



## AGENDA

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Town of Lunenburg Council Meeting

Tuesday, January 7, 2020 at 1:00 p.m. – 3:00 p.m.

Lunenburg Town Hall, 2<sup>nd</sup> Floor, 120 Townsend Street

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1. Approval of the Agenda – *motion to approve.*
2. 2020/21 Budget - Council Strategic Budget Preparation and Reserves – *staff report and Council discussion.*
3. Adjournment – *motion to approve.*

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## MEMORANDUM

**TO: TOWN COUNCIL**

**FROM: LISA DAGLEY, CPA, CGA, FINANCE DIRECTOR**

**DATE: JANUARY 2, 2020**

**RE: 2020/21 STRATEGIC BUDGET AND RESERVES REVIEW**

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### **1. FACTS**

The Town's Budget and Financial Controls Policy (Procedural Policy #93) guides the Operating and Capital Budget preparation and approval process.

At the November 26, 2019 Council meeting the following budget schedule and directives were approved:

*Moved and seconded that Council approve the following budget schedule for the 2020/21 fiscal year:*

*Jan. 7, 2020 – Council strategic budget and reserves discussion, 1:00-3:00 p.m.*

*Feb. 13, 2020 – Council review of 10 year Capital Budgets for all Departments – all Town Senior Management in attendance, 12:00-3:00 p.m.*

*Feb. 19, 2020 – Council review of Operating Budget Review by Department – all Town Senior Management in attendance, 12:00-3:00 p.m.*

*Mar. 10, 2020 – Council meeting - review of revisions from February meetings before the public presentation at the end of month.*

*Mar. 11, 2020 – Recreation Committee meets to review Operating & Capital Budget*

*Mar. 12, 2020 – Protective Services Committee meets to review Operating & Capital Budget*

*Mar. 24, 2020 – public presentation of draft Budget at Council meeting – advertised in advance via social media*

*Apr. 14, 2020 – final Council review of draft Budget and setting of the Tax rate*

*The budget priority initiative for 2020/21 is the Waste Water Treatment and Collection improvements and upgrades.*

*The 2020/21 budget will be drafted at the current service levels.*

*The 2020/21 tax rate will be drafted for Council's approval as per the Budget Policy which will incorporate the assessments changes for 2020. Motion carried.*

This memo has been prepared to assist Council in their Strategic Budget and Reserves discussion.

## 2. ISSUES AND OPTIONS

Senior managers were asked to complete a preliminary review of their applicable **10-year Capital Budgets** and provide updates to same. Those updates have been incorporated in the 10-year Capital Budgets and are attached (Attachment B) for Council’s review (changes are indicated in purple).

The Town’s **Operating and Capital Reserves** have been summarized for Council (Attachment E). On March 12, 2019 a Fire Truck Replacement Reserve was established (Attachment F). The Town’s Draft 2018/19 FCIs, as presented at the November 19, 2019 Audit training, have been included in the agenda package for reference. Should Council wish to change the FCI indicator for operating reserves an additional \$200,000 to \$400,000 in reserves is required depending on the level of increase Council wishes to obtain.

On November 26, 2019 a **preliminary budget summary** was prepared for Council’s reference based on a 4% residential assessment increase, including any Capped Assessment impacts, and no commercial assessment change. That level of residential assessment increase is required to support the 2020/21 changes in debt charges, election expenses, HR standard expenditures and other inflationary costs.

On December 31, 2019 the 2020 Assessment Roll was released and the Residential increase is 3.3% and the Commercial increase is 10.6%. These assessment changes should allow for the tax rates to be held at the 2019/20 levels. The level of commercial increase may result in increased assessment appeals and that will be incorporated into the 2020/21 budget forecast. (Approximately 8 of 170 commercial accounts)

### **Preliminary Budget Estimates 2020/21**

	<b>Draft 2020/21</b>	<b>Approved 2019/20</b>
<b>Expenditures</b>		
General Government Services	\$ 502,000	\$ 454,400
Other Protective Services	924,000	905,400
Fire Services	715,000	670,900
Transpiration Services	1,003,000	972,300
Environmental Health Services	1,222,000	1,193,800
Environmental Development Services	482,000	476,800
Recreation & Cultural Services	820,000	808,000
Fiscal Services	1,547,000	1,523,600
	<b>\$ 7,215,000</b>	<b>\$ 7,005,200</b>
<b>Revenue</b>		
Non-tax Revenue	\$ 2,319,000	\$ 2,233,600
Property Tax Revenue	4,896,000	4,771,600
	<b>\$ 7,215,000</b>	<b>\$ 7,005,200</b>

Based on 2019/20 approximately \$23,000 is generated from a \$0.01 Residential tax increase, a Commercial increase of \$0.01 will generate approximately \$5,000 for a combined \$28,000 of additional income if both are increased.

The Utility Budgets, Water and Electric, do not impact the tax rate. The preparation of the Utility Budgets follow the Budget Policy as well.

Council may wish to have other items considered during the budget preparations, such as:

- a. Additional priority initiatives
- b. Changes in service levels
- c. Any non-tax rate revenue reviews
- d. Reserve fund changes or considerations

Direction regarding any additional items, if applicable, should be given to staff at the January 7, 2020 Council meeting. If direction is given at a later time the budget approval may be delayed. For additional clarification no provision will be made for these items based on the previous Council motion.

### **3. FINANCIAL IMPACT**

As noted above.

### **4. STRATEGIC PLAN RELEVANCE**

The budget addresses the all the components of the full Strategic Plan objectives.

### **5. RECOMMENDATION AND DRAFT MOTION**

This report has been prepared for Council information in preparation of the January 7<sup>th</sup> Council Strategic Budget and Reserve Discussion. There is no recommendation or draft motion at this time.

Attachments:

- A – 2016-2019 Review of Strategic Capital Investments
- B – Draft 2020/21 Capital Budget
- C – Debt Projections
- D – 2018/19 FCI Summary
- E – Reserve Fund Summaries
- F – Fire Equipment Reserve Memo
- G – Town Budget and Financial Controls Policy
- H – Approved Budget Schedule
- I – Strategic Plan Brochure

Acknowledged only by:

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Bea Renton  
CAO

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# REVIEW OF STRATEGIC CAPITAL INVESTMENTS

FISCAL PERIOD 2016/17 – 2018/19



# PAVEMENT/SIDEWALK RENEWALS/SEAWALL DEVELOPMENT



## 2016/17 – 2018/19

Sidewalk Renewals	\$ 84,418
Pavement Renewals	445,821
Tanner Road Seawall	39,294
<b>Total</b>	<b>\$569,533</b>

# PAVEMENT/SIDEWALK RENEWALS/SEAWALL DEVELOPMENT



## 2016/17 – 2018/19

Operating Fund	\$ 28,140
Borrowing	404,000
Deed Transfer Tax	137,393
<b>Total</b>	<b>\$569,533</b>

# SEWERS/POLLUTION CONTROL-SEWER INFRASTRUCTURE



2016/17 – 2018/19	
Brook Street Sewer	\$ 2,007,224
Pelham Street Sewer	675,115
Lincoln Street Sewer	733,267
Dufferin Street Sewer	67,616
<b>Total</b>	<b>\$ 3,483,222</b>

# SEWERS/POLLUTION CONTROL-SEWER INFRASTRUCTURE



Financing	
Gas Tax	\$ 80,591
CWWF	2,512,096
Borrowing	578,716
Sewer Reserve	311,819
<b>Total</b>	<b>\$ 3,483,222</b>

