

2022-03-29 Special COTW Agenda

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4.2 NB 2022/23 Budget Overview	17
4.3 NB Recommendation Report Municipal Administration Building Annapolis Royal Renovation	35

MUNICIPALITY OF THE COUNTY OF ANNAPOLIS

SPECIAL COMMITTEE OF THE WHOLE

AGENDA

Tuesday, March 29, 2022

10:00 a.m.

Council Chambers, 752 St. George Street, Annapolis Royal, NS



1. . **ROLL CALL**

2. **DISCLOSURE OF INTEREST**

3. **APPROVAL of the AGENDA (Order of the Day)**
 - 3.1 THAT the Order of the Day be approved as circulated.

4. **NEW BUSINESS**
 - 4.1 **Tourism**

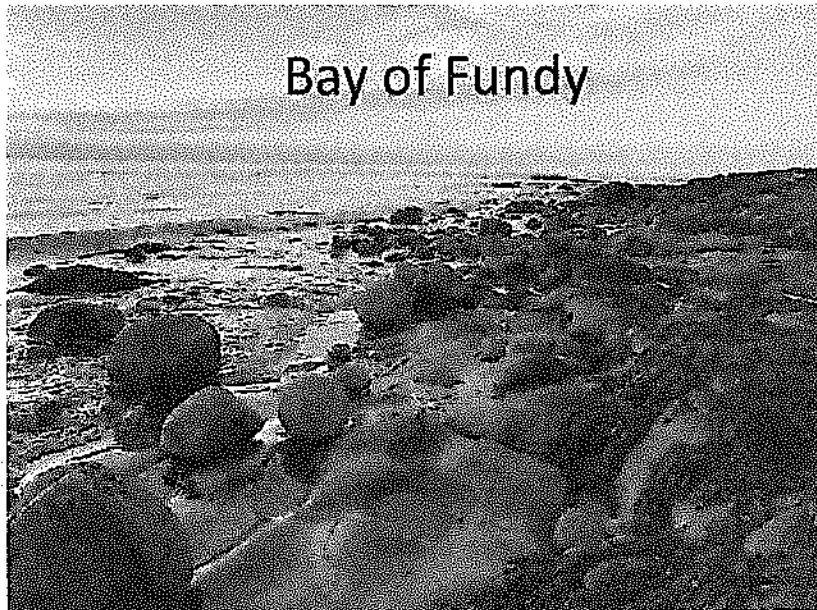
 - 4.2 **2022/23 Budget Overview**

 - 4.3 **Recommendation Report Municipal Administration Building Renovation**

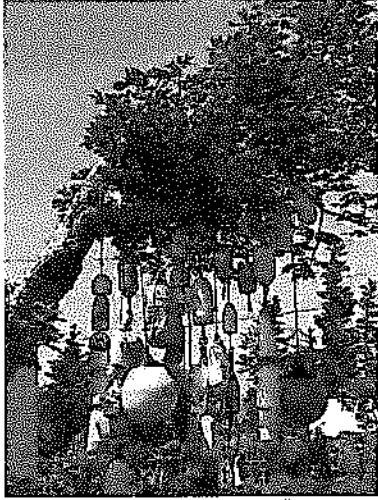
THAT municipal council approve an expenditure of \$530,000 (including HST) to be funded through a Temporary Borrowing Resolution from Municipal Finance Corporation (MFC) to renovate the Annapolis Royal Municipal Administration Building to accommodate the consolidation of municipal staff to one administration building.

5. . **ADJOURNMENT**
 - 5.1 THAT the Special Committee of the Whole adjourn its meeting.

Tourism Annapolis County

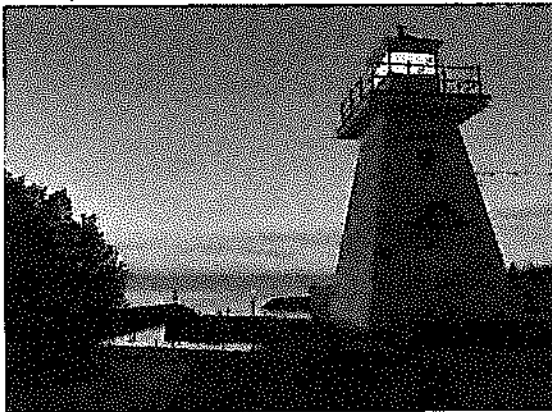


Coastal Communities

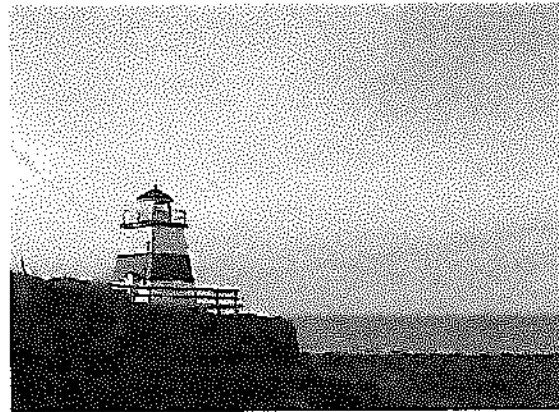


Lighthouse's of Annapolis County

Hampton



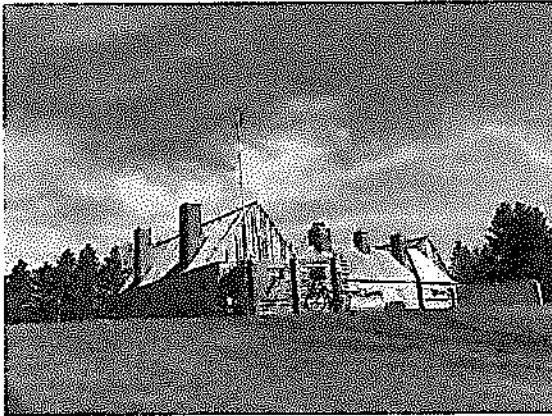
Margaretsville



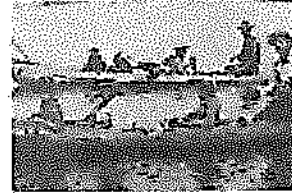
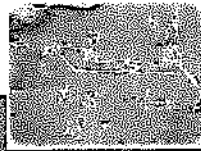
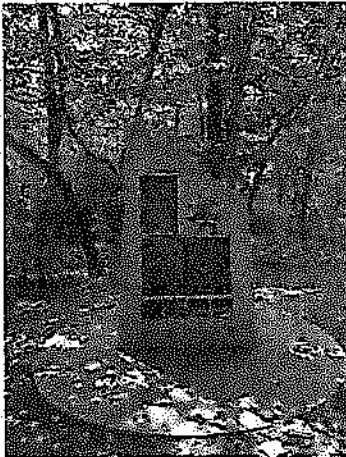
Tidal Beaches



Iconic Historic Parks

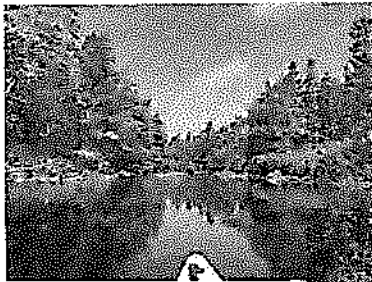


Parks Canada and Keji



There are over 500 individual petroglyphs within Kejikujit National Historic Site, making it one of the largest collection of such images in eastern North America. These petroglyphs are a unique and important component in the cultural landscape.

