



## TOWN COUNCIL AGENDA

September 24, 2020

7:00 p.m.

YouTube Live

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### Call to Order

### 1 Approval of Agenda

### 2 Minutes

2.1 Regular Meeting – September 8, 2020

### 3 Delegations and Individuals

3.1 Lenta Wright, AREA – Heat Pump Options Made Easy (HOME)

### 4 Correspondence – Action Items

4.1 Jeff Frampton – Request RE Compostainer collection

4.2 Kristen Martell – Funding Request

### 5 Correspondence – Information Items

5.1 NSFM – Monday Memo – September 8, 2020

5.2 NSFM – Monday Memo – September 14, 2020

5.3 NSFM – News Bulletin – September 16, 2020

5.4 Municipal Finance Corporation – Quarterly Newsletter – September 2020

### 6 Staff Reports

6.1 Staff Report – September 24, 2020

6.2 Staff Report – Election Update

6.3 Staff Report – Wayfinding Signage Project Update

6.4 Staff Report - Town Hall Renovations Update

6.5 Staff Report – Solar Connectivity Policy

### 7 Council Items

7.1 COVID-19

### 8 Committee Reports

8.1 Age Friendly Community Committee 2020 Action Plan

8.2 Economic Development Committee – Draft Minutes – September 10, 2020

8.3 Asset Management Committee – Draft Minutes – September 17, 2020

8.4 Audit & Finance Committee – Draft Minutes – September 21, 2020

a. 2019-20 Draft Financial Statements

### 9 New Business

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The Regular Meeting of Town Council for the Town of Mahone Bay was held on Tuesday, September 8, 2020 at 7:00 p.m. via video conference and broadcast via YouTube live.

Present:

Mayor D. Devenne

Deputy Mayor K. Nauss

Councillor J. Bain

Councillor P. Carver

Councillor R. Nowe

Councillor J. Feeney

Councillor C. O'Neill

CAO, D. Heide

Town Clerk, M. Hughes

Gallery: online

### 1. Agenda

A motion by Deputy Mayor Nauss, seconded by Councillor Carver, **"THAT the agenda be approved as presented."** Motion carried.

### 2. Minutes

A motion by Councillor Carver, seconded by Councillor Nowe, **"THAT the minutes of the July 30, 2020 regular council meeting be approved as amended."** Motion carried.

A motion by Deputy Mayor Nauss, seconded by Councillor Bain, **"THAT the minutes of the August 6, 2020 special council meeting be approved as presented."** Motion carried.

A motion by Councillor Carver, seconded by Councillor Feeney, **"THAT the minutes of the August 11, 2020 special council meeting be approved as presented."** Motion carried.

A motion by Councillor Carver, seconded by Councillor Nowe, **"THAT the minutes of the August 19, 2020 special council meeting be approved as presented."** Motion carried.

#### 4 Correspondence – Action Items

##### 4.1 Community Foundation of Nova Scotia Donation.

A motion by Deputy Mayor Nauss, seconded by Councillor Feeney, **“THAT the Town of Mahone Bay accept the donation as presented.”** Motion carried.

##### 4.2 Rae Kraushar – Request to establish a Glamping Retreat.

A motion by Councillor Feeney, seconded by Councillor Bain, **“THAT the request from Ms. Kraushar be forwarded to the Planning Staff for report and recommendation to the Planning Advisory Committee.”** Motion carried.

##### 4.3 Aaron Collery – Blockhouse and Mahone Bay Fire Department.

A motion by Deputy Mayor Nauss, seconded by Councillor Feeney, **“THAT staff reply to Mr. Collery and thank him for his correspondence.”** Motion carried.

#### 5. Correspondence – Information Items

##### 5.1 NSFM – Monday Memo – July 27, 2020

##### 5.2 NSFM – Monday Memo – August 4, 2020

##### 5.3 Michael Graves, Coordinator, United Way - COVID-19 Funding Update

##### 5.4 NSFM – Monday Memo – August 10, 2020

##### 5.5 Greg Keefe, PVSC Board of Directors – Delivery of 2019-20 Annual Report

##### 5.6 Hon. Keith Colwell, Fisheries and Aquaculture – Funding Program Marine Debris Clean-Up Program

##### 5.7 Kelly Wilson, BCAF – Appointed Board representation from Council

##### 5.8 Lou and Nigel Mathew – Seaside Creamery

##### 5.9 Sharon Gunn – Mask By-law for high traffic pedestrian areas

##### 5.10 NSFM – Monday Memo – August 31, 2020.

A motion by Deputy Mayor Nauss, seconded by Councillor Nowe, **“THAT Council receive and file the above correspondence, numbered 5.1 to 5.13.”** Motion carried.

#### 6. Staff Reports

##### Council Report

Council received the Staff Report for September 8, 2020.

### Temporary Vending and Special Events By-law

Council received a staff report in response to questions raised at the August 6, 2020 Public Hearing to receive comments from the public in respect to the draft Temporary Vending By-law and Special Events By-law.

A motion by Councillor Feeney, seconded by Deputy Mayor Nauss, **“THAT Council give second and final reading to the attached Temporary Vending By-law as amended.”**  
Motion carried.

A motion by Councillor Feeney, seconded by Deputy Mayor Nauss, **“THAT Council give second and final reading to the attached Special Events By-law as presented.”**  
Motion carried.

