



**MUNICIPALITY OF THE DISTRICT OF WEST HANTS**  
**Special Committee of the Whole**  
**April 19, 2016 9:00 a.m.**  
**Sanford Council Chambers**

Present:	G. Cochrane	Chair
	R. Dauphinee	Warden
	S. Pineo	Councillor
	R. Matheson	Councillor
	T. Brown	Councillor
	J. Daniels	Councillor
	R. Zwicker	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
	R. Brown	Municipal Clerk
	V. Macumber	Administrative Assistant

Regrets: R. Allen Work commitment

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. Approval of Minutes – March 15, 16 and 22, 2016

**MOVED and SECONDED that the minutes of March 15, 16 and 22, 2016 be approved as circulated, noting any errors or omissions.**

**Motion Carried.**

5. Presentation(s)

No presentation(s) scheduled.

6. Hearing(s) – Dangerous & Unsightly

There were no hearings.

7. Business Arising from the Minutes

There was no business arising from the Minutes.

8. Report of the CAO

a. 2016-17 Draft Budget – updated

CAO Osborne advised that staff had taken the feedback from the Committee they had received over the last few budget meetings, made adjustments and validated some of the larger expenditures. It is hoped that from this meeting, the Committee will be prepared to recommend to Council the approval of the 2016-2017 Budget for the special meeting on April 26, 2016 in order to set the tax rate.

Mr. Laycock presented an overview of the 2016-2017 Draft Budget Proposed Changes. Under the proposed changes for the General Rate revenue, there is an increase in the receivable interest rate of 0.25 percent bringing it to 1.25 percent which will bring in extra revenue of \$32,000.00 for the year. There is also an administration fee for HMCC contributing to the additional revenue. The administration fee relates the cost incurred by the Municipality for financial management related to HMCC. The fee would be included in the Hantsport Area Rate.

Mr. Laycock advised that there was a reduction in the revenue relating to rental fees from the Hantsport Water Utility as these fees had already been recognized in the Utility's budget under administration fee. The total net change in revenue was an increase of \$6930.00.

Mr. Laycock confirmed that on the expense side for the general rate, the cost for tourism of \$8000.00 had been included in the original draft. He noted there were also additional expenses for Hantsport Internet and Hantsport garbage removal. He went on to state the cost for garbage removal would not include the cost for green bins; green bins would be included in the Area Rate. He explained the proposed General Rate expense reductions which totaled a reduction of \$337,618.00.

CAO Osborne stated the building maintenance expense has been transferred to the reserve fund and is the result of a finding in the recent IT Review; to rearrange some offices for increased IT security. She also stated the reduction in Fire Communication expense is based on current cost but the contract is still being negotiated so it may increase. Mr. Laycock added that Senior Managers are reviewing assets to ensure their value which may impact insurance premiums.

While discussing the reduction in expenses, Councillor Pineo inquired if the budget for Mt. Uniacke Fire Department had been left in, noting it was a large increase from previous years. Mr. Laycock informed yes, less the amount requested for a comfort centre.

There was discussion regarding whether Brooklyn Fire Department should be responding to the area now covered by the Mt. Uniacke Fire Department. Deputy Warden Cochrane summarized the discussion stating the budget for Mt. Uniacke Fire Department should remain the same but investigate if Brooklyn Fire Department could take over the area, as well as give notice of the possible change to the Mt. Uniacke Fire Department.

Mr. Laycock concluded the review of General Rate Expenses noting there was a net reduction of \$259,802.00. He stated the total net change on the budget was a reduction of \$266,732.00. One cent on the current residential tax assessment would generate \$103,800 in tax revenue. He went on to say increases in the mandatory education contributions and the Election increased the tax rate by 1.59 cents; the reductions in the budget brought it down to a 0.99 cent increase for the

Residential General Tax rate. The proposed 2016-2017 Residential Tax Rate would be \$1.0163 and the Commercial Tax Rate would remain the same at \$1.800.

Councillor Daniels asked if it would not be more cost effective for the Province to pay for elections, as elections are mandated by the Province every four years. She was informed this was unlikely to happen but that staff was looking at creating reserves for items such as elections and the municipal planning strategy review that happen at regular intervals, so there are not large budget impacts in the year they occur.

Councillor Miller inquired about insurance for fire departments. CAO Osborne stated each department carries their own insurance and it may be included in administration costs in each budget. If the Municipality owns the building or equipment then the Municipality is insuring it along with the WCB component for fire departments that area a line item of the Municipality's. The CAO clarified that the General Municipal insurance covers the Hantsport, Tonge Hill as well as the equipment and firefighters in South West Hants.