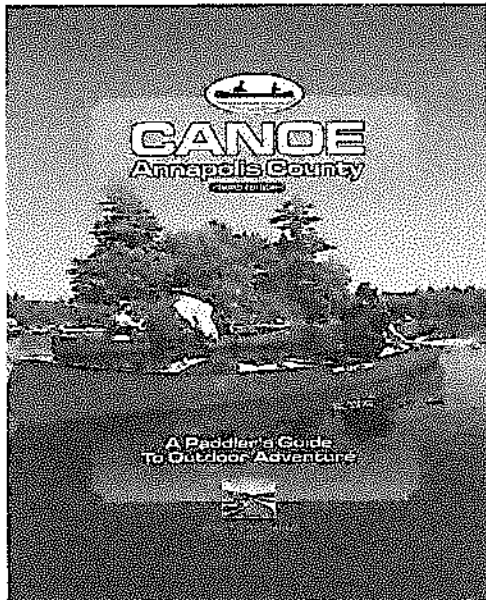
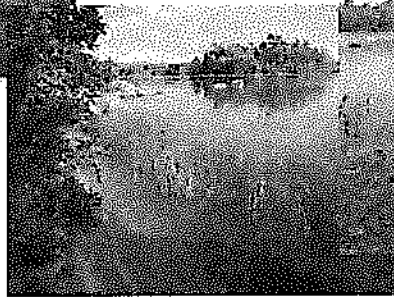
Inland Lakes and Waterways



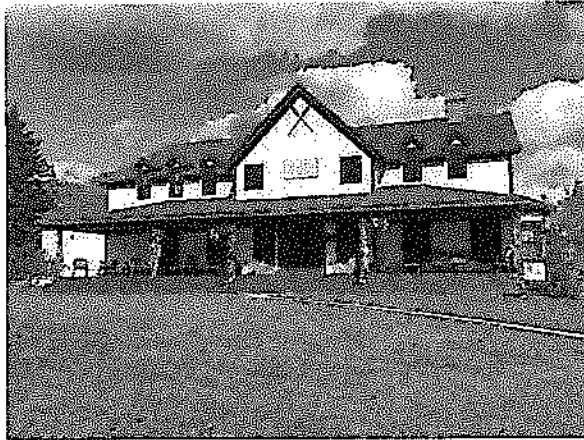
Secluded
beaches



220 lakes
and
waterways



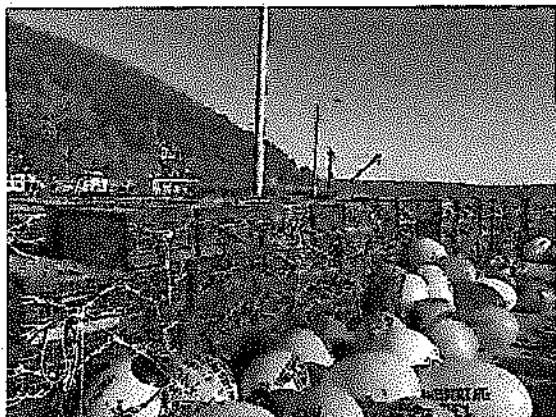
Inland Lake Parks & Resorts



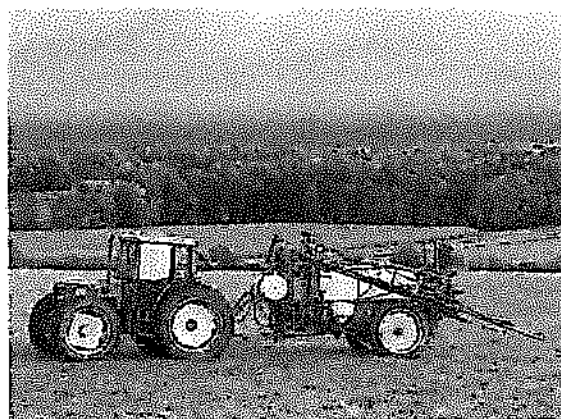
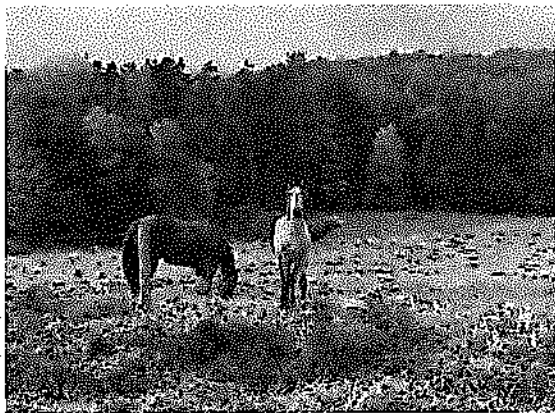
Annapolis Basin