### Violence in the Workplace Policy

Council received a staff report to accompany a revised Violence in the Workplace Policy.

A motion by Deputy Mayor Nauss, seconded by Councillor Nowe, **“THAT staff amend the Respectful Workplace Policy and/or Employee Conduct Policy to reflect points raised in review of the draft Violence in the Workplace Policy specific to Town employees, and recommend to Council.”**  
Motion carried.

### Outdoor Burning By-law

Council received a staff report to accompany a revised draft of the Outdoor Burning By-law.

A motion by Deputy Mayor Nauss, seconded by Councillor Bain, **“THAT Council provide second and final reading of the revised Outdoor Burning By-law as presented.”**  
Motion carried.

### ICIP Climate Mitigation Application

Council received a staff report to recommend application to the Investing in Canada Infrastructure Program (ICIP) Climate Mitigation stream.

A motion by Councillor Carver, seconded by Councillor O'Neill, **“THAT Council direct staff to apply to Nova Scotia Department of Energy for ICIP Climate Mitigation funding for the proposed Community Hall Project.”**  
Motion carried.



### Wastewater Effluent Project Update

Council received a staff report to provide Council with an update and recommendation concerning the wastewater effluent project included in the Town's 2020-21 Budget.

A motion by Councillor Carver, seconded by Councillor Bain, "THAT Council direct staff to write to the Nova Scotia Department of Municipal Affairs and Housing requested approval to allocate approved 2019-20 **Provincial (PCAP) funding to the Town's wastewater effluent pilot project.**" Motion carried.

### Election Update

Council received a staff report

A motion by Councillor Nowe, seconded by Councillor Bain, "**THAT Council** receive the Election Update for **information.**" Motion carried

## 7 Council Items

### 7.1 COVID-19

Council discussed the September 8, 2020 return to school with new safety precautions in keeping with public health guidelines in respect to the ongoing COVID-19 pandemic.

### 7.2 Fire Station Project

At 7:58 p.m. Councillor Nowe declared a conflict of interest and withdrew from the meeting.

A motion by Councillor Feeney, seconded by Deputy Mayor Nauss, WHEREAS a Design-Build Request for Proposals to construct a new Fire Station was issued on June 17, 2020 with three proposals submitted. A careful evaluation of each proposal was completed and Roscoe Construction Limited achieved the highest proposal score.

THEREFORE BE IT RESOLVED THAT The Town of Mahone Bay award a design-build contract for the design and construction of the new fire station to Roscoe Construction Limited for a value of \$3,387,446 (HST excluded).

Councillor Bain	YES	Councillor Carver	NO	Councillor Feeney	YES
Deputy Mayor Nauss	YES	Councillor O'Neill	NO	Mayor Devenne	YES

Motion carried.

Councillor Nowe returned to the meeting at 8:09 p.m.

### 7.3 Election 2020 Signage

A motion by Councillor O'Neill, seconded by Councillor Carver, "THAT Council direct staff to review Town policies regarding signage and provide recommendations in respect to plastic and disposable signage within the Town of Mahone Bay, specifically including a recommendation regarding election signage." Motion carried

### 7.4 CAO Performance Review Policy

A motion by Councillor Carver, seconded by Councillor Feeney  
Be it resolved that Council direct staff to draft a CAO Performance Review Policy that includes a detailed procedure, or procedure options, for how regular CAO Performance Reviews will be conducted, and to present such policy to Council for consideration after the new Council is sworn in following the October municipal **elections."** Motion carried

## 8 Committee Reports

### Age Friendly Community Committee

Council received the draft minutes of the July 27, 2020 meeting of the Age Friendly Community Committee.

A motion by Councillor Carver, seconded by Councillor Feeney, "THAT Council direct staff to develop a multi-year bench installation program with potential locations being decided on in consultation with the Age Friendly Community Committee in **alignment with the CBCL Transportation Plan Report and Accessibility Standards."** Motion carried

### Police Advisory Board

Council received the draft minutes of the August 6, 2020 meeting of the Police Advisory Board.

### Lunenburg County Senior Safety Program

Council received the July 2020 and August 2020 monthly reports from the Lunenburg County Senior Safety Program.

Council adjourned upon motion at 8:35 p.m.

TOWN OF MAHONE BAY

TOWN OF MAHONE BAY

Mayor, David Devenne

Clerk, Maureen Hughes

DRAFT

# THE HOME PROGRAM

Heat Pump Options Made Easy



# Research & Focus Groups

- Literature review
  - Compared 6 leading heat pump programs across North America
- Biggest barriers to customer conversion
  - Upfront cost
  - Lack of knowledge
  - Contractor management
  - Technology performance risk
- Research Conclusion: One-Stop-Shop approach – most effective
  - New Brunswick models as leading examples
  - Addresses all the barriers

# Competitive Process

- AREA in consultation with Town of Mahone Bay conducted RFP
  - Financial Services
  - Administration
- Credit Union Atlantic
  - Leading efficiency lender
  - Network & experience
  - Competitive rates – affordable monthly payment
- Atlantic Heating & Cooling
  - Administering 2 heat pump programs already
  - Experience & reputation
  - +15k heat pump installations
  - Systems in place for intake and ongoing support, trained staff, no setup cost

