



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole – Special Budget
March 15, 2016 12:00 p.m.
Sanford Council Chambers

Present:	G. Cochrane	Chair
	R. Dauphinee	Warden
	S. Pineo	Councillor
	R. Matheson	Councillor
	T. Brown	Councillor
	J. Daniels	Councillor
	P. Morton	Councillor
	G. Miller	Councillor
	C. Osborne	CAO
	M. Laycock	Director of Finance
	K. Kehoe	Director of Recreation
	K. Dempsey	Director of Planning
	R. Sherrard	Director of Public Works
	P. Johnston	Public Works Superintendent
	M. Kehoe	Water Treatment Plan Operator
	T. Swinamer	Mount Uniacke Fire Department
	R. Brown	Municipal Clerk
	J. Woodman	Administrative Assistant
Regrets	R. Allen	
	R. Zwicker	

1. Call to Order

2. Announcements

Chair Cochrane reviewed the fire evacuation procedures.

3. Approval of Agenda, including additions or deletions

MOVED and SECONDED that the agenda be approved as circulated.

Motion Carried.

4. Presentations

a) Budget Overview

CAO Osborne reminded Council the premise in which the budget was prepared was considering the mission statement for West Hants, "the Best of Everything".

The Director of Finance highlighted the increase in residential assessment value, noting last year it was approximately \$35 million dollars and this year only saw a \$6 million dollars increase which means the value of residents' houses didn't increase as much as in the previous year and ultimately impacts revenue the Municipality brings in. He referred to the commercial assessment noting it is a bleaker situation, and reminded Councillors these are combined numbers with the former Town of Hantsport. He confirmed the commercial assessment this year decreased in the value.

The Director of Finance pointed out there was a decrease under transportation costs due to the withdrawal of services with Kings Transit. He noted the revenue from other local governments has increased, noting the combined net changes results in new money for the Municipality. He explained the revenue breakdown, noting 89% comes from taxes and the remainder is made up of grants and other sources, adding the amount the Municipality relies on its taxes as the primary revenue source has decreased.



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole – Special Budget
March 15, 2016 12:00 p.m.
Sanford Council Chambers

The Director of Finance provided a high level overview of expenses, noting - significant increases. He added staff is proposing staying in line with the Reserve Policy of a \$150,000 transfer to capital reserves.

The Director of Finance confirmed there was a mandatory 3.9% increase for policing. He suggested staff had included the increase in the budget, adding the policing budget also includes the addition of the recommended police officer at \$147,000. He noted that education has increased at \$115,000 and is a mandatory contribution. He confirmed the budget includes approximately \$50,000 for the upcoming election which is also a mandatory expense. He cautioned in terms of fire services the figure in the budget does not include Southwest Hants or the substation on Tongue Hill, and strictly reflects a net increase from Brooklyn, Summerville, Hantsport, Walton and Mount Uniacke fire departments.

The Director of Finance reported the general rate plus the area rate would result in no change for the community of Hantsport for their residential rate and no suggested increase to the commercial rate. He explained that Council could choose to reduce the proposed tax rate by reducing expenses and/or increase revenues or maintain the current level of taxation and reduce expenses. He indicated that Council would be required to identify some areas of reduction.

CAO Osborne reported that staff approached the budget reflecting on the work that still needed to be done to integrate Hantsport operations into West Hants operations, adding staff will be coming forward with a proposed Area Rate Policy which will deal with differences in services received by Hantsport residents compared to West Hants. She stated that the budget was prepared with the anticipation that Council would adopt some or all of the policies presented by staff. She explained this is why they included an area rate component, adding it is a unique approach for this Municipality as everything is by general rate. She suggested once Council reviews the policy they will understand the breakdown, adding it includes debt that was incurred by the former Town of Hantsport, and any liabilities or contracts that go beyond a year. She indicated it also includes a portion of the difference between the current and general rate which staff refer to as smoothing to assist when equalization payments are finished. She reported it also includes the potential for an area rate to offset costs and in kind services that the former Town of Hantsport provided to HMCC.

CAO Osborne stated staff has included the value of what was spent but can't confirm the actual budget for HMCC or what they will request. She suggested staff have been very diligent in ensuring that their budgets are not inflated and continue to address the areas for the integration piece adding they are open to any direction Council has with moving forward with the budget.

Chair Cochrane asked if the rate remains the same for the community of Hantsport whether it would cover all of the costs or would West Hants residents have to pay. The Director of Finance responded the proposed Area Rate Policy looks at the various costs which are specific to the community of Hantsport and these are included in the area rate.

