

JUNE 6, 2023

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STELLARTON, NOVA SCOTIA

MEETING

A Special meeting of the Stellarton Town Council was held on Tuesday, June 6, 2023, at 12:00 p.m. in the Council Chambers.

PRESENT

Mayor D. MacGillivray, Couns. B. Knight, S. Lawand, S. Campbell and G. Pentz. Also present was the CAO S. Higdon, and Town Accountant B. MacKay.

1. AGENDA

The Agenda was approved on motion by Coun. B. Knight, seconded by Coun. G. Pentz.
Motion Carried.

2. 2023-2024 Budget Discussion / Preparation

Town Account B. MacKay addressed Council re Draft Budget and proposed tax rate increase. She reviewed the General Operating Budget to show why there is a need for proposed increase. Highlights:

- General Operating Fund Revenue based on current rates @ \$7,481,428.00; plus other revenue sources total @ \$8,800,136.00
- Expenditures; Level of Service impact (staffing) @ \$4,013,212.00; commitments for outside service providers @ \$1,658,213.00; Debt payments @ \$478,750.00;
- Balance of \$1,876,249.00 to cover all other operating costs for the Town which adds up to \$2,139,298.00 – a deficit of \$263,049.00
- Proposed Tax Rate increases; 0.06 increase in Residential rates to \$1.88 and 0.15 increase in Commercial rates to \$4.30
- An example of the increase to taxpayers - \$60 more for residential assessment at \$100,000.00.
- This increase will provide the deficiency to a balanced budget

Questions/Comments:

Mayor D. MacGillivray comments re Council reviewed all scenarios and efficiencies with staff; Stellarton will still have the lowest rates of municipal towns in Pictou County even with proposed increase; reserves are not a viable option.

Coun. G. Pentz comments re maintaining a balanced budget annually; not allowed to go into deficits.

Coun. S. Lawand re the double Equalization grant two years ago and other money last year from the province (\$477,000); previous budget deliberations forecasted future tax increases; difficult decision; reducing services or increasing taxes. Coun. S. Lawand stated that taxes have been unchanged since 1997; recent inflation impacts.

B. MacKay noted that Stellarton only has one tax rate, there are no user fees; so when comparing to other municipalities, our rates work out to be lower.

Coun. S. Lawand re minimize the impact to residents; but tax increase is now unavoidable. Coun. S. Lawand question – our FCI (provincial financial indicators) – what would be the ramification of a continuous bad FCI on the Town?

B. MacKay replied that the FCI – Financial Condition Indicators – financial sustainability of the town; the concern is the impact of the combined reserves; the ability to replace capital; the Town would be limited if something were to happen i.e. Hurricane Fiona costs; unforeseen circumstances.

Coun. S. Lawand re FCI and responsible budgets to avoid outside interference in future operations.

Coun. S. Lawand re the Business Park; some growth; but still debt; when will the debt be paid. B. MacKay referred to the debt and interest repayments related to the Business Park; still another 8 years on the debt.

Coun. B. Knight questions re the Business Park revenue and expenses.

B. MacKay stated that the Business Park is funding itself.

Coun. B. Knight re the Deed Transfer Tax; Senior's Housing and Schools.

B. MacKay reported that 100% of the Deed Transfer Tax is transferred on to the Wellness Centre and the Hospital; no revenue for the Town; Senior's Housing expenses where the Town funds any deficits; School Board funding costs are established each year at a fixed rate.

Coun. B. Knight re upcoming additional debt.

B. MacKay – in the current year, curbs and paving; committing to the purchase of fire truck; looking at over \$100,00.00 of additional debt commitments starting in 2024/25.

B. MacKay reviewed the Water Utility Operating Fund; there is currently a Water Rate Study; budget is based on 50% at the old rates and 50% at the new rates. Highlights:

- Total Revenue @ \$1,957,358.00
- Expenditures @ \$1,271,132.00
- Debt, principal and interest @ \$438,680.00
- Balance of \$247,546.00 to fund all the operations of the Water Utility; not sufficient to cover all expenses which is @ \$652,400.00 (\$404,854.00 balance as transfer from surplus); hence the need for increase to the water rates

Questions/Comments:

Mayor D. MacGillivray comments re the Water Rate Study; Public Open House was held; the last Rate Study was 2006; proposed increase is \$5 per month for the next two years (until the water meter billing); Stellarton is one of the last towns to implement water meters.

Coun. B. Knight re drawing from the Water Fund Surplus for the last three years.

B. MacKay provided the amounts from previous years and explained the reasons; maintain some of the surplus.

Coun. S. Lawand comments re transfer from the reserves to the operating fund resulting in the decrease of the reserve funds; why did it take so long to address the deficit. B. MacKay commented on the wording of the NS Utility and Review Board Order allowing transfers from the reserves to the operating fund for a period of time or until the next water rate study.

Coun. S. Lawand re costs associated with the purification chemicals and work performed to address the taste and quality of drinking water during certain times of the year; this expense is to the benefit of our residents.

Coun. S. Campbell asked about the status of the Water Rate Study. B. MacKay replied that there was a Hearing; waiting for approval and new order – aiming for July 1, 2023, but October 1, 2023 is more realistic.

B. MacKay reviewed the proposed Capital for 2023/2024 highlighting each item:

- Public Works Equipment
- Infrastructure
- Reforestation Plan
- Buildings
- Fire Truck
- Recreation/Active Living
- Police IT Server & Installation
- General IT Server & Installation
- Water Meters
- Claremont / Kirk infrastructure (sewer and water)

Total Projects @ \$1,493,700.00

Total Funding will come from:

- Reserves \$315,000
- Debt \$850,000

JUNE 6, 2023

- Heritage Funding \$ 25,000
- Canada Community-Building Fund \$303,700
Total Funding = \$1,493,700.00

Questions/Comments:

Mayor D. MacGillivray re the Claremont / Kirk Project timelines to complete this year. Mayor D. MacGillivray re clarity of the FCI and the borrowing. B. MacKay stated that the operating funding is still good even if reserves were used. She added that the Town received the Sustainable Services Growth Fund for \$477,000.00 – not included in this budget; waiting for cost of projects. Mayor D. MacGillivray commented that the funding will likely go towards elevator for Town Hall.

Coun. S. Lawand re PW Equipment (John Deere Zero Turn Mower) for \$25,000.00 and the Public Work Trucks purchase; he has reservations. Coun. S. Lawand also commented about the LED Lights for the Albion Ball Field.

Noah Delorey, Active Living Coordinator, provided details on the John Deere Zero Turn Mower; commercial grade more expensive.

Town Engineer B. Murray comments re Town trucks, there are 8 trucks that are 10 years or older, the bodies are going and will not pass inspections; need to replace them over the next few years.

Coun. G. Pentz added that fixing the old trucks cost more than they are worth.

CAO S. Higdon reported that this will go the Budget Presentation for approval at the June 12, 2023 Council meeting.

3. OPEN FORUM

No one spoke at the Open Forum.

4. Next Council Meeting: June 12, 2023 at 5:30 p.m.

5. Meeting adjourned on motion by Coun. G. Pentz.