# One Stop Shop Solution

- Streamlined process
- Standard industry approach has had certain number of conversions – limited by barriers
- One-stop-shop model opens new opportunities
  - putting Town brand at work for customers
- Long term focused
- No need to evaluate contractors & technology
- Finance application streamlined
- Administrator will look after customers every step of the way
  - Even after care
- Town & selected contractors will deliver superior program

# Customer awareness & engagement

- Public launch October 1<sup>st</sup>
- Ambassador engagement – door to door
- Printed and digital campaigns
- Starting at \$53 / month



**Maureen Hughes**

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**Subject:** FW: Consideration for 2021

-----Original Message-----

From: Jeff Frampton <framptonjn@gmail.com>

Sent: September 9, 2020 8:40 AM

To: Maureen Hughes <Maureen.Hughes@TownofMahoneBay.ca>

Cc: Dylan Heide <Dylan.Heide@TownofMahoneBay.ca>

Subject: Consideration for 2021

CAUTION: This email originated from an external sender.

Would it be possible to have the new council consider extending the collection of Green Compost bins weekly later in the year through mid or end of September next year vs the current end date. Many of our neighbors and ourselves have full compost bins after the Labor Day weekend yard work done and must keep them until next week. It just seems that with the summer season extending and the warmer temperatures lasting longer, it might be time to consider this. As a "Green Environmentally Supportive" Town, we should not want to encourage folks into putting stuff into garbage bags for landfill. Thanks in advance. Cheers

Jeff Frampton  
33 Pleasant Street

## Maureen Hughes

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**From:** Kristen Martell <kristenwmartell@gmail.com>  
**Sent:** September 17, 2020 1:20 AM  
**To:** Maureen Hughes  
**Subject:** Request for Sponsorship/Donation

CAUTION: This email originated from an external sender.

Hello Maureen,

As discussed, can you please add the following to the Council Agenda.

Caribou Run, an award winning Mahone Bay based neofolk band, and myself, a Mahone Bay folk/pop artist have rented the Bandstand on October 3rd, 2-4pm to offer the community a free show. It has been a difficult time for musicians and this will be a way to connect with the community in a safe way before the Winter. There have been limited activities in Town and this will be an opportunity to gather safely.

We are looking for sponsors to help support the event and are asking for the Town of Mahone to consider offering a donation. Donations will go towards equipment and to pay the musicians.

If you have any questions, please do not hesitate to contact me at 902-523-4145.

Thank you for your consideration,

Kristen Martell  
Fauxburg Road, Mahone Bay

Kristen Martell

**From:** [NSFM Communications](#)  
**To:** [Town of Mahone Bay Clerk](#)  
**Subject:** NSFM's Monday Memo on Tuesday!  
**Date:** September 8, 2020 4:16:14 PM

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**CAUTION:** This email originated from an external sender.



## **NSFM hosting September regional meetings**

Mark your calendars!

Nova Scotia Federation of Municipalities will host regional meetings later this month and they'll all be held online, so taking part is only a click away.

Check the list for your region and then click the blue button below to request the link.

We hope to see you later this month.

## NSFM Virtual Regional Meetings Schedule September 2020

Region	Date	Time
Cape Breton-Strait Area	Friday, September 25 <sup>th</sup>	10:00 a.m. – 12:00 p.m.
South Shore-HRM	Friday, September 25 <sup>th</sup>	2:00 p.m. – 4:00 p.m.
South Western Shore	Monday, September 28 <sup>th</sup>	10:00 a.m. – 12:00 p.m.
Colchester/Cumberland/Pictou/East Hants	Monday, September 28 <sup>th</sup>	2:00 p.m. – 4:00 p.m.
Valley	Tuesday, September 29 <sup>th</sup>	10:00 a.m. – 12:00 p.m.

[Request the link for your regional meeting](#)



### FCM adjusts intake process

Since FCM launched its call for **Municipal Asset Management Program (MAMP)'s Municipal Grants** applications on May 15, it has received an exceptional number of applications.

In an effort to ensure they are processed quickly and efficiently, FCM is adjusting its intake process to accept applications until ***midnight EST, September 22, 2020.***

Any municipality currently developing an application is encouraged to [submit it by the deadline](#). A second call for applications will begin on January 19, 2021.

Please note that this change to the intake process does not impact applications already submitted or projects already approved for funding.

FCM's MAMP continues to offer expert asset management [resources](#) and [training](#) through its partners. [Learn about FCM's Municipal Asset Management Program's partner organizations](#) and the types of training they are offering across the country.



## Unconscious Bias In the Workplace

AMANS and NSFM are partnering with Ashanti Leadership and Development Services to provide a virtual training opportunity on **Unconscious Bias Within the Workplace**. This September 15 webinar will address Unconscious Bias and identify tools that support municipalities in addressing barriers to inclusion within the organization and communities.

Research has long identified that although organizations have sought to address diversity and inclusion in the workplace, there are still a number of challenges to achieving inclusivity. Employers and employees are encouraged to challenge what is known as Unconscious Bias. A bias which is embedded in our attitudes and beliefs without us knowing. These are based on our upbringing, our social location, influences of media and educational institutions. Such biases impact our everyday decision making and judgments, which makes us less accepting of difference among us.

Presenter: Ann Divine, CEO of Ashanti Leadership and Development Services

Date: **September 15<sup>th</sup> @ 2:00- 3:00pm**

**Please Note:** AMANS and NSFM recognize the importance of this session and, therefore, will be offering it several times over the next 12 months. We are pleased to be able to offer the first session free of charge as a service to members. There will, however, be a minimal charge for future sessions.