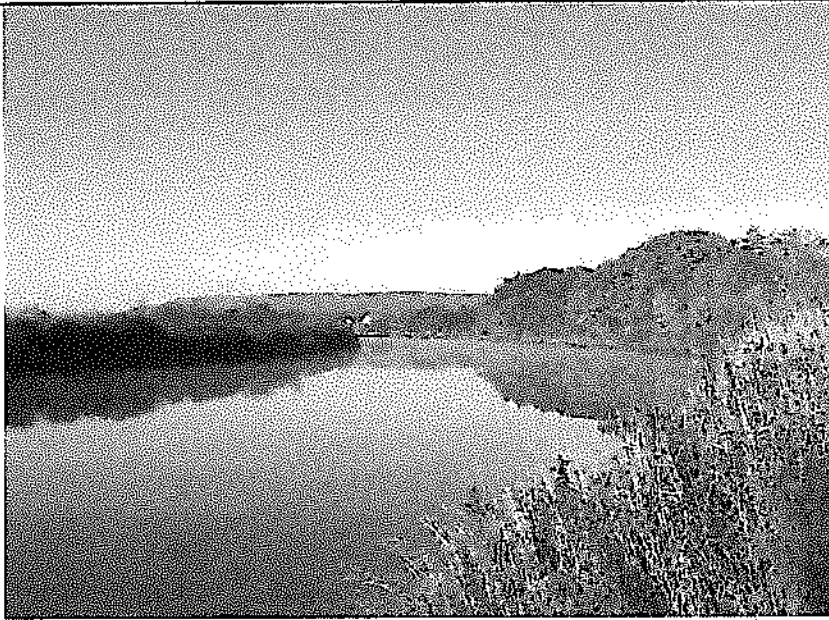


Fishing industry



Agriculture



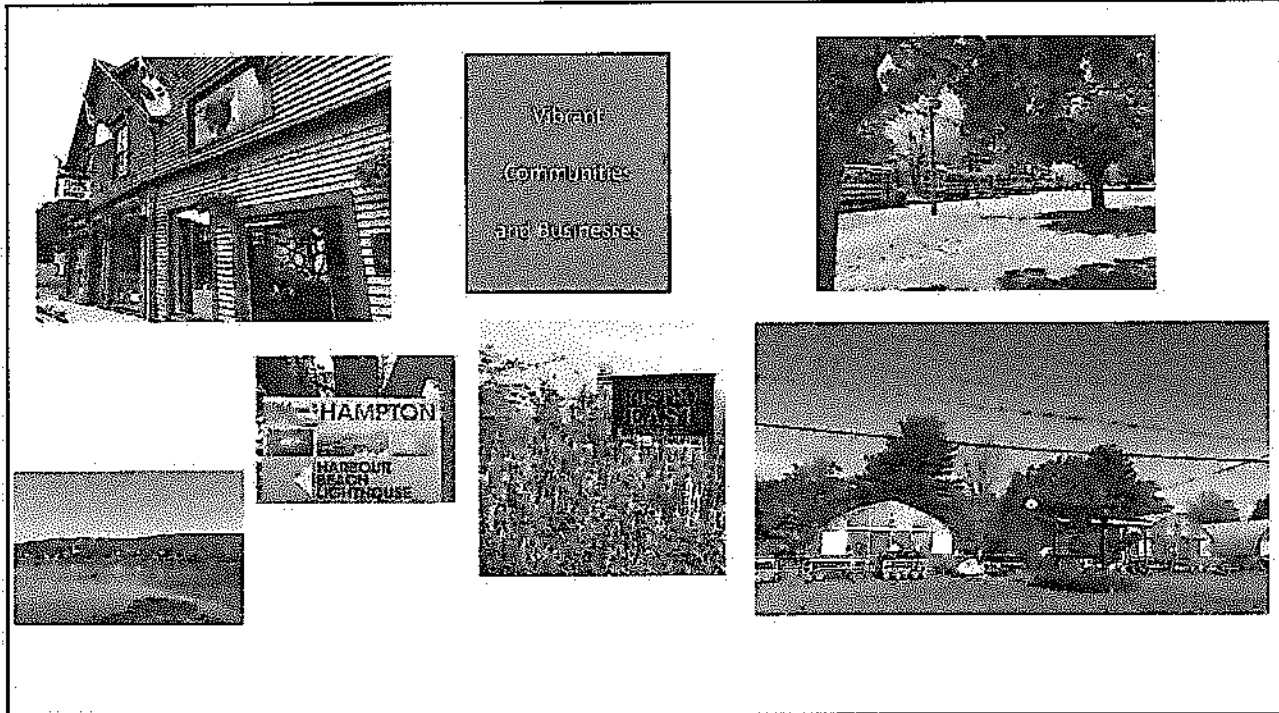


Annapolis
River

Communities and Towns

- Location of numerous festivals and events
- Culinary treats
- Amazing People
- Community pride
- Attractions
- Diverse and unique opportunities

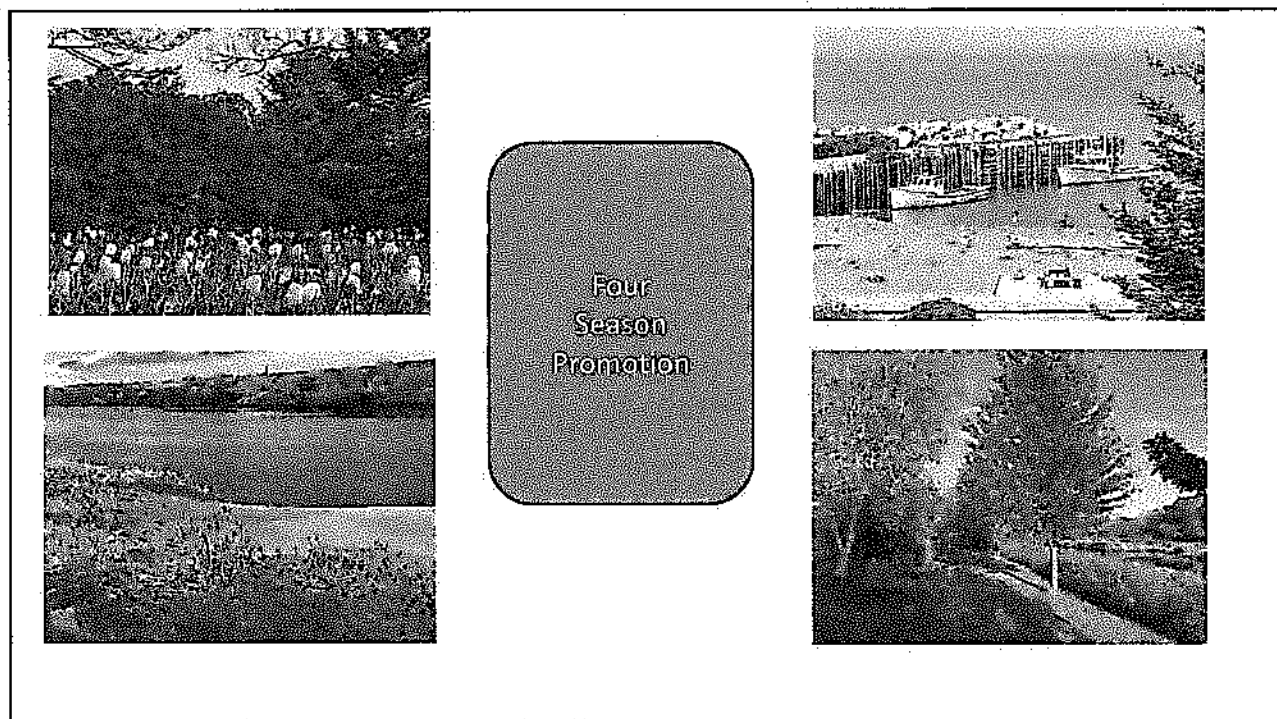




Tourism- Why

- Focus attention on Annapolis County- creates a sense of pride
- Supports local business
- Creates opportunities for four season promotion- expanding the shoulder season
- Strengthens the economic future of our region
- Raises the profile of our communities
- Enhances quality of life
- Attracts new people to our County





Creating Opportunities - How

Strategic Partnerships and Community
Capacity Building

Promotion and Marketing and Education

Strategic Partnerships and Community Capacity Building

- Creating partnerships in Annapolis County is key to success for long-term sustainability and creates smarter, more active and engaged communities.