# SEWERS/POLLUTION CONTROL-LIFT STATIONS/STORM UPGRADES



## 2016/17 – 2018/19

Bluenose Drive – Check Valve	\$ 18,661
Tannery Road to Knickle – Storm Line	87,871
Dufferin Street Sewer	6,918
<b>Total</b>	<b>\$ 113,450</b>

# SEWERS/POLLUTION CONTROL-LIFT STATIONS/STORM UPGRADES



Financing	
Gas Tax	\$ 106,533
Sewer Reserve	6,917
<b>Total</b>	<b>\$ 113,450</b>

# SEWERS/POLLUTION CONTROL-WASTEWATER TREATMENT PLANT



## 2016/17 – 2018/19

Biofilter Installation	\$ 753,816
Ventilation Upgrades	221,587
Macerator	46,400
DAF Upgrades	42,118
Odour Control Headworks/Process Room/Aeration Building	56,489
Grit Pumps/Piping Headworks	37,797
Dewatering Press Repairs	31,308
Aeration System Sludge Holding	23,947
UV Control Panel Upgrade/Spare Bank	31,052
Miscellaneous Equipment Upgrades	37,445
<b>Total</b>	<b>\$ 1,281,959</b>

# SEWERS/POLLUTION CONTROL-WASTEWATER TREATMENT PLANT



Financing	
Gas Tax	\$ 370,236
Water Dividend	21,024
CWWF	565,361
Capital from Borrowing Fund	10,955
Borrowing	188,455
Capital Reserve	55,253
Sewer Reserve	70,675
<b>Total</b>	<b>\$ 1,281,959</b>

# FIRE DEPARTMENT EQUIPMENT



## 2016/17 – 2018/19

Pagers	\$ 57,050
Floating Dock	2,086
Drone	4,437
Air Handling System	3,769
<b>Total</b>	<b>\$ 67,342</b>

# FIRE DEPARTMENT EQUIPMENT



Financing	
Provincial Grant	\$ 20,000
Fire Reserves	18,525
District 1 & 2	19,467
Capital from Operating	2,827
Joint Fire Equipment	6,523
<b>Total</b>	<b>\$ 67,342</b>

# WORKS DEPARTMENT EQUIPMENT



## 2016/17 – 2018/19

Lift Gate/Speed Radar Sign/Parking Meters/Tack Coat Sprayer/ Garbage Cans	\$ 35,770
Trackless Snow Plow	125,894
Cat Backhoe	146,783
Diesel Plate Tamper	15,638
<b>Total</b>	<b>\$ 324,085</b>

# WORKS DEPARTMENT EQUIPMENT



## Financing

Equipment Reserve	\$ 74,491
Water Dividend	4,610
Borrowing	222,900
Capital from Operating	22,084
<b>Total</b>	<b>\$ 324,085</b>

## BUILDING INFRASTRUCTURE UPGRADES



### 2016/17 – 2018/19

Lunenburg Academy	\$ 2,843,397
Town Hall-Shingle Roof/Fire Escape	73,461
Old Fire Hall-Roof Upgrades	102,658
Library Relocation	537,157
Angus Walters House-Roof/Railings	25,333
Public Washroom-Roof, etc.	4,893
<b>Total</b>	<b>\$ 3,586,899</b>

# BUILDING INFRASTRUCTURE UPGRADES



<b>Financing</b>	
Provincial Grant	\$ 847,701
Federal Grants	1,320,365
Donations	513,217
Water Dividend	93,078
Capital Reserve	51,600
Operating Revenue	143,755
Borrowing	617,183
<b>Total</b>	<b>\$ 3,586,899</b>

# RECREATION INFRASTRUCTURE UPGRADES



## 2016/17 – 2018/19

Community Centre-Furnace	\$ 61,506
Arena-Ice Resurfacer Repairs	2,604
Hot Water Heating	7,340
Soccer Field-Sprinkler System	18,100
Boat Launch/Floating Dock	339,259
Arena-Doors	9,000
Community Centre-Structural Assessment	6,489
Community Centre-Sprinkler System Upgrades	35,547
Arena-Siding	7,437
Arena-Compressor Overhaul	13,079
<b>Total</b>	<b>\$ 500,361</b>

# RECREATION INFRASTRUCTURE UPGRADES



<b>Financing</b>	
Provincial Grant	\$ 28,703
Donations	14,100
Deed Transfer Tax	65,316
Water Dividend	52,286
Capital from Operating	25,116
Borrowing	314,840
<b>Total</b>	<b>\$ 500,361</b>

# COMPREHENSIVE COMMUNITY PLAN PROJECT



## 2018/19

*Total Project Budget \$229,300*

CCCP Project-Year I of a two-year project	100,000
<b>Total</b>	<b>\$100,000</b>

# COMPREHENSIVE COMMUNITY PLAN PROJECT



## Financing

Gas Tax	100,000
<b>Total</b>	<b>\$ 100,000</b>

# OVERVIEW OF FINANCIAL INVESTMENT



Category	3-Yr Expenditure
Pavement/Sidewalk/Seawall	\$ 569,533
Sewer/Pollution Control	4,878,631
Fire Department Equipment	67,342
Works Department Equipment	324,085
Building Infrastructure Upgrades	3,586,899
Recreation Upgrades	500,361
CCCP Project	100,000
<b>Total</b>	<b>\$ 10,026,851</b>

Funding Source		
Federal/Provincial Grants	\$ 5,951,586	59.36%
Donations	527,317	5.26%
Fire/Other	25,990	0.26%
Reserves/Water Dividend/Tax Rate	1,195,864	11.93%
Borrowing	2,326,094	23.19%
<b>Total</b>	<b>\$ 10,026,851</b>	<b>100.00%</b>

Outside Sources	\$ 6,504,893	64.87%
Town of Lunenburg	3,521,958	35.13%
<b>Total</b>	<b>\$ 10,026,851</b>	<b>100.00%</b>



WATER UTILITY		Project	Budget Cost	Funding	Source
<b>General</b>					
05-2-94-4600		New Services	\$7,000	\$7,000	Depreciation Funds
05-2-94-4700		Replacement Hydrants	\$10,000	\$10,000	Depreciation Funds
05-2-94-4800		Replacement Meters	\$5,000	\$5,000	Depreciation Funds
<b>Building Improvements &amp; Construction</b>					
		Chlorinator	\$70,000	\$70,000	Depreciation Funds
		Pump House - Dares Lake	\$10,000	\$10,000	Depreciation Funds
		Repair Spillway Dares Lake	\$126,000	\$126,000	Depreciation Funds
<b>Furniture and Equipment</b>					
		Chlorinator Scales	\$4,000	\$4,000	Depreciation Funds
		Half Ton Truck to replace Chev 05	\$25,000	\$25,000	Depreciation Funds, Vehicle Replacement Policy Report TBA
		Leak Detector	\$6,000	\$6,000	Depreciation Funds
			\$263,000	\$263,000	
		<b>Water Utility Capital Funding Summary</b>			
		Depreciation Funds	\$263,000		
			\$263,000		