All employees and elected officials are encouraged to participate. To receive the link to take part in the webinar, click on the button below:

[Click here to request webinar link](#)



# LONG SERVICE AWARDS

## Reaching a milestone?

The NSFM Long Service Awards Program offers recognition beginning with those who have served on Council for a minimum of 10 years.

The Awards categories are:

- 10 or more years of service
- 15 or more years of service
- 20 or more years of service
- 25 or more years of service
- 30 or more years of service
- 35 or more years of service
- 40 or more years of service

An award will only be presented once in each category.

Eligible individuals should apply for the award which reflects their current years of municipal service.

Given that there will be no fall conference this year, NSFM will mail the completed long service awards to the municipality for local presentation. They will not be plaqued nor framed to ensure safe transit.

If you have eligible elected officials in your municipality, please complete the attached form and email to Judy Webber [jwebber@nsfm.ca](mailto:jwebber@nsfm.ca) by **September 18<sup>th</sup>, 2020**.



## Jennifer Angel featured on upcoming ZOOM

Develop Nova Scotia President and CEO Jennifer Angel will be the guest on NSFM's next Mayors, Wardens & CAOs ZOOM call.

Angel will join the call at 6 p.m. Monday, September 14, to discuss the second round of **Internet for Nova Scotia Initiative** projects. When complete, access to high-speed Internet will reach 97 per cent of Nova Scotians. An additional 32,000 homes and businesses will have access to reliable, high-speed connections—all with fibre to the home or business.

Be sure you join NSFM - or read the summary that we'll put out after the meeting - to learn how this project will affect your municipality.

Links and agendas will be forwarded to all mayors, wardens and CAOs later this week. Not on the list? Be sure to reach out to our communications department to let us know at [communications@nsfm.ca](mailto:communications@nsfm.ca).



## And the survey says ...

Last summer, NSFM conducted the first-ever online members survey to gauge reaction and involvement to our programs, services and initiatives.

We're gearing up to do another short survey later this month and in the meantime thought you could practice by taking part in two outside surveys.

**The Canadian Institute for People of African Descent (CIPAD)** is a community-created and community-led initiative that responds to the UN Declaration of the International Decade for People of African Descent and the need to address concerns regarding the social determinants of health for Canadian people of African descent.

The initiative, when it is implemented, will provide for the first time, an opportunity for diverse African Canadian communities across the country to speak with one voice when confronting the systemic barriers and the pervasive, unconscious and explicit biases that affect African Canadians.

CIPAD will be a leader in research, policy creation, and community engagement and in developing a cohesive approach to unification, planning and advocacy. CIPAD's main goal is to achieve positive outcomes for Canada's People of African Descent by building a framework to grow and sustain community capacity that is national in scope.

CIPAD is currently conducting a Feasibility Study to hear from African Canadian community members across the country to gain advice on successfully implementing a Canadian Institute of People of African Descent.

#### **CIPAD FEASIBILITY SURVEY**

(ENGLISH): <https://luvilamktg.typeform.com/to/sKVu0J0v>

#### **CIPAD FEASIBILITY SURVEY**

(FRENCH): <https://luvilamktg.typeform.com/to/l7zscuYZ>

In addition, the survey can be found online at [www.CIPAD.ca](http://www.CIPAD.ca)

## **The State of the Forests**

The Province publishes a resource for all Nova Scotians about the state of forests. This includes data on Lands, Forests, Forest Ecosystem Health, Forest Conservation, Biodiversity in Forests, Soils and Water, Productivity, Quality, and Value, and Resource Sustainability.



The province is working to improve the department's State of the Forest report by asking Nova Scotians to complete a survey to better understand how to improve our report to meet your needs. This work is also a recommendation of the 2018 Independent Review of Forestry Practices.

Click here to take part in the [survey](#)



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**From:** [NSFM Communications](#)  
**To:** [Town of Mahone Bay Clerk](#)  
**Subject:** Your September 14 Monday Memo  
**Date:** September 14, 2020 4:29:34 PM

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**CAUTION:** This email originated from an external sender.



## New webinar series

COVID-19 has challenged our thinking and changed the way municipalities operate. How will communities like yours take steps to move forward in a way

that is safe and sustainable? This webinar series hosted by Frank Cowan Company Limited is open to municipalities in NSFM's insurance program.

**Webinar 1: The Legal Perspective – Can Your Municipality or Facility be Held Responsible for an Outbreak?**

**Wednesday, September 23rd, 2020, 1 p.m. to 2 p.m. includes:**

1. What are *reasonable* expectations? For staff and the public – what role does your municipality have to play in keeping people safe?
2. Best practices for documenting cleaning protocols – how long should your municipality store sweep records and other evidence?
3. How can your municipality afford the extra costs associated with PPE, extra hygiene measures and compliance when revenue is also being challenged? Is this the new cost of doing business?
4. Will provincial governments provide legislative support in defending against lawsuits?

[Please click here to register for this webinar.](#)



## **NSFM hosts virtual regional meetings**

Nova Scotia Federation of Municipalities will host regional meetings later this month and they'll all be held online, so taking part is only a click away.