"If you want to go fast, go alone. If you want to go far, go together!"

Promotion and Marketing and Education

- Annapolis County is a hidden gem and its time to share what we have to offer and to expand opportunities.
- We know our assets best, so lets celebrate and promote what we have.

Next steps

- We create a tourism plan
- We create photo and video development throughout 2022
- We celebrate what we have
- We develop the Upper Clements area into a outdoor destination park with hiking / mountain bike trails, Disc Golf and other opportunities.

Annapolis Basin region Municipal Land - Upper Clements south side

Approximately 200 acres
[Links to Upper Clements picnic park](#)
[Links to rail trail](#)
[Links to Annapolis Basin](#)

Parking
Nature appreciation
Mountain bike trails
Hiking and cross country ski trails
Disc golf- 18 holes
Family opportunities
Other



Upper Clements South side

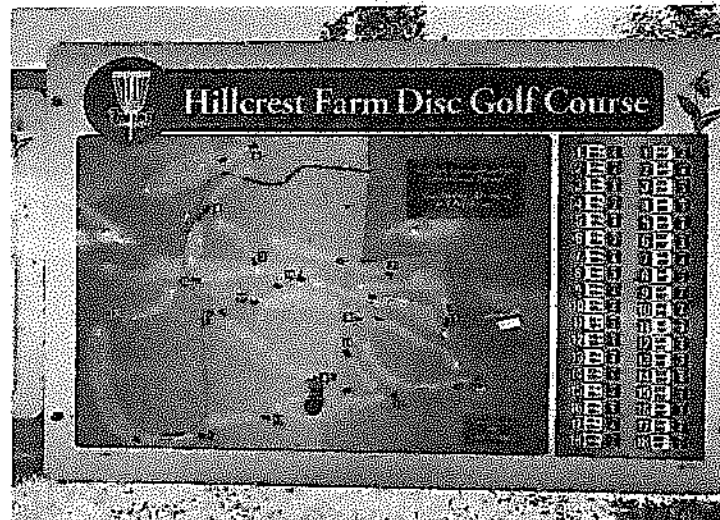
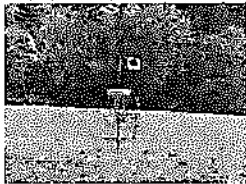
Disc Golf - 18 holes and played like golf but with a flying disc

Fast growing sport

Appeals to all ages

Can be played all year

Accessible opportunities



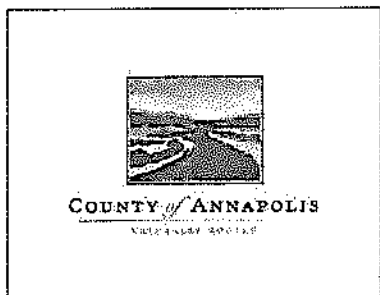
Upper Clements

- ACOA funding opportunity
- Hire a consultant
- Look at the potential of the lands for an outdoor destination park and other uses



Thank
You





BUDGET DISCUSSIONS
YEAR ENDING MARCH 31, 2023

Municipality of the County of Annapolis

County of Annapolis

Budget Discussions...cont'd

- ▶ The County has experienced significant changes over the past 20-24 months including staff changes, council changes, priority changes, organizational changes all while operating during the most significant health crisis in a generation.
- ▶ In spite of these operational adjustments, corporate governance has continued, the response to tax payers needs has remained strong and staff continue to review operations for efficiencies and opportunities to provide enhanced service delivery to our residents.
- ▶ With a majority of legal issues behind us, council needs to focus on the future with continued emphasis on service delivery, ensuring the County is staffed appropriately and a strategic direction is established to set goals and objectives to guide the County in capital and operational focus.

County of Annapolis

Budget Discussions...cont'd

Moving Forward...

The newly elected council in October 2020 was given a mandate to investigate and remediate a number of issues that were top of mind to many county residents.

Council and staff have expended significant time and resources to resolve a majority of these issues and are now in a position to establish strategic initiatives to set the direction for the County to move into the future. These decisions have had a significant impact on county finances and the diversion of staff time needed to respond to these actions.

While most of these actions have been dealt with, Council and staff can now concentrate on direction and policy.

County of Annapolis

Budget Discussions...cont'd

The 2022/23 budget:

- ▶ Will include discussions on updating the strategic plan and ensuring public engagement in the direction chosen for the County.
- ▶ Will also focus on longer-term objectives and will concentrate on financial strategies for future development.

Staff have collaborated on presenting to council and the community a high level discussion on historical results, estimates on revenues and expenditures, capital objectives and a general discussion on financial objectives moving forward.

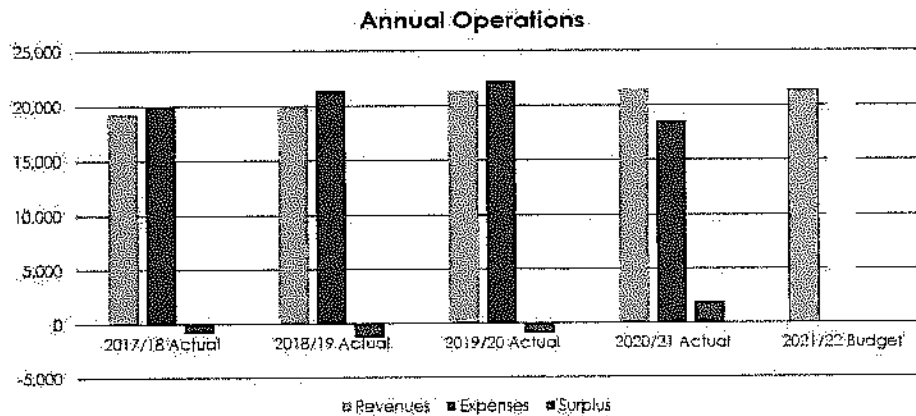
County of Annapolis

2022/23 Budget Overview

- ▶ Summary of Operations
- ▶ Reserves
- ▶ Property Assessment Discussion
- ▶ Major Revenue Sources
- ▶ Staffing Complement
- ▶ Capital Overview
- ▶ Financial Indicators
- ▶ Impact of Revenue and Expenditure Changes