ELECTRIC UTILITY		Project	Budget Cost	Funding	Source
<b>BUILDING &amp; STRUCTURES</b>					
<b>UTILITY LINE WORK</b>					
07-2-75-1680		Meters	\$25,000	\$25,000	Depreciation Funds
07-2-75-1630		Overhead Conductors	\$125,000	\$125,000	Depreciation Funds
07-2-75-1640		Poles & Fixtures	\$50,000	\$50,000	Depreciation Funds
07-2-75-1670		Services	\$25,000	\$25,000	Depreciation Funds
07-2-75-1650		Street Lighting	\$30,000	\$30,000	Depreciation Funds
07-2-75-1660		Transformers - Line	\$70,000	\$70,000	Depreciation Funds
07-2-75-1666		Spare Recloser and Recloser Control	\$38,000	\$38,000	Depreciation Funds
07-2-75-1715		Substation - Switch Replacements	\$10,000	\$10,000	Depreciation Funds
			\$373,000	\$373,000	
<b>EQUIPMENT &amp; FURNITURE</b>					
		Network Printer/Copier - Town Hall (Council)	\$12,000	\$12,000	Depreciation Funds
		TOTAL	\$385,000	\$385,000	
		<b>Electric Utility Capital Funding Summary</b>			
07-2-80-1351		Capital Borrowing	\$0		
07-2-80-1350		Depreciation Funds	\$385,000		
			\$385,000		

TOWN OF LUNENBURG 10 YEAR CAPITAL BUDGET - TOWN GENERAL											
	Priority	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
<b>BUILDING &amp; STRUCTURES</b>											
New Provincial Accessibility Act requiring Municipalities to be completely accessible by 2030 will require financial commitments. Capital budgets will be updated as information becomes better known.											
<b>TOWN HALL</b>											
Elevator								\$400,000			
Brick Work			\$350,000		\$350,000						
Electric Panel Upgrades				\$250,000							
Re-shingle Front Half of Roof			tba								
Snow Load Assessment		\$15,000									
<b>LIBRARY</b>											
<b>LUNENBURG ACADEMY</b>											
Exterior Capital Repairs Phase II		\$1,500,000	Work began in Oct.2019, project will continue and be completed in fiscal 2020/21								
Foundation, Brick & Drain Tile Repairs				\$200,000							
Landscaping/Public Washrooms/Parking			\$700,000		\$950,000						
<b>ANNEX - 17 TANNERY ROAD</b>											
<b>OLD FIRE HALL</b>											
Windows/Doors			\$20,000	\$20,000	\$20,000						
Roof Trim			\$5,000								
<b>ANGUS WALTERS HOUSE</b>											
Capital Maintenance Repairs		\$11,000	\$13,500	\$13,500							
<b>PUBLIC WASHROOM</b>											
Replace Windows			\$20,000								
<b>CN STATION</b>											
Painting				\$7,500							
Capital Repairs - including Garage Door & Siding			\$15,000								
		\$1,526,000	\$60,000	\$491,000	\$1,320,000	\$0	\$0	\$400,000	\$0	\$0	\$0
<b>EQUIPMENT</b>											
<b>TOWN HALL</b>											
Council iPad or Alternative (funding will include both utilities)			\$10,000								
<b>TRANSPORTATION SERVICES</b>											
Parking Meters		\$5,000	\$15,000								
Parking Ticketer			\$15,000								
Coin Sorter/Roller		\$5,000									
<b>BUILDING INSPECTOR</b>											
Joint Building Inspection IT (Townsuite Mapping & Laser Fiche)			\$10,000								
<b>ENVIRONMENTAL DEVELOPMENT</b>											
Comprehensive Community Plan		\$129,300	Total budget \$229,300 approved in 18/19 = \$100,000 and \$129,300 in 19/20 project will be finalized in Fall 2020								
Planning & Mapping Software - deferred until the completion of the CCP											
<b>LIBRARY</b>											
		\$139,300	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>**TOTAL**</b>		<b>\$1,665,300</b>	<b>\$110,000</b>	<b>\$491,000</b>	<b>\$1,320,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$400,000</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

