

TOWN OF LUNENBURG
SPECIAL COUNCIL MEETING AGENDA
Tuesday, May 16, 2023 | 6 pm
Lunenburg Town Hall – Council Chamber



Notice: Council meetings are held in person at Town Hall. Members of the public can attend meetings in person or view meetings through the Zoom livestream. Recordings of all meetings are available on the Town’s website. To livestream this meeting starting at 6 pm, use this Zoom link:

<https://us06web.zoom.us/j/88013770052>

1. CALL TO ORDER

2. LAND ACKNOWLEDGEMENT

Acknowledgement of Mi’kma’ki, the ancestral and unceded territory of the Mi’kmaq People.

3. APPROVAL OF AGENDA

Draft motion: Moved and seconded that Council approve the agenda for the May 16, 2023 special meeting as presented.

4. NEW BUSINESS

4.1 Town of Lunenburg Fiscal Needs – Information Report

5. ADJOURNMENT

Subject: Town of Lunenburg Fiscal Needs

Prepared by: Jamie Doyle

Reviewed by: Management Staff

Date: May 16, 2023



Recommendation

No decision of Council is requested. This report is for information.

Background

As a result of a structural assessment completed for Town Hall, Administration has taken the liberty to conduct a high-level analysis of the Town's assets and liabilities to help determine the financial impact on upcoming operating and capital expenditures required over the next 5-10 years and how to remain sustainable.

The Town has an operating budget of \$9.9M and a capital budget of ~\$4M with a revenue source of \$9.9M. The Town must utilize borrowing, grants and other methods of generating revenue to offset the increasing capital costs of the Town.

This report and public presentation are to help residents understand the current fiscal realities facing the Town in the short, medium and long term. A robust 10 Year Financial Plan is required and will be developed over the next year as we continue to gain further information on our aging asset base.

Each year, there will be a required capital spend to meet bare minimum maintenance and operational costs not unlike the ~\$4M above. This does not include the major capital spending that will be required.

Discussion

Staff have compiled a working list of projected fiscal requirements to ensure the Town of Lunenburg remains sustainable. That list includes operating items – those items that are required for the organization to function properly and efficiently and still deliver quality service to residents. It also includes capital items – those items that are required to properly ensure the organization is maintaining its assets.

Staff have identified major financial requirements in 4 areas.

1. Buildings
2. Infrastructure
3. Water and Wastewater operations
4. Electric Utility

Buildings

The buildings portfolio consists of 10 assets that have a combined capital requirement of \$46M and generate a revenue of less than \$500K/year. As you can see a portfolio of this nature is costly and is outside the core function of a municipal organization.

This monumental spend would need prioritization depending on asset lifecycle and use but it would be expected to need attention over the next 10 years.

Staff anticipate ~\$10M on Town Hall interior and exterior restoration, ~\$3M on a new Public Works facility within the next 3-5 years – to highlight a few required projects.

Infrastructure/Water and Wastewater Operations

The required infrastructure costs required over the next 10-12 years are estimated to be between \$60-\$75M based on completed projects over the past few years. One recent example is the Duke and Prince Street repaving at nearly \$200K each – that does not include any underground infrastructure – we have more than 250 equivalent blocks to maintain.

Our roads are generally in poor condition. There are many sections that require a complete upgrade. Our sidewalks are in fair to poor condition, and many areas require upgrades based on condition and accessibility requirements. If these areas were addressed and incorporated accessibility requirements, we would expect an immediate expenditure of \$2M per year over the next 5 years or until a reassessment. This would roughly include two streets per year (as noted above, we have more than 250 blocks) and would only be addressing the bare minimum. It does not consider any operating work such as patching, water or wastewater line breaks or life cycling because of overuse.

Our water system is in good condition; our wastewater system is in fair condition, however the Waste Water Plant will be upgraded in the near future with the cost to the Town being \$3M. We have concerns over the remaining lifespan of some of our lift stations as well as storm separation within the sewer system. Staff anticipate \$1-2M per year is a best-case scenario.

We are waiting for the outcomes of the GIS Modelling to further assess these expenditures and provide the best value for the Town.

Electric Utility

Presented at the regularly scheduled Council meeting on April 25, 2023, CIMA+ outlined the [Electric Sustainability Report](#). This report outlines options available on the sustainability of the town continuing to operate the facility. In that report there is an identified capital cost of \$15M to upgrade the current electric infrastructure.

In summary, there are a number of costs required over the short, medium and long term to ensure the sustainability of Town infrastructure.

Over the next 3-5 years the Town anticipates a capital investment of over \$40M which would include normal life cycle and maintenance of operational assets at approximately \$14M, interior and exterior rehabilitation of Town Hall at approximately \$10M, Wastewater Treatment Plant upgrade capital contribution of nearly \$3M and the Electric Utility capital investment of \$15M. These costs are estimated in today's costs and do not include unanticipated costs or scheduling.

As a municipal organization there are only four ways to pay for these anticipated costs: raise taxes, cut services, apply for grants to offset the total cost of investment, or begin to divest lands and buildings to contribute to ongoing capital costs. It should be noted that this alone will not be sufficient to cover all costs. Town staff diligently seek grants from other levels of government as well as try to find ways to be efficient with budgets, schedule and priorities.

This report is not to suggest the sky is falling but more so, continuation of good financial planning and long-term planning is required to address priorities and the impending costs for taxpayers. While further longer-term planning is needed, this does not suggest follow-through on [Community Comprehensive Plan \(CCP\)](#) initiatives should not happen.

Divesting of Town-owned properties does not only provide some much need capital revenue but also creates a new tax base to help fund operating and capital initiatives for years to come.

Town staff need to identify infrastructure deficits and develop a long-term actionable plan that is attainable and affordable while protecting the integrity of the Town's usable and sustainable assets.

Strategic Plan Relevance

Internal Operations (11)(C): Scan and assess issues that may need to be addressed on a routine basis, driving a culture of continuous improvement.