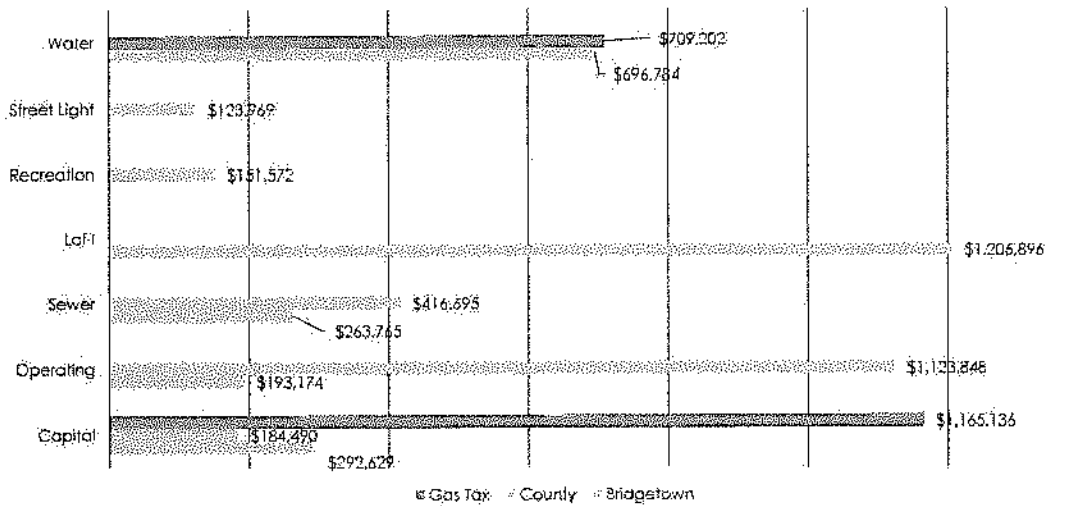
County of Annapolis

Summary of Operations (000's)



County of Annapolis

Reserves 2021 (unaudited)



County of Annapolis

Financial Reserves: Just the Facts

- ▶ Municipal financial reserves are not necessarily a measure of wealth, but rather are a planning tool used in different ways and to different extents by municipalities.
- ▶ Municipalities are not permitted to run deficit budgets, so reserves allow municipalities to save money for major infrastructure projects while abiding by their legislated financial management requirements.
- ▶ While municipalities can finance capital projects through debt, the amount of debt municipalities may incur is limited. Additionally, due to interest requirements, debt results in higher costs for municipalities and less efficient use of tax dollars.
- ▶ Municipalities develop operating and five-year capital plans. The development of long-term planning requires that municipalities have the ability to set aside funds for use on major projects in future years.

County of Annapolis

Financial Reserves: Just the Facts...cont'd

Reserves and Reserve Funds: Important long-term financial planning tools for municipalities which are used to set aside funds for a future purpose.

- ▶ To facilitate long-term financial planning
- ▶ To smooth tax rate impacts
- ▶ To plan for the impact and financing of major capital projects over time
- ▶ To absorb the cost of one-time expenses not included in the operating budget
- ▶ To provide for the cost of equipment or facility replacements
- ▶ To fund known future obligations

County of Annapolis

Property Assessment Process

Property taxes: Determined by the municipality based on the assessed value of a property and the net requirement based on acceptable expenditure levels and other sources of revenue.

Property Valuation Services Corporation (PVSC): Determines market value of all property which the municipality uses to calculate the property tax bill. Municipalities set different tax rates for residential properties and businesses based on services being delivered which can vary from municipality to municipality.

2022 assessments: Reflects market value as of January 1, 2021, based on market value sales and financial data from the full 2020 calendar year (from January 1, 2020 to December 31, 2020). The assessment values also consider the physical state of properties as of December 1, 2021, including new construction, renovations, damage or demolition.

County of Annapolis

Property Assessment Process...cont'd

- ▶ Nova Scotia property assessments are determined by PVSC assessors trained to value all types of property.
- ▶ They assess property at market value, which is the amount that a willing seller would receive if the property were purchased by a willing buyer on the open market as of the 'base date' - January 1 one year prior to the date the assessment notice is mailed.
- ▶ 2022 assessments reflect market value as of **January 1, 2021** (the 'base date'), based on market value sales and financial data from the full 2020 calendar year (January 1, 2020 to December 31, 2020).
- ▶ Property assessments also account for the physical state of a property, including new construction, renovations, damage and demolition, as of the 'state date' - December 1 the year prior to the date the assessment notice is mailed. 2022 assessments reflect the physical state of a property as of **December 1, 2021** (the 'state date').
- ▶ This is the first year that the market impacts of COVID-19 have been reflected on the Assessment Roll.

County of Annapolis

Property Assessment Process...cont'd

- ▶ The effective date of the value or "base date" will be January 1, 2021 well within the third wave of the global pandemic. The "state date" or condition of the property will be December 1, 2021.
- ▶ PVSC have discounted hotels by 25%, from our experience this may not be enough for some type of hospitality properties. There have been successes in other provinces where similar discounts were allowed due to COVID-19, yet we were still able to achieve additional savings.
- ▶ Regardless of the value change over last year, there may be variables such as chronic vacancy, external market factors, or physical attributes of the property that warrant a further reduction of the assessed value.
- ▶ If there are issues with your assessment, it is better to raise them sooner rather than later. From our experience, negotiations at this stage of the process can often be completed more efficiently than if we are to wait until the value is officially published in January.
- ▶ PVSC determines the timeline, but values should be finalized by early December 2020 and officially published on January 10. PVSC is willing to discuss most asset types but would prefer concentrating on retail, hospitality, and office assets.

County of Annapolis

Capped Assessment Program (CAP)

- ▶ In Nova Scotia, provincial legislation limits, or 'caps', the annual increase in taxable assessment for eligible residential properties. If your property is eligible for the Capped Assessment Program (CAP), your annual Assessment Notice will include a 'Capped Assessment' value.
- ▶ **Please note:** If your property's assessed value is lower than its capped assessment, the 'Capped Assessment' fields on your Property Assessment Notice will appear blank.
- ▶ The CAP rate is based on the Nova Scotia Consumer Price Index (CPI). The CPI rate is calculated by Statistics Canada, from October to October, and published in November each year.
- ▶ The CPI rate published in November 2021 was 5.4%. This rate has been confirmed by the Nova Scotia Department of Municipal Affairs and Housing.