Warden Dauphinee asked if money had been included for an election in each district as it was a possibility. The CAO stated the budget had been calculated based on an election in nine districts and suggested that should there be any savings, it should go into a reserve for the next election.

Mr. Laycock informed that there was no change in the proposed Area Rate for Hantsport as the increases from the HMCC administrative fee and smoothing reserve were matched with decreases in garbage, pension of former Town Clerk and the overall general tax rate.

Councillor Zwicker requested clarification on the smoothing reserve. Mr. Laycock informed it was a reserve to ease the burden on the General Tax Rate once equalization payments for Dissolution from the Province stopped. CAO Osborne added this type of a reserve has been the practice during other dissolutions.

Mr. Laycock stated the Area Rate for Hantsport would be \$0.6437 and with the General Rate, the total Residential Tax Rate for Hantsport would be \$1.66. Hantsport commercial properties would have a General Rate of \$1.80 with an Area Rate of \$2.02 for a total of \$3.82. Both rates are the same as last year. CAO Osborne pointed out that any fees collected for HMCC under the Area Rate Policy proposed in this budget are based on the same expense level as last year. If the amount for HMCC changes based on public consultation and the HMCC budget, then it would only affect the smoothing reserve portion of the Area Rate. There is no proposal to increase the Residential Tax Rate beyond \$1.66.

Mr. Laycock summarized changes in the Capital Budget with respect to budgeted items noting items to be removed from Gas Tax Reserve due to ineligibility. He added there was an addition of \$22,000 from Gas Tax for Newport Rink as previously discussed by Council.

#### b. Reserves Budget

Mr. Laycock presented a financial report detailing the Reserve Balance and Proposed Additions and Spending for 2016-17. He noted the cash and the reserve balance match, as each reserve has its own fund. He stated reserves are not meeting the targeted funding but this will be addressed over time so there was not a large budget impact at once. He stated many of the special reserve expenses related to Hantsport transition costs. Mr. Laycock also pointed out that because of a

change of cost for sewers there are additions to the capital reserves to help with future capital expenses.

Councillor Miller asked how the red rating in the Financial Condition Index on 5% Capital reserves are affected. Mr. Laycock responded that for the 2015/16 fiscal period, the capital contributions would help our 5 year average and overtime will bring us to a green rating.

#### c. Tax Collection Policy

CAO Osborne noted that Council had supported an increase in the tax collection interest rate of 0.25 percent and this was reflected in the policy. Staff had reviewed the Tax Collection Policy and found that there were a number of out-of-dated items.

Ms. Brown spoke about the major changes in the Tax Collection Policy noting the removal of the Tax Certificate and Deed fees, as well as the change in the fee for the person executing a warrant.

Councillor Pineo questioned the use of the words "storm or otherwise" in Section 1, adding people who lose power due to a storm could consider the property unlivable. Ms. Brown responded the policy states that PVSC and the Building Official are asked to inspect the property and provide an opinion as to the livability of a property.

Ms. Brown noted that the policy used the term Building Inspector which should actually be stated as Building Official as an amendment to the original document.

**MOVED and SECONDED to recommend to Council to approve the Tax Collection Policy as amended.**

**Motion Carried.**

**MOVED and SECONDED to recommend to Council to approve the fee for a Deed of a property sold at tax sale to include all costs for the processing and registering of the Deed.**

Councillor Matheson asked if the Municipality was not charging all the required fees necessary for the transfer now. CAO Osborne responded the current wording limits the amount charged to the dollar amount in the old policy, so this would ensure that if fees go up we will not have to come back to Council to amend the policy. She noted staff is looking into a fees policy so all fees would be in one policy.

**Motion carried.**

Deputy Warden Cochrane brought discussions back to the area of the budget for recommendations.

Warden Dauphinee commended and thanked the CAO and Department Heads for their hard work on the budget.

**MOVED and SECONDED that the 2016-17 Draft Budget Proposed Changes Presentation be received.**

**Motion Carried.**

Mr. Laycock stated that if the Committee accepted the budget with the proposed changes, staff would prepare the formal motions to bring forth at Council.

**MOVED and SECONDED to recommend to Council to accept the 2016-17 Draft Budget with the proposed changes.**

**Motion Carried.**

9. Reports – Other Committees

There were no other Committee reports.

10. Correspondence

There was no correspondence.

11. Miscellaneous/New Business

There was no Miscellaneous or New Business.

12. Date of Next Meeting – May 24, 2016

The next Committee of the Whole meeting will be scheduled for May 24, 2016 at 6:00 p.m.

13. Adjournment

**MOVED and SECONDED that the meeting adjourn.**

**Motion carried.**

The meeting adjourned at 10:14 a.m.

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Gary Cochrane, Chair

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Rhonda Brown, Municipal Clerk