Mount Uniacke Fire Department – Chief Swinamer

Chief Swinamer indicated the Fire Department did submit a full budget to the Municipality this year to review running operations and capital costs. He noted they provided a figure based on a percentage of the area that the department covers in West Hants. He confirmed that his district covers both East and West Hants, with the majority in East Hants. He added the budget also includes a figure for converting the fire hall in their district to a comfort center. CAO Osborne cautioned that West Hants does not have a policy for established comfort centers, adding the REMO Coordinator is currently working on a policy



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole – Special Budget
March 15, 2016 12:00 p.m.
Sanford Council Chambers

but administration could not support a comfort center until areas are determined where it is required.

Chief Swinamer reported the budget they are currently running is approximately 99% of the allocated cash flow that should be going through at this point of year has been spent. He pointed out they track very closely to the budget and make decisions upon their budget figures.

There was brief discussion on the increase of insurance. It was also clarified that amount of calls does not directly relate to the amount of funding received instead it is more based on the geographic location. CAO Osborne confirmed, this year the funding support that Brooklyn Fire Department receives from the East Hants Municipality is included in their revenue stream as well.

b) Public Works Department (inc. Water & Sewer)

Roads & Streets

The Director of Public Works reviewed the road & streets budget, noting the majority of the increase is the result of reallocating costs to the line item Public Works Distribution, noting with the blending of the former Town of Hantsport they have heavy equipment/compound that needs to be funded. He explained he attempted to include all the costs into one business unit and split percentages to various business functions.

Hantsport Area Rate

CAO Osborne referred to the line HMCC area rate and clarified this is the portion of costs that Public Works incurred last year for providing service to HMCC. Warden Dauphinee questioned whether the residents wanted to continue with service. CAO Osborne reported that staff has met with HMCC and discussed the funding and in-kind services that the former town provided to them; last year the status quota was maintained as requested with the transition process.

It was decided there were two options for HMCC to continue a financial relationship with West Hants, to apply annually for a grant or proceed with an area rate process, if Council chooses. CAO Osborne pointed out that the HMCC property does provide benefit to the residents of Hantsport and is a valuable asset in the community. She confirmed that staff felt the Area Rate Policy would be the better process as it requires consideration of what is being asked from the Municipality's residents and their feedback on whether they want to support the group with Council making the final decision. She confirmed regular financial statement reporting would be required annually to support that the funds were spent in the way that the budget shows.

Councillor Miller expressed concern that Hantsport residents were being charged twice for garbage collection. CAO Osborne suggested that West Hants residents are contributing to other general area rate items that Hantsport residents benefit from.

Municipal Landfill – Closed

The Director of Public Works advised this is a perpetual care budget which is funded from a reserve fund while it was operating, adding it has no impact on the tax rate.

Waste Diversion

The Director of Public Works reported that salary and benefits have been spread out among the Public Works department due to reorganization within the department. The Waste Reduction Coordinator has taken on additional workload with regulatory compliance matters



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole – Special Budget
March 15, 2016 12:00 p.m.
Sanford Council Chambers

explaining the change. He noted this has a minimal impact on the tax rate. There was a brief discussion that the salary should be left in this budget and be covered by diversion credits as to not be a burden on the tax rate. Staff agreed to consider the suggestions when revising the budget.

Falmouth Sewer

The Director of Public Works reported for years he has been advising Council of an unfunded liability, and confirmed this year a Reserve Policy was passed. He indicated this year there is 2% depreciation and funding \$131,000 of depreciation which leaves this year \$91,000 not funded noting as a consequence in order to fund that depreciation the sewer rates will increase to \$600 per service connection.

Three Mile Plains Sewer

The Director of Public Works reported they are budgeting for a deficit.

Councillor Pineo asked if it would be beneficial for the Municipality to consider hiring someone to do the Overall Direct Responsible Charge (ORDC) duties instead of purchasing the services from the Town due to the significant increase. The Director of Public Works advised they have discussed the gap in the ODRC for regulatory compliance and have been buying minimum service from Windsor and have considered filling the position internally, adding they anticipated having a recommendation from the HR Review process soon.

Councillor Daniels asked if it would be beneficial if the utilities were merged with the Town of Windsor to be more cost effective. The Director of Public Works responded potentially and that they have been participating in high level discussions with the Town of Windsor about the possibility of regional water utilities.

Hantsport Sewer

The Director of Public Works reported this is set up identical to the other two sewer budgets with the exception that in the previous Town of Hantsport the majority was general rated, and they had to pull out those items that were directly related to Hantsport. He confirmed his challenge is that the sewer rates are based on water usage and he was not able to find any hard data to give the rationale for how it is being charged and therefore he used only the estimates from the previous year for revenue.

Councillor Pineo asked if money was included in the transition funding for the replacement of infrastructure in Hantsport. The Director of Public Works responded it was his understanding any depreciation went into the general account and there is not a reserve to replace the infrastructure. CAO Osborne asked the Director of Public Works whether it has been the practice of Council to attribute costs to users who are paying for a service in sewer and water or has it been general rated. The Director of Public Works responded that in recent years there has been a move to put the cost to the users.