Annual CAP rates:

2022 = 5.4%	2016 = 0.3%
2021 = 0.3%	2015 = 2.1%
2020 = 1.0%	2014 = 0.9%
2019 = 2.9%	2013 = 1.4%
2018 = 0.9%	2012 = 3.9%
2017 = 1.4%	

County of Annapolis

Tax Levy

- ▶ The tax levy represents the value of taxable assessment times the tax rate.
- ▶ It represents the net requirement (Approved tax funded expenditures less offsetting non tax revenues)
- ▶ Equalized assessment is divided into the net requirement to arrive at a tax rate:

Approved tax funded expenditures	17,000,000
Non tax revenues	<u>5,000,000</u>
Net Requirement Levy	<u>12,000,000</u>
Taxable Assessment	1,250,000,000
Tax Rate	.0096
Assessed value of property	186,000
Tax Bill	\$1,785.60

County of Annapolis

Tax Levy (5.4% assessment increase)...cont'd

Increases in assessment do not necessarily result in levy increases.

Net Requirement Levy	<u>12,000,000</u>
Taxable Assessment	1,317,500,000
Tax Rate	.009108
Assessed value of property	196,044
Tax Bill	\$1,785.60

This stark surge in demand for housing in Nova Scotia has seen the average home value increase by 27.6%. In June 2021, the average sale price was \$367K.

County of Annapolis

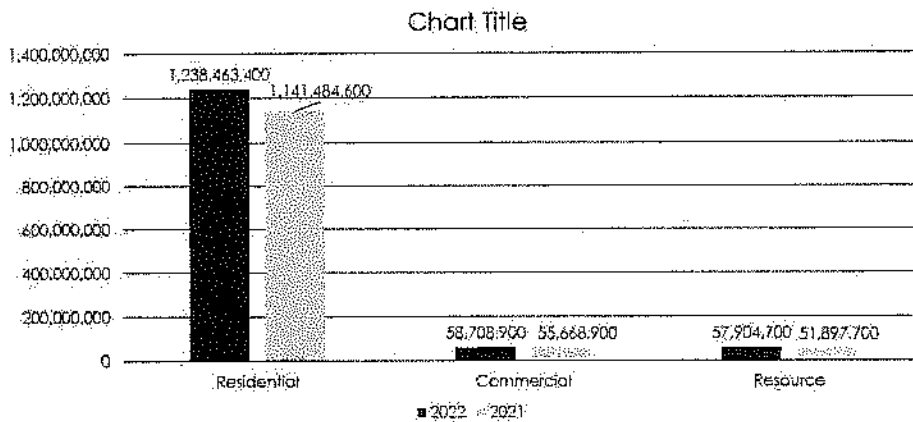
Tax Levy...cont'd

- ▶ Tax rates vary by municipality as do assessments.
- ▶ Similar properties will rarely have similar values.
- ▶ Comparing tax rates of neighbouring municipalities is like comparing apples to oranges.
- ▶ Comparing burden provides more comparatives but is dependent on services being delivered.
- ▶ Burden can be calculated as property tax, plus water and sewer bills relative to ability to pay.

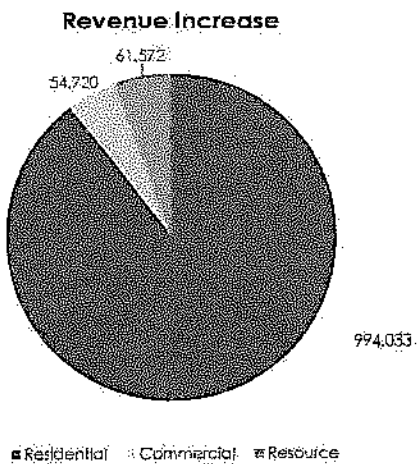
A Quick Comparison...

County of Kings	163,860
District of Digby	103,950
Annapolis County	130,215

County of Annapolis Assessment Change Year Over Year (Increase of \$105,125,800)



County of Annapolis Revenue Increase at 2021/22 tax rate (\$1,110,324)



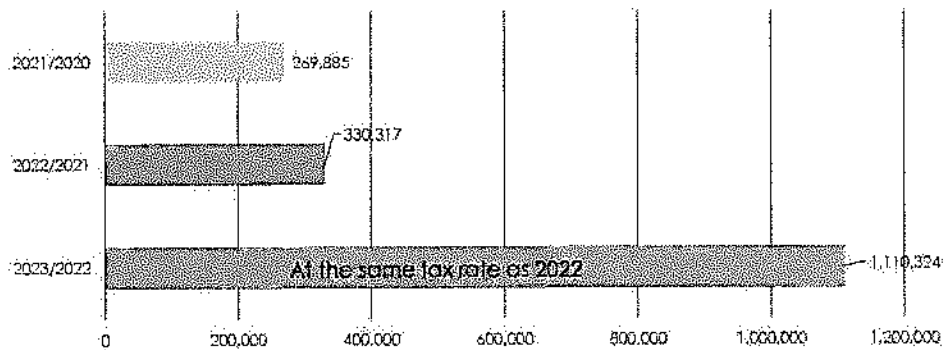
County of Annapolis

Residential Impacts of Year Over Year Change

- ▶ 64 new dwelling units
- ▶ Generated new assessment of \$19,000,400
- ▶ Results in \$194,000 new taxation revenue at 2022 rates

County of Annapolis

Annual Year Over Year Taxation Revenue Increase



County of Annapolis Deed Transfer Tax

When land is sold a Deed Transfer Tax (DTT) may be applicable.

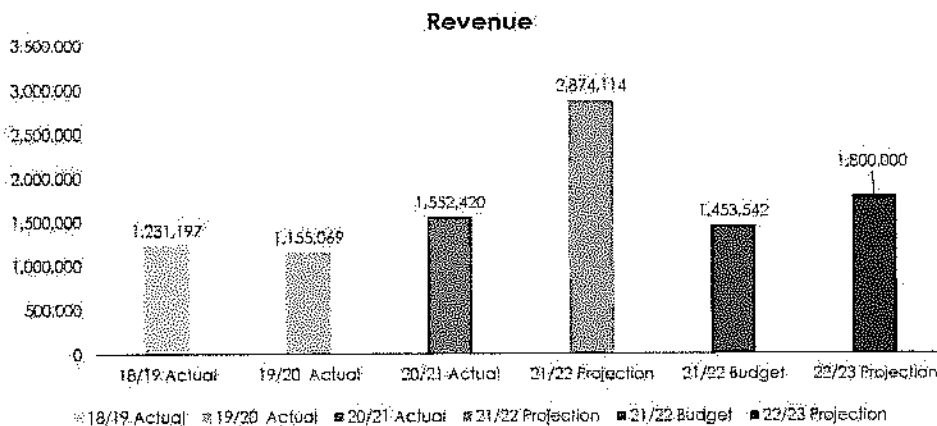
Deed Transfer Tax rates are:

- ▶ Set by each municipality
- ▶ Payable is calculated based on the sale price of the property.
- ▶ Collected on behalf of the municipality through Land Registration Offices when the deed is registered/recorded.