TOWN OF LUNENBURG 10 YEAR CAPITAL BUDGET - PUBLIC WORKS											
	Priority										
DESCRIPTION		19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
<b>LAND</b>											
<b>BUILDINGS &amp; STRUCTURES</b>											
Victoria Road Bldg. - Overhead Door			\$4,800	\$4,800							
Victoria Road Bldg. - Paint Siding				\$20,000							
Victoria Road Bldg. - Re-Siding						\$100,000					
		\$0	\$0	24,800	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0
<b>SEWERS/POLLUTION CONTROL</b>											
Storm Line Tannery Road to Knickle Rd (900 ft.)			\$245,000								
Mains - Broad-Falkland to McDonald								\$525,000		\$525,000	
Mains - Cumberland-Kempt to Blockhouse Hill					\$225,000	\$225,000					
Mains - Kempt-Lincoln to Lawrence				\$500,000	\$500,000						
Mains - Masons Beach (Topmast to 1000' West)							\$600,000		\$600,000		
Mains - McDonald-Green to Brook			\$300,000	\$300,000							
Mains - Montague-Rum Row to Shipyard						\$787,500		\$787,500			
Mains - Pelham-Kaulbach to Duke					\$412,500		\$412,500				
Maple - Dufferin to Sandy (Storm)				\$300,000							
Morash/Wolff Sewer Upgrades				\$135,000							
Back Harbour Lift Station Odour Control			\$20,000								
Upgrade Communication Systems to Pumping Stations			\$20,000	\$140,000							
Brook Street Overflow prevention equipment		\$119,000									
Brook Street Storm/Sanitary separation infrastructure finalization		\$150,000									
WWTP - Generator			\$20,000	\$380,000	This was originally planned as study in 20/21 and installed in 21/22. Now part of plant upgrade						
WWTP - Outfall Extension				\$775,000	This budget amount requires an increase, current estimates \$3M.						
WWTP - Improve Treatment Process - Pre-design		\$270,000			The majority of this project will be completed in fiscal 20/21.						
WWTP-Spare Ultra Violet Bank		\$18,000			Purchased in Aug/19, used in Dorian damage repairs.						
WWTP-Additional UV Bank (Jan.15/19)		\$250,000			ICIP funding was not approved. Currently project on hold.						
WWTP-Variable Frequency Drive		\$8,000									
WWTP-New Complete Recycling Pump		\$31,500			Purchased in Aug/19, used in Dorian damage repairs.						
WWTP -Voltage Reading Monitor at Pumping Station		\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500	\$6,500		
WWTP-Upgrade to SCADA system - Biofilter/Micro-cool sensors		\$5,500									
WWTP-Cell Enhancement Booster		\$3,600									
WWTP-Recycling Pump			\$30,000								
WWTP-Upgrade Rails and Catwalks in Aeration Building		\$10,000	\$30,000	\$10,000	\$10,000						
WWTP-Replace Lines and Diffusers in Aeration Tanks		\$80,000	\$80,000	Scope of project changed in 19/20, current budget \$200,000. Work to be carried out Spring 2020.							
Lift Stations Capital Pump Repairs - pre-approved			\$55,000	\$45,000							
Flood Study			\$43,000								
Master Plan for Stormwater and all underground utilities			\$50,000								
Old Town Drainage Study			\$20,000								
		\$952,100	\$499,500	\$1,701,500	\$506,500	\$231,500	\$419,000	\$794,000	\$606,500	\$525,000	\$0
<b>RECREATIONAL INFRASTRUCTURE</b>											
Splash Pad (Detailed Design - Tender)		\$20,000									
Splash Pad			\$200,000								
		\$20,000	\$200,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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TOWN OF LUNENBURG 10 YEAR CAPITAL BUDGET - PUBLIC WORKS											
	Priority	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
<b>PUBLIC TRANSIT</b>											
<b>RENEWALS-SIDEWALKS/CURBS</b>											
Tannery Road Seawall - increased 20/21 budget by \$20,000 to finalize project		\$50,000	\$70,000								
Duke - York to Lawrence (W)				\$15,000							
Pelham - Ship Yard Hill to Town Limits (S)			\$90,000		\$90,000						
Townsend - Cornwallis to Kaulbach (S)											\$20,000
Widen Sidewalks for Trackless (various locations)		\$50,000	\$70,000	\$15,000	\$90,000	\$0	\$0	\$0	\$0	\$0	\$20,000
<b>NEW SIDEWALKS/CURBING</b>											
Centennial - Harbourview to S-Turn (E)					\$20,000						
Centennial - Victoria to Wolff (E)					\$25,000						
Centennial - Wolff to Harbourview (E)					\$42,000						
Cumberland - Cornwallis to Duke (S)							\$31,000				
Dufferin - Churchill to High (W)				\$150,000							
Duke - Montague to Pelham (W)											\$11,000
Kaulbach - Pelham to Lincoln (E)						\$10,000					
King - Townsend to Creighton (E)							\$55,000				
Lawrence - Duke to King (N)								\$25,000			
Lincoln - Daycare Entrance to Linden (S)											\$80,000
Lincoln - Hill to Blockhouse Hill Road (N)						\$25,000					
Linden - Lincoln to Bluenose (W)						\$55,000					
Maple - Churchill to Sandy Hollow (E)									\$275,000		
Medway - Linden to Young (N)							\$40,000				
Montague - Cornwallis to Duke (N)			\$13,000	\$13,000							
Montague - Duke to King (N)			\$17,000	\$17,000							
Pelham - Kaulbach to Cornwallis (N)			\$25,000	\$25,000							
Pelham - Knaut Rhuland House to Prince (N) - revised budget \$9,000 to \$15,000			\$15,000								
Pelham - Lincoln to Kaulbach (N)						\$16,000					
Prince - Fox to Lawrence (E)						\$25,000					
Prince - Pelham to Lincoln (W)			\$11,000	\$11,000							
Rum Row - Bluenose to Montague (E)							\$5,000				
Tannery Road-Knickle to 97 Tannery Road (E) - (Legal & Prep work carry-forward from 17/18 & 18/19)	1	\$115,000									
Tannery Road-Knickle to 97 Tannery Road (East), Sidewalk construction including planning/design, tree removal and power/communication line relocations			\$200,000								
Stairs - Kaulbach St - Pelham to Montague						\$50,000					
Victoria Road - Centennial to James (N/S)								\$50,000			
Bluenose Drive to Hopson			\$17,300	\$17,300							
		\$115,000	\$215,000	\$233,300	\$87,000	\$181,000	\$131,000	\$75,000	\$275,000	\$0	\$91,000
<b>PAVEMENT RENEWALS (OVERLAY)</b>											
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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TOWN OF LUNENBURG 10 YEAR CAPITAL BUDGET - PUBLIC WORKS											
	Priority	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
<b>STREET RECONSTRUCTION</b>											
Creighton Street-King to Prince (completed in 18/19)											
Duke-Lincoln to Townsend			\$120,000								
Prince-Cumberland to Fox				\$120,000							
Falkland/Dufferin/Lincoln/Stn Lane								\$320,000			
Kempt - Lincoln to Lawrence (WM)					\$185,000						
Kempt - Montague to Pelham (WM)					\$50,000						
Lawrence - Duke to King				\$135,000							
Lawrence - Prince to King				\$133,000							
McDonald - Brook to Green (WM)			\$135,000	\$135,000							
Masons Beach Rd - Topmast to Town Limits (WM)						\$30,000					
Montague - Rum Row to Shipyard (WM)						\$450,000					
York - Prince to Hopson					\$127,000						
		\$0	\$120,000	\$523,000	\$362,000	\$480,000	\$0	\$320,000	\$0	\$0	\$0
<b>CHIPSEALING</b>											
James Road (Victoria to Tower Hill)											
Hill - Lincoln to Pelham					\$7,000						
Kempt - Lincoln to Cumberland					\$13,000						
Kempt - Montague to Pelham					\$10,000						
Kempt - York to Lawrence					\$7,000						
Kissing Bridge (Cemetery Hill)			\$60,000								
Kissing Bridge-332 TO 332 N/Bypass		\$81,000									
Lane across from Bowling Alley					\$15,000						
Mason's Beach Road											
Sandy Hollow Rd.						\$40,000					
Tupper - Brook to Broad				\$17,000							
Tupper - Green to Brook				\$17,000							
		\$81,000	\$60,000	\$34,000	\$52,000	\$40,000	\$0	\$0	\$0	\$0	\$0
<b>EQUIPMENT</b>											
Asphalt Roller (ride-on)		\$40,000									
Truck for Facilities Maintenance			\$15,000								
Backhoe (97) - Cemetery			\$60,000								
Snow Blower attachment (Streets)										\$100,000	
CAT Backhoe (17) replaced in 2017-18											\$100,000
Chev Truck (02) - Salt + Plow						\$183,000					
Chev Truck (93) & Plow		\$183,000									
Concrete Mixer (85)				\$3,000							
Dresser Loader (86)				\$350,000							
Diesel Plate Tamper											
International Truck (09) + Plow								\$183,000			
John Deere Tractor (05) - Cemetery					\$25,000						
John Deere Tractor 2nd for Cemetery			\$25,000								
Leaf Loader (94)							\$25,000				
Portable Generator (92)				\$3,000							
Rods for the Rod Turning Machine (89)				\$3,000							
Salt Spreader Trackless (90)							\$7,500				
Sewer Camera		\$18,000									
Snow Push Blade for Backhoe			\$13,800								
Trackless Snow Blower (sidewalks)					\$10,000						
Welder					\$2,700						
Wood Chipper					\$25,000						
Asphalt Saw			\$9,600								
Power Concrete Screed			\$3,200								
Pipe Laser			\$7,000								
		\$241,000	\$92,000	\$359,000	\$62,700	\$183,000	\$32,500	\$183,000	\$0	\$100,000	\$100,000
<b>**TOTAL**</b>		\$1,459,100	\$1,256,500	\$2,890,600	\$1,160,200	\$1,215,500	\$582,500	\$1,372,000	\$881,500	\$625,000	\$211,000

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LUNENBURG & DISTRICT FIRE TRUCK/EQUIPMENT REPLACEMENT SCHEDULE																
DESCRIPTION	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
<b>FIRE FLEET</b>																
Aerial Ladder Truck (15) #1																\$2,078,928
Freightliner Pumper (98) #2																replacement in 2041
Pierce Pumper (10) #3											\$1,197,238					
Freightliner Rescue (02) #4 - order in 21/22 for delivery in 22/23 - requires pre-approval in fiscal 21/22 to proceed with order			\$694,575	\$694,575												
GMC Tanker (00) #5																
GMC Tanker (02) #6						\$638,141										
Ford Utility (99) #7		\$110,250														
Rescue Boat & Trailer (12) #8									\$193,916							
Antique - Dodge Hose (33)																
Antique - LaFrance Pumper (29)																
Combined Replacement of #2&#5 - pre-approved item, has been order for delivery in 2020/21. Jun.25/19 Council approval		\$755,100														
<b>TOTAL FIRE FLEET</b>	\$0	\$865,350	\$0	\$694,575	\$0	\$638,141	\$0	\$0	\$193,916	\$0	\$1,197,238	\$0	\$0	\$0	\$0	\$2,078,928
<b>OTHER FIRE EQUIPMENT</b>																
Turn Out Gear	\$120,000										\$150,000					
21 Breathing Packs				\$170,170	\$170,170											
Turnout Gear Washer		\$5,100														
Turnout Gear Dryer		\$9,700														
Floor Scrubber		\$4,600														
Auditorium/Clubroom/Office Floor Replacement			\$53,200													
Apparatus Bay Floor Replacement							\$90,100									
Vehicle Exhaust Extration System			\$100,000													
<b>TOTAL OTHER FIRE EQUIPMENT</b>	\$120,000	\$19,400	\$153,200	\$0	\$170,170	\$0	\$90,100	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0	\$0	\$0
<b>TOTAL FIRE CAPITAL BUDGET</b>	\$120,000	\$884,750	\$153,200	\$694,575	\$170,170	\$638,141	\$90,100	\$0	\$193,916	\$0	\$1,347,238	\$0	\$0	\$0	\$0	\$2,078,928