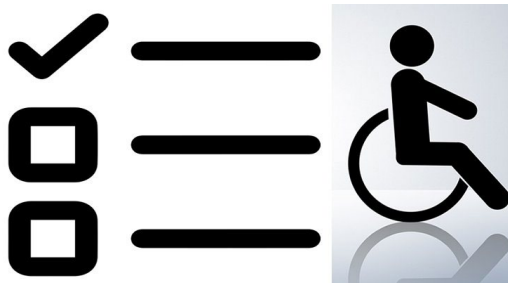
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Valley	Tuesday, September 29 <sup>th</sup>	10:00 a.m. – 12:00 p.m.

[Request the link for your regional meeting](#)



### *Accessibility Plans*

The Accessibility Directorate is hosting a webinar about developing accessibility plans and establishing accessibility advisory committees.

The Webinar will be offered on the following dates:

**September 22<sup>nd</sup> – 12:00 – 1:00 PM**

**September 30<sup>th</sup> – 12:00 – 1:00 PM**

**October 7<sup>th</sup> – 1:00 PM – 2:00 PM**

Each Webinar will be the same, and will cover the following three topics:

- Accessibility Act Essentials
- Assembling an Accessibility Advisory Committee
- Developing an Accessibility Plan

The Webinar is about 30 minutes long, leaving 30 minutes afterwards for questions and discussion.

**To register**, please send your name, email address, date you wish to attend and accessibility requests to: [Carla.Bezanson@novascotia.ca](mailto:Carla.Bezanson@novascotia.ca)



LABOUR AND  
ADVANCED EDUCATION

### *Arbitration Advisory Cmte*

The Nova Scotia Department of Labour and Advanced Education is currently recruiting for a Chairperson, as well as employer and union members, for the Department's Arbitration Advisory Committee.

This committee provides advice to the Minister of Labour and Advanced Education with respect to the selection of labour relations arbitrators for the Ministers' List of Arbitrators, as well as other matters relating to labour arbitration in the province.

The provincial government is committed to the appointment of members who reflect the diversity of the Nova Scotians we serve and who will bring diverse experiences and perspectives to the table.

The posting can be found here:

<https://novascotia.ca/apps/abc/BoardProfile.aspx>



# TALKING IT THROUGH

A DISCUSSION GUIDE FOR LOCAL GOVERNMENT  
STAFF ON CLIMATE ADAPTATION

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MUNICIPAL CLIMATE SERVICES COLLABORATIVE

FCM and Environment and Climate Change Canada's [\*Talking it Through: A Discussion Guide for Local Government Staff on Climate Adaptation\*](#) is designed to help municipal staff start climate conversations with elected officials and senior decision-makers on how best to address local climate change impacts. The guide provides information on:

- Impacts to the built and natural environments, and social systems;
- The importance of local climate change responses from municipal leaders;



- Planning and operational approaches to adaptation; and
- Municipal case studies, including the Town of Bridgewater.

To further support your climate change conversations, download the presentation template that you can edit and customize to suit your local context.

These resources were developed by FCM and Environment and Climate Change Canada, with guidance from the Municipal Climate Services Collaborative, of which, NSFM is a representative.

[Download the guide.](#)

[Download your customizable presentation template.](#)



## Take note - FCM switches intake process

Since FCM launched its call for **Municipal Asset Management Program (MAMP)'s Municipal Grants** applications on May 15, it has received an exceptional number of applications.

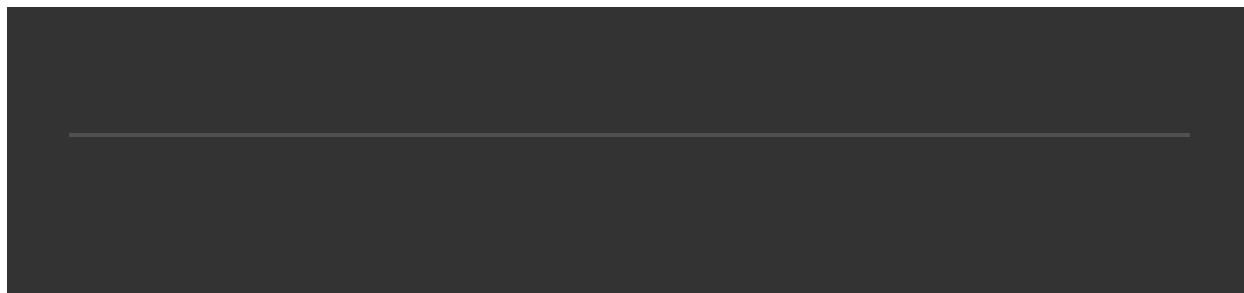
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**From:** [NSFM Communications](#)  
**To:** [Town of Mahone Bay Clerk](#)  
**Subject:** NSFM News Bulletin  
**Date:** September 16, 2020 2:35:41 PM

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[View this email in your browser](#)



## Safe Restart Agreement announced

The Government of Nova Scotia has just announced funding allocations through the federal, provincial, and territorial *Safe Restart Agreement*.

The **Nova Scotia Federation of Municipalities (NSFM)** played a big role in highlighting COVID-19's direct impact on municipalities in Nova Scotia over the spring and summer.

NSFM's **COVID-19 Lost Revenues Report** was done with assistance from our members, the **Association of Municipal Administrators of Nova Scotia** and **FCM** and released June 18.

It outlines that the province's State of Emergency required many Nova Scotians to stay home, forcing municipalities' non-tax revenue streams to almost entirely dry up.