The County of Annapolis charges a rate of 1.5% of sales value.

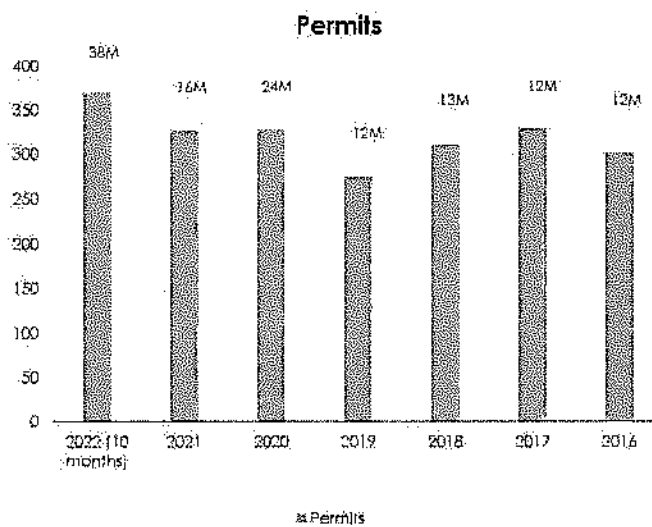
Across the Province, the rate varies from a low of 0% to a high of 1.5%

County of Annapolis Deed Transfer Tax...cont'd

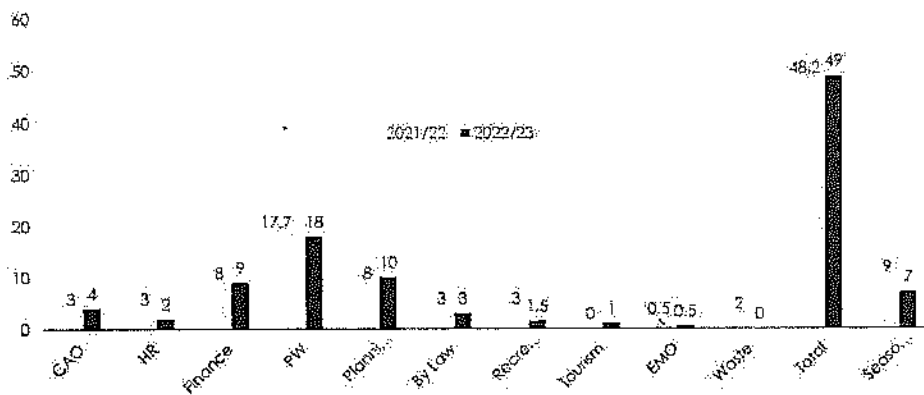


County of Annapolis Building Permits and Associated Value

- ▶ The County has significant activity in issuing building permits over the past few years as the housing boom in Nova Scotia continues to surge primarily due to out of province acquisitions.
- ▶ The boom has resulted in not only significant increases in the sale of homes, but increases in the level of new builds and renovations.
- ▶ Expectation for continuing assessment growth



County of Annapolis Staffing Requirements



County of Annapolis

Capital Long-Term Planning

- ▶ Five year capital forecasts are required to be reviewed and approved by council annually.
- ▶ For future budgets, it is the intention to present the capital forecast in the fall/early winter.
- ▶ This will give council an early opportunity to review those specific projects identified as required in the upcoming year and, if approved, allow for early release of tenders/RFP's for capital deemed to be necessary for the upcoming year.

County of Annapolis

2022-23 Capital Projects

Cornwallis Waste Water Plant:

- ▶ Structural Steel repair – continued (5-year phased project – required by Dept. of Labour)
- ▶ Clarifier Repair
- ▶ UV redesign install and hydrology study

Granville Ferry Tower

- ▶ Pre Engineering of water tower, backup storage facility
- ▶ Access road and gate improvements
- ▶ Water main replacements

County of Annapolis

Capital Projects...cont'd

Bridgetown

- ▶ Queen Street rehabilitation, water, sewer, sidewalks
- ▶ Granville Street (East & West) design
- ▶ Waste water infiltration – corrective action
- ▶ Study to install third cell & UV disinfection system

County Wide

- ▶ Water meter & hydrant replacements
- ▶ SCADA upgrades continue (Bridgetown/Cornwallis/Bear River/Nictaux)
- ▶ Phase protection on sewer lift stations continue
- ▶ Water leak detection equipment
- ▶ Parks & Trails improvements

County of Annapolis

Capital Projects cont'd

Margaretsville

- ▶ Water lateral repair
- ▶ Surface reservoir improvements & expansion
- ▶ Backup generator and installation, electrical upgrades, chlorination building

Municipal Buildings

- ▶ Bridgetown public works building repairs, security fence expansion
- ▶ Arena accessibility entrance doors and review engineering of arena accessibility upgrades, Arena electrical panel upgrades, study for carbon neutral building (to include CO2 refrigeration)
- ▶ Annapolis Administration building windows, envelope, brick repointing, lower floor renovations, accessibility access

County of Annapolis

Financial Indicators

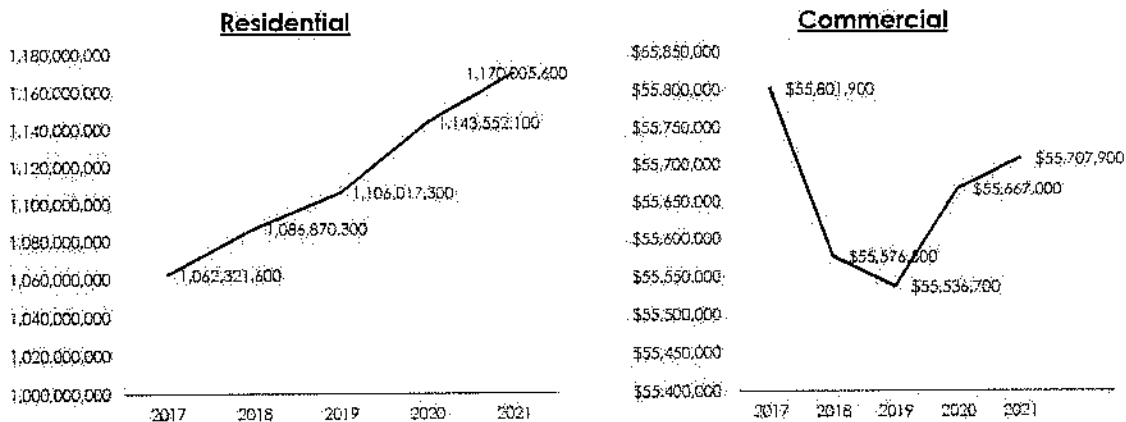
(as provided by the Provincially prepared Financial Condition Indicators Results 2019/20)