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TOWN OF LUNENBURG 10 YEAR CAPITAL BUDGET - RECREATION DEPARTMENT											
	Priority	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
<b>BUILDING &amp; STRUCTURES</b>											
<b>ARENA</b>											
Chiller					Chiller - 20 years (2045)						
Bathroom Renovations			\$25,000								
Siding - Arena				\$75,000	\$75,000						
Roof Exhaust Replacements			\$10,000								
<b>COMMUNITY CENTRE</b>											
Window Replacement/Repair			\$35,000			\$35,000					
Siding - CC			\$100,000				\$100,000				
Bathroom Renovations		\$55,000									
Gym Floor Refinish - was deferred in 19/20 due to Arena brine repairs		\$15,000	\$30,000								
Tarps					Tarps - 10 years (2026)						
		\$70,000	\$65,000	\$0	\$75,000	\$35,000	\$100,000	\$0	\$0	\$0	\$0
<b>GROUNDS/FIELDS</b>											
Baseball Field Fence			\$4,300								
Drywell Baseball Field (3rd Base & Home Plate)											
Skate Park (14)											
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>PARKING LOT</b>											
Parking Lot Improvements					\$100,000						
		\$0	\$0	\$0	\$100,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>FURNITURE AND EQUIPMENT</b>											
Compressor Overhaul - Arena (every 5 years)						\$15,000					
Ice Resurfacer (89)			\$125,000								
Lawn Tractor (07)					\$14,000						
Ride-on Mower (12) - budget increase from \$18,000 to \$25,000			\$25,000				\$10,000				
		\$0	\$150,000	\$0	\$14,000	\$15,000	\$10,000	\$0	\$0	\$0	\$0
<b>PARKS /PLAYGROUNDS</b>											
Playground Improvements											
Welcome Sign(s)		\$20,000									
Back Harbour Trail - Kinley Drive Access			\$18,000		\$18,000						
		\$20,000	\$0	\$0	\$18,000	\$0	\$0	\$0	\$0	\$0	\$0
<b>**TOTALS**</b>		\$90,000	\$215,000	\$0	\$207,000	\$50,000	\$110,000	\$0	\$0	\$0	\$0
Please note - Bike Report has not been incorporated into the capital budget											

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TOWN OF LUNENBURG 10 YEAR CAPITAL BUDGET - WATER UTILITY											
DESCRIPTION	Priority	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29
<b>LAND PURCHASE</b>		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>GENERAL</b>											
New Services	1	\$5,000	\$7,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Replacement Hydrants	1	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Replacement Meters	1	\$30,000	\$5,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
		\$45,000	\$22,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000	\$30,000
<b>DISTRIBUTION MAINS</b>											
Broad-Falkland to MacDonald								\$420,000		\$420,000	
Cumberland-Kempt to Blockhouse Hill				\$180,000		\$180,000					
Kaulbach-Bluenose to Lawrence											
McDonald-Green to Brook			\$255,000	\$255,000							
Kempt-Lincoln to Lawrence				\$400,000	\$400,000						
Kempt-Lincoln to Lawrence (design & tender documents)			\$50,000	\$50,000							
Masons Beach (Topmast to 1000' west)							\$480,000		\$480,000		
Montague-Rum Row to Shipyard						\$630,000		\$630,000			
Pelham-Kaulbach to Duke					\$330,000		\$330,000				
		\$0	\$0	\$305,000	\$400,000	\$180,000	\$330,000	\$630,000	\$480,000	\$420,000	\$0
<b>BUILDING IMPROVEMENTS</b>											
Chlorinator			\$70,000								
Pump House - Dares Lake			\$10,000								
Repair Spillway Dares Lake	2	\$12,600	\$126,000								
Prepare and Paint Water Storage Tank Garden Lots	1	\$102,000									
		\$114,600	\$206,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>FURNITURE AND EQUIPMENT</b>											
Chlorinator Scales			\$4,000								
Chlorine Detectors					\$6,000						
Diesel Fuel Tank			\$16,000	completed in fiscal 19/20							
Half Ton Truck - Chev (05)			\$25,000								
Leak Detector			\$6,000								
Membrane Replacement			\$308,500	\$154,250	\$154,250						
Pump #1 (small)				\$10,000							
Pump #2 (medium)					\$12,000						
Pump #3 (large)						\$14,000					
Pneumatic Cleaning System on Intake Screen					\$35,000						
		\$0	\$35,000	\$164,250	\$207,250	\$14,000	\$0	\$0	\$0	\$0	\$0
<b>**TOTALS**</b>		\$159,600	\$263,000	\$499,250	\$637,250	\$224,000	\$360,000	\$660,000	\$510,000	\$450,000	\$30,000

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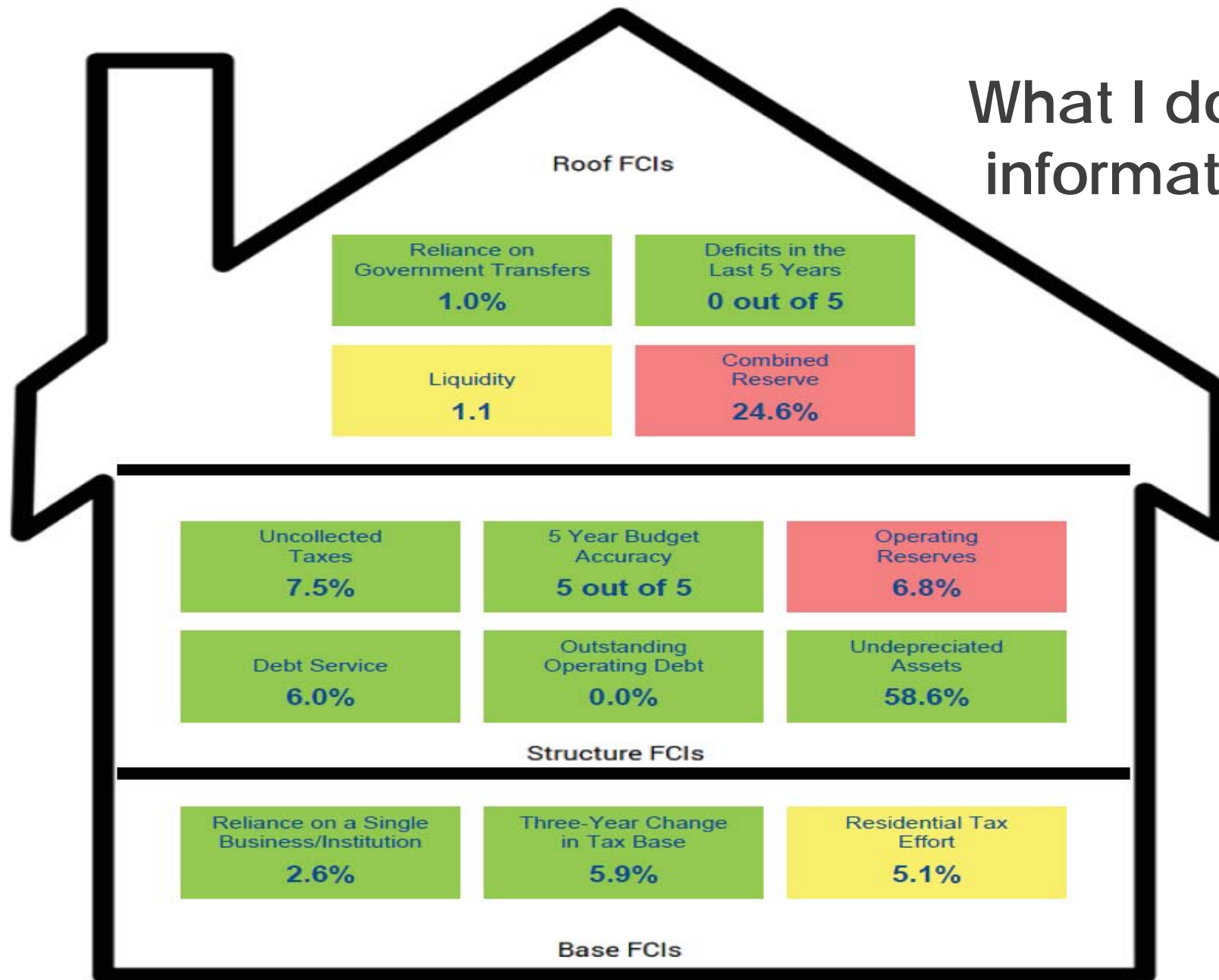
**DEBT CHARGES 2020/21**