COVID-19 also forced unexpected additional expenses for municipalities, including \$3.31 million to supply personal protective equipment (PPE) and Plexiglas service kiosks, and other health and safety measures.

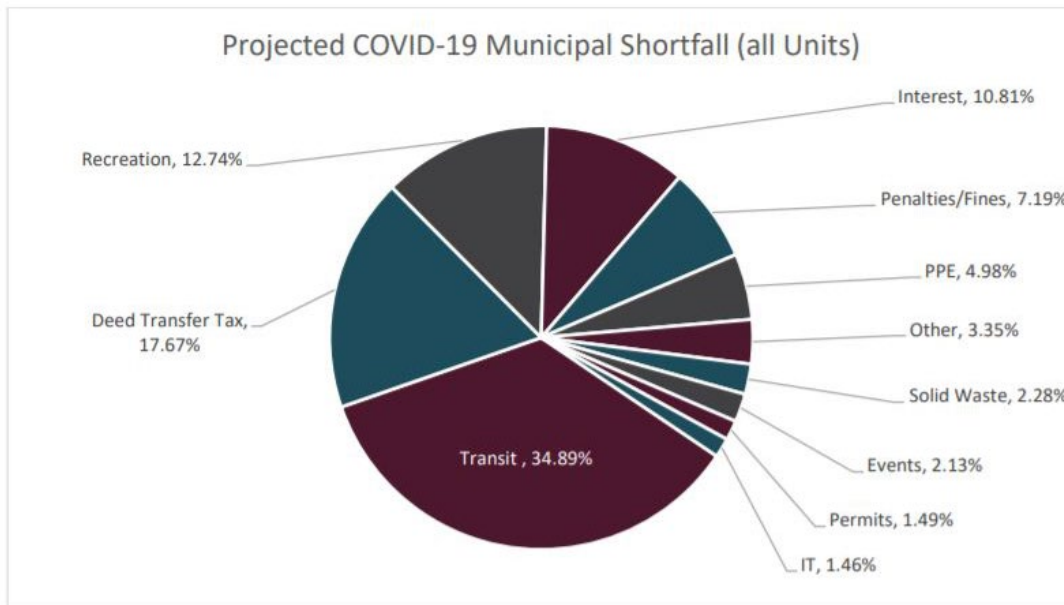
The total expected shortfall for fiscal 2020-21 is \$66.5 million. Transit losses alone amount to \$23 million.

Without Safe Restart, those losses would have to be picked up by the taxpayer. That would mean an average 7.1% hike to residential tax rates in next year's budgets – an increase that would have had significant negative impact on the province's recovery.

The Safe Restart Agreement earmarks \$67.5 million to help municipalities address lower revenue from transit and taxes, as well as increased costs associated with COVID-19 infection prevention measures.

"Today's Safe Restart Agreement brings much-needed relief for municipalities who have been on the front lines of COVID-19," says NSFM President Pam Mood.

"Without an ability to access additional sources of revenue, or run a deficit, this funding will ensure Nova Scotia municipalities are in a solid financial position going ahead in 2020-21."



Transit	\$23,184,740	Solid Waste	\$1,516,200
Deed Transfer Tax	\$11,743,732	Events	\$1,416,567
Recreation	\$8,464,679	Permits	\$990,622
Interest	\$7,183,438	IT/Comms	\$968,786
Penalties/Fines	\$4,775,640	Did not categorize	\$578,500
PPE	\$3,311,403	Did not report (est.)	\$101,570
Other	\$2,223,806	Total	\$66,459,684



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Nova Scotia  
**MUNICIPAL  
FINANCE  
CORPORATION**

# quarterly newsletter

**Volume 6 Issue 1**

**September 2020 [www.nsmfc.ca](http://www.nsmfc.ca)**

Wow how about the weather we have had over the past few months!

As we approach fall, it is time to start getting your paperwork in order if you are planning to participate in the fall debenture issue. The cutoff to participate is noon November 13th. Please refer to page 7 of this newsletter to see what is required in order for your municipal unit to participate.

We continue to promote the use of our Best Practices, the Debt Affordability Model, use of our Short-Term Loan, our High Interest Savings Account and our Mentoring Program as useful tools. You can read more about these various programs further in this newsletter.

If you are interested in learning more about or would like a presentation on any of our products, please do not hesitate to contact us. We would be more than happy to come and talk to you, your Council and staff about any of them.

As always, thank you for taking the time to read this newsletter.

*Paul*

Paul Wills, CPA, CMA  
CEO/Treasurer



## Our Location

Nova Scotia Municipal Finance  
Corporation

Maritime Centre

1505 Barrington Street, Suite 8317  
Halifax, Nova Scotia

## Our Mailing Address

Nova Scotia Municipal Finance  
Corporation

PO Box 850, Station M

Halifax, Nova Scotia

Canada

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## MFC Staff

CEO/Treasurer: Paul Wills, CPA, CMA

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Manager of Financial Services:

Bob Audoux, CPA, CGA

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# Nova Scotia Municipal Finance Corporation

## ***Mission Statement:***

***To provide capital infrastructure financing at the lowest available cost, within acceptable risk parameters, and to provide financial management advice and assistance to clients.***

***This mission is achieved through the issuance of debentures. The Corporation pools municipal borrowing requirements which eliminates the need for individual municipalities to negotiate and administer their own debenture issues. Under this arrangement, the debt issuance function remains in the public sector domain.***

## **Why the Municipal Finance Corporation?**

The Nova Scotia Municipal Finance Corporation (MFC) was established by an Act of the Legislature of the Province of Nova Scotia in 1979 (*Municipal Finance Corporation Act, Chapter 301*). The MFC concept is widely used in Canadian provinces and American states as a cost effective, efficient means of raising long-term debenture funds to finance municipal capital projects. Studies have shown that smaller municipalities with lower credit ratings receive the greatest interest savings from MFC participation and that all municipalities can benefit from savings in the cost of administration on outstanding debenture issues. In addition, two of the five members of the board of directors are appointed based on the recommendation of the Union of Nova Scotia Municipalities, which ensures strong municipal representation.