Municipal Courthouse

There was a brief discussion regarding the ownership of the property and whether there was a contract in place. CAO Osborne clarified PVSC acknowledged it as a nontaxable property that the Municipality owns. Warden Dauphinee indicated any funds spent on the courthouse by West Hants has been recorded in case the building is ever sold.

Falmouth Water Utility

The budget was presented.



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole – Special Budget
March 15, 2016 12:00 p.m.
Sanford Council Chambers

Three Mile Plains Water Utility

The Director of Public Works reported the TMP Water Utility has been in a deficit position for several years and that staff are currently working on a water rate review. He indicated the utility has had several significant leak issues; as well the amount they pay to Windsor for the water has increased significantly. He anticipates an increase in rates this fall in order to balance the deficit. CAO Osborne added through the HR review staff will be focusing more effort on prevention of leaks.

c) Planning Department

The Director of Planning reported they are an eight person department and confirmed the majority of both building inspection and planning budgets are salaries and benefits. She noted the following items have created a minimum increase: full time GIS Technician and indicated the individual was hired in July and this year there is a full year of that new position, new ask for Heritage Grant Fund \$10,000 and suggested this would be at Council's discretion, additional costs of Hantsport joining West Hants. She noted that her budget does include \$10,000 to run the Hantsport Tourist Bureau.

CAO Osborne clarified that the Hantsport Tourist Bureau falls under the planning budget for reporting purposes to the province, however technically should be under the Recreation Department. There was discussion on whether it is worthwhile to continue to run a tourist bureau in Hantsport. CAO Osborne cautioned currently it is the only access that people have to the water and to view the tides and noted the Municipality also uses the building for technological purposes but is located on HMCC property and staff is currently investigating the issues pertaining to this.

The Director of Planning indicated the budget for development contingencies has increased to accommodate the plan review which is mandated in the Municipal Strategy and by the MGA. She advised that she increased the advertising budget due to costs associated with the plan review. She reported the mileage budget increased as the Building Inspector is now required to provide fire inspections in Hantsport. She suggested the major change in the building inspection budget is for casual wages to accommodate the need they are anticipating for additional hours in building inspection to meet the pace of development they expect from Forrest Lakes and the normal construction season. She noted it would create an additional ten hours of overtime per week.

There was discussion on whether to include the Heritage Grant Fund for privately owned property and it was suggested it is limited in its exposure to residents of West Hants.

The Director of Planning stated the budget includes the capital expense of paying for the company vehicle which was purchased in the previous year for building inspection.

It was mentioned that money was not budgeted for a boundary review if required.

It was noted that the \$8,000 for the Windsor tourist bureau was overlooked during the budget process and would need to be included in the next draft.

d) Recreation & Parks Department

The Director of Recreation reported the budget includes an overall increase of 27% and noted she included in the Recreation & Parks operation budget increases to the transition funding for a full time Parks & Grounds Superintendent position, a request to purchase a ¾ tonne truck and creation of a part time programmer position to offset some of the current workload. She explained the Department will now be responsible for more than 25 municipal properties which includes recreation parks and facilities which results in a need



MUNICIPALITY OF THE DISTRICT OF WEST HANTS
Committee of the Whole – Special Budget
March 15, 2016 12:00 p.m.
Sanford Council Chambers

for additional summer positions. Also there is an increase to the recreation grants and a slight increase to the Hants Aquatic Centre budget.

The Director explained that she and the CAO will review the grants submitted and will make recommendations to Council for consideration. There was some concern expressed about Council reviewing the grants and having the opportunity to have the final say on any grants approved.

There was discussion on trails in the recreation site and whether money could be taken from the Gas Tax. The Director clarified that some of the funds can be taken out of Gas Tax but general maintenance cannot.

Riverbank Cemetery

The Director of Recreation indicated this would be the first time that it has been budgeted for in this manner and this is what is proposed for the upcoming year based on last summer. She explained staff is recommending that a portion of it be area rated. There was discussion on the study for perpetual care to cover the outstanding liability for the cemetery which the Director of Finance anticipated being a onetime cost, but added the results would need to be addressed.

e) Finance Department

The Director of Finance reported there was significant challenges with the dissolution of the Town of Hantsport in integrating the data and financials into West Hants system but managed it successfully. He highlighted they moved to the PlastiQ program which resulted in a cost savings of approximately \$30,000. He noted the overall increase for the Finance Department is 4% mostly due to the need to replace a position from Hantsport and that the Finance Department was taking on 100% of the cost. A Chartered Professional Accountant was hired to fill the role.

The Director suggested that Council could consider saving money by charging property taxes on the water utilities as they are their own entity and are exempt.

5. Date of Next Meeting

The next meeting is scheduled for March 16, 2016.

6. Adjournment

MOVED and SECONDED that the meeting adjourn.

Motion Carried.

The meeting adjourned at 4:10 p.m.

Gary Cochrane, Chair

Rhonda Brown, Municipal Clerk