<b>Project</b>	<b>Payment</b>	<b>Principal</b>	<b>Interest</b>	<b>Total</b>	<b>Remaining Balance</b>
Academy, Streets, Biofilter	(1 of 15)	\$ 42,710	\$ 15,655	\$ 58,365	\$ 597,945
Parking Meters/Arena Siding	(2 of 5)	\$ 3,080	\$ 253	\$ 3,333	\$ 9,240
Boat Launch, Old Fire Hall Roof, Sewer Brook./Lincoln	(2 of 15)	\$ 77,730	\$ 26,449	\$ 104,179	\$ 754,720
Cat Backhoe	(3 of 10)	\$ 8,000	\$ 1,728	\$ 9,728	\$ 56,000
Lun Academy/Trackless/CC Furance/Street paving	(3 of 10)	\$ 44,520	\$ 9,448	\$ 53,968	\$ 311,640
Lun Academy/Pave Hebb & Hopson	(3 of 10)	33,270	5,360	38,630	232,890
Library Design/Parking Meters	(4 of 5)	5,640	155	5,795	5,640
Aerial Ladder Fire Truck	(4 of 10)	44,889	7,156	52,045	269,331
Lun Academy/Paving Starr and Wolff	(5 of 10)	17,900	2,618	20,518	89,500
Victoria Road Paving	(7 of 10)	11,900	1,279	13,179	35,700
Fire Truck/Tannery Rd Swr/Streets	(8 of 10)	57,200	5,142	62,342	114,400
Accessibility/Hebb St/Arena	(9 of 10)	30,800	2,192	32,992	30,800
Brickwork/Swr/Streets/Fire	(10 of 10)	17,800	689	18,489	-
Temporary Borrowing* (2019/20)	\$496,400		7,446	7,446	496,400
<b>TOTAL DEBT CHARGES</b>		<b>\$ 395,439</b>	<b>\$ 85,570</b>	<b>\$ 481,009</b>	<b>\$ 3,004,206</b>

“\*” – a temporary borrowing is expected for interim funding of 2019/20 capital expenditures until debentures from Municipal Finance are secured.

<b>Five Year Projected Debt Charges &amp; Effect on Tax Billing</b>					
	2020/21	2021/22	2022/23	2023/24	2024/25
Projected Debt Charges - Principal & Interest	\$481,000	\$510,000	\$464,000	\$397,900	\$363,600
Principal & Interest Estimated amount of rate (\$0.01 = \$28,000 estimate 2020/21)	\$0.172	\$0.182	\$0.166	\$0.142	\$0.130
% of Tax Levy using 2020/21 Estimated Levy	8.1%	8.6%	7.8%	6.7%	6.1%
Borrowing Est 2020/21 Capital Budget	\$1,237,550				
Total Projected Principal & Interest payments		\$629,625	\$583,625	\$517,525	\$483,225
Principal & Interest Estimated amount of rate		\$0.225	\$0.208	\$0.185	\$0.173
% of Tax Levy using 2020/21 Estimated Levy		10.6%	9.8%	8.7%	8.1%
Additional Estimated Principal & Interest costs for 20/21 Capital		\$119,625	\$117,150	\$114,675	\$112,200
Est. Tax Rate increase required to fund additional debt		\$0.043	\$0.042	\$0.041	\$0.040

# What I do with this information?



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# REVIEW OF OPERATING AND CAPITAL RESERVES

FOR FISCAL YEAR ENDING MARCH 31, 2020



# OPERATING RESERVE FUND



Election Expenses	\$ 9,149
Salt Reserves	47,354
Fire-Personal Protective Equipment	8,276
Sewer Reserves	42,832
Streets & Other	4,941
Recreation	50,546
LAFF	10,550
Pro Kids	17,554
Operating Surplus Reserve	169,376
Region 6 Diversion Special Projects	2,371
<b>Total</b>	<b>\$362,949</b>

# CAPITAL RESERVE FUND



Solid Waste Site Closure	\$ 7,495
Other Equipment	250,857
Ice Resurfacer Reserve	51,428
Public Works Equipment	68,897
Fire Equipment	32,980
Federal/Provincial Gas Tax Funds	54,898
Provincial Capital Funds	24,244
Deed Transfer Tax	252,895
<b>Total</b>	<b>\$743,694</b>

**EXCERPT FROM**

**LUNENBURG TOWN COUNCIL MEETING MINUTES**

**TUESDAY, MARCH 12, 2019 AT 5:15 P.M.**

**(LUNENBURG TOWN HALL)**

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**PRESENT:** Mayor Rachel Bailey  
Deputy Mayor John McGee  
Councillor Ronnie Bachman  
Councillor Joseph Carnevale  
Councillor Danny Croft  
Councillor Peter Mosher  
Councillor Matt Risser

**ALSO PRESENT:** Paul Bracken, Facilities Superintendent  
Kelly Cunningham, Recreation Director  
Lisa Dagley, Finance Director  
Arthur MacDonald, Heritage Manager  
Heather McCallum, Assistant Municipal Clerk  
Kathleen Rafuse, Accountant  
Bea Renton, CAO

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Unfinished Business

a. Corporate Services

i. Draft 2019/20 Budget

The FD and Accountant reviewed the draft 2019/20 Operating and Capital Budgets (**Schedule "B"**).

- LDFD equipment reserves (February 21 Council referral)

The Accountant reviewed the staff report (**Schedule "E"**), which outlines the process of creating a new reserve fund, starting in 2020/21. (The 2019/20 Capital budget is to be used for replacement turnout gear.)