## **Who must finance capital projects through the MFC?**

The objective of the Corporation is to provide financial assistance to its clients, including municipalities, villages, municipal enterprises, school boards, and hospitals. All municipalities, villages, and municipal enterprises must finance their external capital requirements through the Corporation through the issuance of a debenture. Fire Departments incorporated under special legislation and qualifies as a "service commission" under the *Municipal Finance Corporation Act* thereby enabling it to borrow in its own name with a municipal guarantee. To qualify the fire department must provide a municipal service and have taxing powers. The MFC uses credit enhancement and debt-pooling techniques to meet clients' approved funding requirements at the lowest possible cost.

## **Long-Term Loans For Capital Infrastructure**

Pooled debenture issues are the most used product that the MFC offers its clients. The MFC regularly goes to market with two debenture issues each fiscal year, in the spring and fall.



# High Interest Savings Account

Tired of getting low returns on your surplus funds (capital reserves, gas tax, operating reserves)?

Tired of limited options where you can invest these surplus funds?

Do you want to earn greater returns with “no” risk, “no” service or hidden fees, and “greater” flexibility?

Our High Interest Savings Account could be the option for you!

As of March 30, 2020, our High Interest Savings Account earns, at a minimum, 0.85%!

Why not give it a try?

If you are interested in accessing this new program, or wish to chat about it, please contact:

Bob Audoux  
(902) 424-7172  
[Bob.audoux@novascotia.ca](mailto:Bob.audoux@novascotia.ca)

“The MFC High Interest Savings Account (“HISA”) has helped the Town of Digby earn higher rates of interest on excess cash with minimal administrative burden. Transfers, which are relatively infrequent, to or from the HISA bank account are easily processed with a simple one line email to MFC and the posting of a GL journal entry. Currently the HISA allows the Town to earn 40 basis points (0.4%) higher interest equates to approximately \$7,500 in additional annual interest earned.”

Matthew Raymond, Director of Finance, Town of Digby





# Operating Loan Program

## About

A new operating loan program is being introduced to help municipalities address the loss of revenues resulting from COVID-19. The \$380 million loan program, which was developed in collaboration with the Nova Scotia Federation of Municipalities and the Association of Municipal Administrators, will be available through the Municipal Financial Corporation (MFC).

## Term

- **Municipalities requesting financing assistance must do so by March 31, 2021.**
- Municipalities must decide on a repayment term of:
  - 3 years
  - 5 years or
  - 7 years
- Once a decision on a repayment term has been made, it is final and can not be changed.
- Municipalities choosing a 3-year term shall repay one third of the principal amount of the Loan to the MFC on each anniversary date of the Loan.
- Municipalities choosing a 5-year term shall repay one fifth of the principal amount of the Loan to the MFC on each anniversary date of the Loan.
- Municipalities choosing a 7-year term shall repay one seventh of the principal amount of the Loan to the MFC on each anniversary date of the Loan.
- Interest shall be paid semi-annually, with the first semi-annual payment occurring six months from the date the loan was issued, with other semi-annual Interest payments occurring on the anniversary date of the loan and continuing until the date the loan is fully repaid.

## Rate

- Provincial 3-year fixed term rate of 1.1% on 3 year loan terms.
- Provincial 5-year fixed term rate of 1.3% on 5 year loan terms.
- Provincial 7-year fixed term rate of 1.7% on 7 year loan terms.

## Application process

- Municipalities interested in accessing a loan will first need to determine their revenue shortfall;
- Municipal councils will be required to pass a resolution and submit it to the Department of Municipal Affairs and Housing;
- Municipalities must submit a written request to the MFC;
- The department will analyze requests and, if approved, will forward the approval to the MFC; and,
- Upon approval by the MFC's Board of Directors, the MFC will administer a loan agreement.

# Debt Affordability Model

The MFC has an innovative financial tool for Nova Scotia municipalities called the Municipal Debt Affordability Model. This financial tool was developed in response to the feedback from the MFC Client Survey that was conducted during the Summer of 2004. Whether your municipality has long-term debt or not, the MFC Model will be a beneficial tool in achieving your municipal financial objectives.