Median Household Income	49,589	57,294	43,522
Employment rate	46.5%	50.1%	46.1%

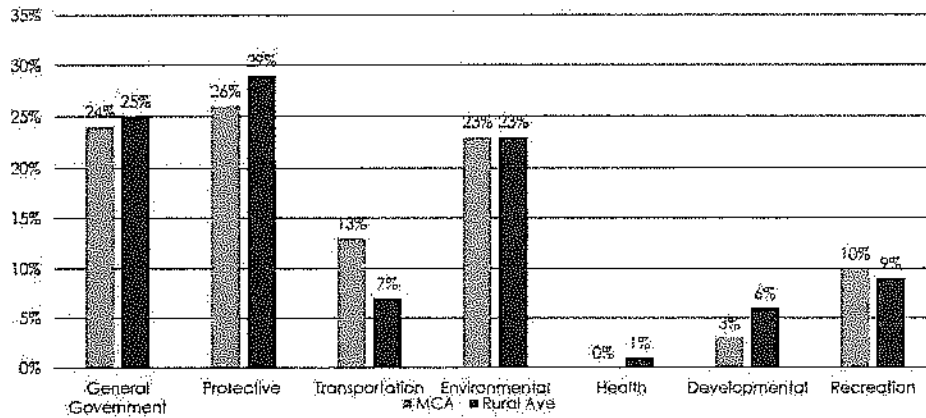
- ▶ The median household income is lower than the Provincial average but has risen
- ▶ The employment rate in a healthy economy is between 95-97%

County of Annapolis

Assessment



County of Annapolis General Operating Expenses



County of Annapolis Financial Indicators (Overall Assessment)

- ▶ Overall financial condition index is **low**
- ▶ **10 of 13** indicators are low risk
- ▶ **2** are deemed to be moderate
- ▶ **1** is considered high risk

County of Annapolis

2022/23 Expectations (Expenditure Savings)

Basinview	\$ 400,000	
YMCA	180,000	
Legal Fees	50,000	
Waste Management	<u>125,000</u>	755,000

► These expenditures are not anticipated to continue in 2022/23.

County of Annapolis

2022/23 Expectations (Incremental Expenditures)

Wages and Benefits	(400,000)	
Consultants (strategic plan, job Eval.)	(100,000)	
Insurance (liability)	(25,000)	
Utilities/fuel	(50,000)	
TCTS	(25,000)	
UCP Cleanup	(400,000)	400,000
Hospice	(54,000)	
RCMP salary increase	(350,000)	
School Board Levy	(100,000)	
Raven Haven full remediation	(100,000)	
Asset management	(200,000)	
Gordonstoun (reserve/write-off)	<u>XXX: (1,804,000)</u>	<u>(1,404,000)</u>

County of Annapolis

2022/23 Expectations

(Incremental Revenue and Requirement)

Income on investments	60,000	
Deed Transfer	<u>300,000</u>	
	\$360,000	
Expenditure reductions	755,000	
Increase in expenditures	<u>(1,804,000)</u>	<u>(1,404,000)</u>
Net requirement	689,000	289,000
Estimated tax increase at 2022 rates	<u>1,100,000</u>	<u>1,100,000</u>
Rate reduction or surplus	<u>411,000</u>	<u>811,000</u>

- ▶ Gordonstown expenditures will be written off in 2022. The financing of this may impact the reserves which are in the moderate risk level at 10% relative to the requirement of 20%.
- ▶ Similarly, the funding for the Mainland settlement may have an impact on reserves and/ or Gas Tax reserves.
- ▶ Inflationary increases projected to exceed .5%.



COUNTY of ANNAPOLIS
NATURALLY ROOTED

RECOMMENDATION REPORT

To: Committee of the Whole
Submitted by: Mark Coles, Municipal Operations
Approved by: CAO David Dick, CPA, CA
Date: March 29, 2022
Subject: Municipal Administration Building Annapolis Royal-
Renovation

RECOMMENDATION

That municipal council approve an expenditure of \$530,000 (including HST) to be funded through a Temporary Borrowing Resolution from Municipal Finance Corporation (MFC) to renovate the Annapolis Royal Municipal Administration Building to accommodate the consolidation of municipal staff to one administration building.

LEGISLATIVE AUTHORITY

N/A

BACKGROUND

The direction has been to redevelop this area to enable all municipal office staff to reside in one location.

The inclusion of the accessible washroom and offices in the redevelopment will enhance the facilities and help comply with B651-18EN Accessible design in the basement area of the building.

With A review of the layout and requirements of operation, the proposal has changed from the initial layout and costings, the removal of two large storage areas in favor of additional office space, the required heating upgrade, increased capacity for electrical requirements, increased IT/Communication's infrastructure, reception upgrade, and the volatile market place have all played their part in the higher revised budget costing.

The upgrade to the main reception will provide accessible facilities at the reception desk and provide three wickets.

Renovation budget to adapt room 236 to accommodate protective services.

A budget to purchase additional furniture as required, it is expected that most of the existing office furniture will be relocated from the Lawrencetown office building.

The construction phase would start in mid to late April with an expected completion early August 2022.

The renovations will include;

- Hvac-new duct work to each area and balance air flow throughout the area.
- Electrical-distribution panel upgrade, new power circuits and equipment
- Partition walls/office construction- metal frame, drywall, paint, sound insulation, doors etc.
- Open plan area- to be installed to allow multiple usage options
- Accessible wash room- B651-18EN compliant
- Suspended ceiling- t bar ceiling with lay in tiles.
- Lighting-LED lighting, wiring, controls in all areas
- Floor covering-carpet tiles and kick boards/tile in washroom
- Life safety services-extend the fire, emergency lighting and security systems to suit new layout
- Meeting room-area to include a kitchenette.
- Vault air handling upgrade-install air ductwork to vault
- Room 109 upgrade-new paint and flooring
- Room 236 upgrade-partition wall, electrical, IT.
- Main reception area upgrade- new reception desk and work area, millwork, electrical, IT.
- IT & Phone- extend system to provide coverage in new layout
- External window coverings
- Heating-replace heating controls
- Temporary on site storage during renovation.

DISCUSSION

Funding source either General Operating reserve or a loan

FINANCIAL IMPLICATIONS

Funding through a temporary funding resolution from the MFC (municipal finance corporation).

POLICY IMPLICATIONS

None known

ALTERNATIVES/OPTIONS

None.

NEXT STEPS

Upon a favourable motion from Municipal Council the required permits from the Town of Annapolis will be put in place and the renovation project will commence.

ATTACHMENTS

Floor plan

Report Prepared by: **Mark Coles**, Engineering Technician.

Report Reviewed by _____
Janice Young, Acting Manager of Municipal Services

Report Approved by: _____
CAO David Dick, CPA, CA

general layout