**Motion:** moved by Councillor Mosher, seconded by Councillor Risser to establish a Fire Truck Replacement Reserve in 2020/21 to be funded by the annual Water Dividend and/or retirement of principal payments from current existing Fire Truck debt. **Motion carried.**

Circulated: \_\_\_\_\_

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**Document No:****Meeting: March 12, 2019****Circulate To: Council, BR, HM, LD, KR****File: Budget 2019/20**

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## MEMORANDUM

**TO: TOWN COUNCIL**

**FROM: KATHLEEN RAFUSE, ACCOUNTANT AND LISA DAGLEY, FINANCE DIRECTOR**

**DATE: MARCH 5, 2019**

**RE: FIRE DEPARTMENT CAPITAL TRUCK RESERVE ANALYSIS**

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### **1. BACKGROUND**

During the February 21, 2019 draft budget presentation Council asked for additional information regarding the development of a reserve process for the Fire Department Truck Replacement Schedule that was included in the Capital section of the budget (Schedule A). The discussion focused around ensuring that a reserve was in place that would offset large borrowings for the upcoming fire department requirements, it was suggested that this could include new funding as well as reserving funds as current debts for Fire Trucks are paid in full.

### **2. ASSUMPTIONS**

In the development of the financial impact staff have utilized the following assumptions:

- a) Assessment values will increase 1.5% over the life of the model.
- b) Starting in 2020/21 the \$50,000 water dividend will be utilized in the funding model for establishing a reserve for Fire Truck Replacements.
- c) As existing debt for fire equipment is paid off, the principal amounts of these borrowings will be reserved to ensure that the tax rate charge for debt financing of fire equipment does not exceed \$0.03 cents of the tax rate.
- d) All borrowings have an interest rate of 3% and a term of 5 to 15 years.

- e) It is recommended that this reserve not be utilized for the funding of other fire department equipment such as Turn Out Gear, etc. and these projects will be funded from other funds such as the Provincial Emergency Services Provider Fund or the Personal Protective Equipment Reserve.
- f) Assumed trade-in value of each vehicle:
- |                        |          |
|------------------------|----------|
| #5 GMC Tanker          | \$50,000 |
| #4 Freightliner Rescue | \$50,000 |
| #3 Pierce Pumper       | \$75,000 |
| #1 Aerial Ladder Truck | \$75,000 |

### **3. FACTS**

The #3 Pumper Fire Truck will be paid in full in 2022/23, which will eliminate a principal payment of \$17,500 per year.

The Aerial Ladder Truck will be paid in full in 2026/27, which will eliminate a principal payment of \$44,886 per year.

The Ford Utility (99) #7 in the amount of \$110,250 will be purchased 100% by the Fire Department.

It is anticipated that the replacement vehicle for the GMC Tanker (02) #6 will be purchased 100% by District 1 & 2 Commission.

Staff have utilized funding to not only pay for new equipment, but have also worked to maintain the amount to fund the fire department debt charges from the tax rate of approximately \$0.03 cents over the term of the borrowing for the proposed equipment contained in Schedule A.

### **4. FINANCIAL IMPACT**

The basis used by staff in the development of this model for the establishment of a reserve for the purchase of Fire Trucks was targeted at maintaining a \$0.03 cent debt charge over the replacement term for the trucks included on Schedule A. The 2019/20 tax rate to finance the fire department truck debt is \$0.026 cents.

### **5. STRATEGIC PLAN RELEVANCE**

Goal #5 “Operate Town Business Efficiently and Effectively” by C. Developing and updating Town bylaws, policies, procedures and plans.

**6. RECOMMENDATION**

For Council's consideration for the establishment of a Fire Truck Replacement Reserve to be funded by the annual Water Dividend and/or retirement of principal payments from current existing Fire Truck debt.

Acknowledged only by:

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Bea Renton  
Town Manager/Clerk

**Schedule A**

**LUNENBURG & DISTRICT FIRE TRUCK REPLACEMENT SCHEDULE**

DESCRIPTION	19/20	20/21	21/22	22/23	23/24	24/25	25/26	26/27	27/28	28/29	29/30	30/31	31/32	32/33	33/34	34/35
Aerial Ladder Truck (15) #1															\$0	\$2,078,928
Freightliner Pumper (98) #2																
Pierce Pumper (10) #3											\$1,197,238					
Freightliner Rescue (02) #4			\$694,575													
GMC Tanker (00) #5																
GMC Tanker (02) #6**						\$638,141										
Ford Utility (99) #7 *		\$110,250														
Rescue Boat & Trailer (12) #8									\$193,916							
Antique - Dodge Hose (33)																
Antique - LaFrance Pumper (29)																
Combined Replacement of #2&#5		\$840,000														
<b>**TOTAL</b>	\$0	\$950,250	\$694,575	\$0	\$0	\$638,141	\$0	\$0	\$193,916	\$0	\$1,197,238	\$0	\$0	\$0	\$0	\$2,078,928
Cost of Truck		\$840,000	\$694,575						\$193,916		\$1,197,238					\$2,078,928
<b>Less:</b>																
Estimated Trade in Value		50,000	50,000						0		75,000					75,000
District 1 & 2 Commission		395,000	322,288						96,958		561,119					1,001,964
		<b>395,000</b>	<b>322,287</b>						<b>96,958</b>		<b>561,119</b>					<b>1,001,964</b>
<b>Less:</b>																
Water Dividend/Reserve Transfer		50,000	25,000						96,958		541,467					319,917
<b>Balance to Finance</b>		<b>\$345,000</b>	<b>\$297,287</b>						<b>\$0</b>		<b>\$19,652</b>					<b>\$682,047</b>
15 Year Borrowing-Principal + Interest		<b>\$427,800</b>	<b>\$368,640</b>						<b>\$0</b>							<b>\$845,738</b>
5 Year Borrowing - Principal + Interest											<b>\$21,421</b>	5 Year				
* Ford Utility (99) #7 will be paid for 100% by the Fire Department																
**GMC Tanker (02) has been paid for 100% by the District 1 & 2																

**TOWN OF LUNENBURG PROCEDURAL POLICY # 93**  
**BUDGET AND FINANCIAL CONTROLS POLICY**

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**PURPOSE**

1. The Town of Lunenburg (“Town”) is committed to:
  - (a) Preparing budgets in a fair, open, consistent and transparent manner to establish the confidence of the taxpayer and other stakeholders;
  - (b) Complying with the Municipal Government Act and other applicable laws or policies and resolutions of Council;
  - (c) Promoting integration of the Town’s strategic plan in the budget process;
  - (d) Ensuring Town operations function in an efficient and effective manner through a timely and collaborative approach to Town budget development and approval;
  - (e) Being accountable for budget decisions.

**DEFINITIONS**

2. For the purpose of this policy the following definitions are provided:
  - (a) Operating Budget: Budget document containing operating costs for day to day operations, transfers to other governments and agencies, transfers to reserves, and other fiscal expenditures; this document, as presented to and approved by Council, is used to calculate the tax rates; user fees and other charges;
  - (b) Capital Budget: Budget document containing the capital plan for the current and future years; outlines the source of funding for each current year project and the current year is approved by Council;
  - (c) Uniform Assessment (UA): an amount calculated by the Province of Nova Scotia which is calculated as the sum of all taxable assessments plus the capitalized valued of all grants or payments received in lieu of taxes;
  - (d) General Tax Rate: this rate covers all operating costs. These costs include all municipal services such as fire, police, public works, recreation, economic development and administrative costs, less the revenue generated from such things as services provided to other local governments, sale of services, equalization, conditional grants, etc.

