda). Any items that could be used at the building by any tenant were sold to the landlord and it is recommended that the remaining items be purchased by MODL for \$0.25 per \$1.00. There are also a few laptops that went to partners and some of the remaining ones will be sold for \$700.00 to the LCLC, or other organizations as staff deem appropriate. Remaining technology will be offered to Fire Departments or other similar organizations. It is anticipated that this final closing work and the financial statements to close the REN will be completed by December 31.

Moved by Councillor Nauss, seconded by Councillor Carver that the Finance Committee recommends to Council that Municipal Council authorize the South Shore Regional Enterprise Network assets to be distributed as follows:

- 1. The laptop computers be deployed to the Lunenburg County Lifestyle Centre, or other organizations as staff determine appropriate, at a cost of \$700.00 plus HST; and,**
- 2. The remaining assets be purchased by MODL for \$4,450.00 plus HST. Carried unanimously.**

10.2 Engineering Department

10.2.1 New Administration Building – Fire Dispatch Services

Councillor Whynot declared a Conflict of Interest as he is a firefighter and left the table at this time.

Stephen Pace, Director of Engineering Services, was in attendance and reviewed the report titled "New Administration Building – Fire Dispatch Services" (circulated with Agenda). He noted that the Fire Service has requested that a room be incorporated in the new administration building for the provision of fire dispatch services. This service is currently provided by Scotia Business, which provides the service to most of the Fire Departments in the five municipal units.

A discussion was held and concerns were raised with regard to this service being provided by private sector.

It was explained that the preferred room should be built to have a separate HVAC system and entrance and be built to post-disaster construction standard, which would take more time to design and construct. The rest of the building is not being built to this standard. This request was received after the original design and was not included in the RFP, so it would be considered an additional scope.

It was noted that there is currently a resolution regarding fire dispatch services underway, which could lead to a province-wide dispatch service.

Moved by Deputy Mayor Bell, seconded by Councillor Nauss that the Finance Committee recommends to Council that Municipal Council authorize staff to proceed with the design of the proposed new MODL Administration Building without the inclusion of a dedicated space for local fire dispatch services. Carried unanimously.

Mr. Pace left the meeting at this time. Councillor Whynot returned to the table at this time.

10.3 Recreation Department

10.3.1 Designated Community Project Fund – Lunenburg Yacht Club

Moved by Councillor Ernst, seconded by Deputy Mayor Bell that the Finance Committee recommends to Council that Municipal Council grant the Lunenburg Yacht Club \$26,465 as per the criteria outlined in the Designated Community Project Fund Policy MDL-48. Carried unanimously.

10.4 Planning Department

10.4.1 Building Inspector Vehicle Replacements

Jeff Merrill, Director of Planning and Development Services, was in attendance at this time and reviewed the report titled "Vehicle Replacements – Building" (circulated with Agenda).

A discussion was held and the following points were noted:

- Two current building inspection vehicles are due to be replaced.
- Staff used the Provincial Standing Offer process and did an Invitation to Quote. Four quotes were received. One was rejected due to incomplete pricing, another did not have fuel efficiency ratings, and another did not provide tow package specifications as required.
- A question arose regarding why MODL is purchasing vehicles versus leasing. During a previous evaluation, it was cheaper to buy than lease due to the high mileage. It may be worth evaluating this again. Concern was raised that the shared building services agreement will take over assets in 2020. There maybe benefit to leasing until this time. As it is unknown what the funding model will be at this time, staff recommended the purchase of the vehicles.
- It was requested that municipal vehicles be undercoated going forward.

Moved by Councillor Whynot, seconded by Councillor Carver that the Finance Committee recommends to Council that Municipal Council award the quote 2018-05-500, received under the Provincial Standing Offer for Light Duty Vehicles, to Steele Chrysler Limited for \$66,100.00 plus HST for two 2019 Jeep Cherokee Sport 4X4s. Carried unanimously.

11. MAYOR'S/DEPUTY MAYOR'S/COUNCILLORS' MATTERS: (Nil)

12. IN CAMERA

13. ADJOURNMENT

There being no further business at 11:45 a.m., it was moved by Councillor Moore, seconded by Mayor Bolivar-Getson that the meeting adjourn. Carried.