- (e) Water Rates and Electric Rates: these rates are levied pursuant to Orders of the Nova Scotia Utility and Review Board (NSUARB). Operating and Capital Budgets are approved annually by Council and submitted to the NSUARB.
- (f) Mandatory Provincial Contribution Rates includes the cost of:
- i. Education – The Town is required to provide funding to the South Shore Centre for Regional Education under the Education Act. This mandatory education contribution is determined by taking the Town’s Uniform Assessment figure and multiplying by the education rate as set by the Province of Nova Scotia.
  - ii. Property Valuation Services Corporation (PVSC – Assessment Services) – The Town is required to provide funding to pay a share of the cost of operating the provincial assessment system. The Town pays a portion of the total PVSC costs, based on the Town’s share of Uniform Assessment and the Town’s share of assessment accounts across the province.
  - iii. Correction Services – The Town is required to make a mandatory contribution to the Province to fund the cost of operations of the provincial correction facilities for all of Nova Scotia. This includes youth and adult correctional facilities. The contribution is set by the Province of Nova Scotia and is based on the Town’s share of Uniform Assessment (50%) and the Town’s dwelling units (50%).
  - iv. Housing - The Regional Housing Authority administers and manages public non-profit housing units for seniors and families on low incomes within the Town. The Town is required to fund 12.5% operating deficit for Cornwallis Apartments and Blockhouse Hill Apartments.

## **GOVERNANCE AND BUDGET PROCESS**

3. The fiscal year of the Town is April 1 to March 31. The annual budgeting process is preceded by a planning process that identifies priority initiatives for the upcoming fiscal year, based on the strategic directions previously established by Council and existing service level requirements.
4. Municipalities in Nova Scotia are not permitted to accumulate general operating deficits which therefore requires the Town General Operating and Capital Fund Budgets to be fully funded annually.
5. On an annual basis, costs are established for programs and initiatives which are reflected in the draft Operating and Capital Budgets for Council’s consideration. Tax rates are calculated to generate the revenue required to fund various programs and services. These rates are determined in conjunction with the annual assessment of

properties in the Town, as established annually through the assessment roll generated by the Nova Scotia Property Valuation and Services Corporation (PVSC).

### **APPLICATION**

6. This policy applies to budget activities of all Town departments.
7. This policy applies to budgeting by the Town for Operating and Capital funds, including budgets for the Town's Water and Electric Utilities.
8. The CAO/or Designate will ensure budgeting practices are consistent with the Municipal Government Act and all other relevant provincial statutes.
9. The CAO/or Designate will ensure a schedule is in place to guide Town staff in the budget process (a sample is attached and may be modified as required).

### **OPERATING BUDGET SPENDING PRIOR TO BUDGET APPROVAL**

10. Departments are only authorized to expend funds at the previous years' service levels, unless specifically directed otherwise by Council until the current year's Operating Budget has been approved.

### **EMERGENCY SPENDING**

11. Any emergency spending will be carried out in accordance with the Town's Purchasing Policy.

### **BUDGET PROCESS**

12. The Finance Director and Senior Managers, in conjunction with appropriate departmental staff will develop budgets for the current year utilizing the prior year's approved budget for all services. This base budget is prepared by taking prior year budgeted amounts and adjusting non-tax revenue, including sewer rates, by the annual Nova Scotia CPI for the previous year. Expenditures will be analyzed and inflation added as applicable.
13. By the end of February each year a special Council meeting, with Senior Managers in attendance, will be scheduled and conducted, in a workshop format, to review the preliminary draft version of the base budget, ten year capital plan and draft tax rates for upcoming fiscal year. On receipt of any further Council direction at the completion of this meeting, the Operating and Capital Budgets will be finalized in draft form by staff for the upcoming fiscal year. The applicable Committee budget sections will then be forwarded to the appropriate Town Committees for their review and recommendation to Council, following which, the final draft budget will be tabled at a Council meeting for public input.

**COUNCIL APPROVAL**

- 14. Additional Capital project requests proposed by the public may be subject to a prior review period of one year before being considered for possible Capital budget approval.
  
- 15. As outlined in the Municipal Government Act and the NSUARB Water and Electric Utilities' Regulations Council are required to approve annual budgets. Resolutions of Council are required to approve the tax rates and the Operating and Capital Budgets, it is anticipated that Council would approve the budgets by the end of May of each year.

Clerk's Annotation for Official Policy Book

Date of Notice to Council Members of Intent to Consider  
(7 days minimum): **August 27, 2019**

Date of Passage of Current Policy: **September 10, 2019**

I certify that this Policy was adopted by Council as indicated above.

\_\_\_\_\_  
Municipal Clerk

\_\_\_\_\_  
Date



**Budget 2020-21**  
**Approved Schedule**

Nov.26, 2019

Dec.1 to Jan.31	Draft Preliminary Base Budget prepared by Senior Managers and Finance Staff
Jan.7, 2020	Council strategic budget and reserves discussion, 1:00 pm -3:00 pm
Feb.13, 2020	Council Meeting - Review of 10 year Capital Budgets for all Departments - with all Town Senior Management in attendance, 12:00 pm - 3:00 pm
Feb.19, 2020	Council Meeting - Operating Budget Review for all Departments - with all Town Senior Management in attendance, 12:00 pm to 3:00 pm
Feb.20 to Mar.6	Incorporate changes from Council budget meetings into Draft Budget document
Mar.6, 2020	Release of Committee budgets for March meetings
Mar.10, 2020	Council Meeting - review any changes incorporated into the budget before public presentation at next Council meeting
Mar.11, 2020	LWMCC Committee meeting for review of Draft LWMCC Budget recommendation to Council
Mar.12, 2020	Protective Services Committee Meeting for review of Draft Fire Protection Budget and recommendation to Council
Mar.24, 2020	Council Meeting - Public Budget presentation - advertised in advance via social media
Apr.14, 2020	Council Meeting - Approval of Operating and Capital Budget and set Tax Rates



## TOWN COUNCIL CONTACTS:

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Councillor Joseph Carnevale  
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### OUR VALUES:

- Fairness
- Respect
- Honesty
- History
- Accountability
- Excellence

The latest report for our Strategic Plan is available on the Town's website [www.explorelunenburg.ca](http://www.explorelunenburg.ca) or by contacting:

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119 Cumberland Street  
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(902) 634-4410  
[brenton@explorelunenburg.ca](mailto:brenton@explorelunenburg.ca)

## **PLANNING FOR OUR FUTURE: STRATEGIC PLAN UPDATE**

A Strategic Plan for Lunenburg, first released in October 2011, has been revised, adopted and reviewed regularly by the current Town Council and staff. The highlights of the plan are included here.

### MISSION

To enhance the quality of life within our unique historic community through responsible and responsive government.

### VISION

To build on a proud past for a promising future.





## OUR STRATEGIC DIRECTIONS ARE:

### 1) Promote a high quality of life for residents by:

- A. Beautifying the community.
- B. Enhancing appreciation of Lunenburg's heritage.
- C. Becoming a more welcoming community.
- D. Engaging our citizens.
- E. Fostering Lunenburg's development as a cultural hub.

### 2) Celebrate our community by:

- A. Developing a communication plan.
- B. Cultivating a positive visitor experience.
- C. Facilitating and encouraging film and other artistic endeavours featuring or referencing Lunenburg.
- D. Promoting our UNESCO designation.

### 3) Champion opportunities for our community's health and well-being by:

- A. Protecting our natural environment.
- B. Facilitating and encouraging healthy lifestyles.
- C. Maintaining and enhancing our status as a safe community.



### 4) Foster an environment for business success by:

- A. Encouraging business development initiatives.
- B. Using assets like our historic significance and distinct waterfront to attract development.
- C. Fostering and maintaining positive relationships with the business community.



### 5) Operate the Town efficiently and effectively by:

- A. Making best use of Town-owned buildings and land.
- B. Continually and strategically maintaining and upgrading community infrastructure.
- C. Developing and updating Town bylaws, policies, procedures and plans.
- D. Developing partnerships and strengthening inter-municipal, Provincial and Federal relations.
- E. Maintaining a positive work environment for Council and staff.