***The Model does much more than was originally intended. Originally, it was designed to assist municipal councils in determining the appropriate level of debt for their municipality. Now the Model can be used for multi-year budgeting, and for forecasting and analysing revenue and expenditure options.***

Does your municipality have an interest in any of the following topics or questions? The MFC Model covers the following and would be a benefit to you:

- Municipal sustainability
- Proactive versus reactive approaches to emerging trends
- Reserve levels
- Stable long-term residential and commercial tax rates
- Budget tools
- How much debt is too much debt
- A plan to adjust your current level of debt
- Current and future capital infrastructure needs
- Prioritizing capital projects competing for scarce resources
- Timing of a capital project (do now, or delay)
- Financing a capital project (term, rates, sources of funds)
- Building a long-term strategic plan, capital plan, or debt management plan
- The integration of the capital budget's impact on the operating budget
- How will today's decision impact the current and future financial health of your municipality (and the municipal indicators - e.g. debt service ratio)
- Sensitivity analysis - what would be the impact of a change in revenue/expenditure on financial health and long-term outlook
- What would be the impact if a major industry closes
- What is the future impact of inflation
- Apply a user/area rate or absorb costs in the existing tax rate

The product is free for the asking. Contact the MFC for a one-on-one demonstration session at your municipal location. Training is provided to assist municipal clients in the proper use of the model.

# Mentoring Program

When a new Director of Finance is hired who lacks municipal experience, MFC has a program that will assist the new municipal Director of Finance become more accustomed to municipal government by speaking with a retired former Director of Finance to help understand the way municipalities function and operate.

Mentors will meet with the new Director of Finance for up to three hours, to a maximum of four meetings.

Topics for discussion will be:

- Fund Accounting
- Council Reports
- Director of Finance Responsibilities
- Tax Sales
- Budgeting Process
- CAO/Director of Finance Relationship
- Year End Working Papers
- Non-consolidated/Consolidated Financial Statements

The mentor is paid by the Corporation and is offered free to the municipality.

To access this program please contact Paul Wills, at 902-424-4590 or email at [paul.wills@novascotia.ca](mailto:paul.wills@novascotia.ca)

# Short Term Loan Program

## About

NSMFC offers short term loans to clients who have completed their capital projects and are awaiting participation in the next debenture issue. Like our long term financing, the short term loan program is built on maintaining the lowest possible cost to municipalities by offering competitive interest rates.

## Term

Date of completion of project to next NSMFC debenture

## Rate

90 day Bankers' Acceptance plus 50 basis points calculated using CDOR

## Application Process

- Written request to the NSMFC
- Temporary Borrowing Resolution (TBR) in place

<https://www.nsmfc.ca/short-term-financing.html>

To access this program please contact Bob Audoux, at 902-424-7172 or email at [bob.audoux@novascotia.ca](mailto:bob.audoux@novascotia.ca)

# Best Practices

The NSMFC promotes excellence in local government finance by supporting financial management capacity-building in municipalities. Our staff can work with your municipality to provide research and policy-drafting support on issues related to financial management. Contact Paul Wills at 902-424-4590 or by email at [paul.wills@novascotia.ca](mailto:paul.wills@novascotia.ca)

You can find more information on the Corporations Best Practices at:

<https://www.nsmfc.ca/best-practices.html>

## Upcoming Events

### Fall Debenture Issue

Just a friendly reminder about the NS Municipal Finance Corporation's fall 2020 debenture.

**Deadline:** Friday November 13th at noon (***there will be no requests taken after this deadline***)

**Expected Pricing Date:** November 16th

**Expected Disbursement Date:** December 4th

No participant will be on the debenture list if their package is incomplete. So, if you have not requested a TBR from your municipal advisor, it is strongly suggested you do so today, as the TBR could determine whether you are on the list at the November 13th deadline.

**The following documentation is required in order to be put on the MFC debenture list:**

- 1) **Commitment Letter**,
- 2) **Temporary Borrowing Resolution** approved by the Minister (provide a photocopy in your debenture package submission),
- 3) **Pre-Approval form**, and
- 4) Villages & Municipal Enterprises require a **Municipal Guarantee** (contact your Advisor).

Only a completed package, submitted by email in a **PDF file format**, will get you on the debenture list.

Both the **Commitment Letter** and **Pre-Approval templates** can be found on our website at:





<https://www.nsmfc.ca/the-debenture-issue-process.html>











## Report to Council September 24,

This Report to Council is intended to provide the Mahone Bay Town Council with a high-level summary of staff progress towards Council's direction to staff. As per the Town Council Policy, the report will be provided at each regular meeting of Council. The Report to Council is a living document and will improve and expand to incorporate new source documents as approved, and to respond to feedback received from Council.




Goal	Objective	Assigned	Target	% Completion
<b>Council Assignments to Staff</b>				
1	Staff to contact MODL requesting official inclusion of Mahone Bay residents in MODL Pro-Kids grant program.	03-May-19	Oct, 2020	<div><div></div><div></div><div></div><div></div><div></div></div> 75%
2	Council request a review of the territorial acknowledgement in December 2020 to ensure that the local indigenous community has an opportunity to offer feedback.	14-Apr-20	Dec, 2020	<div><div></div><div></div><div></div><div></div><div></div></div> 50%

3	Council to revisit its commitment to the use of the current Three Diamonds designs as its corporate logo following the community branding public engagement component of the Wayfinding project and the community vision public engagement component of the MPS Review.	14-Apr-20	Jan, 2021		50%
4	Staff to evaluate the property referenced in the letter received from Cathie Slaughenwhite-Nowe and Richard Nowe, and report back to Council.	09-Jun-20	Oct., 2020		75%
5	Staff to hire temporary Deputy Returning Officer for 2020 Municipal Election.	09-Jun-20	Sept., 2020		
6	Staff to research consultation services provided by Dr. Peter Duinker surrounding the health, maintenance, and renewal of Jubilee Woods and report back to Council, with an estimate of costs.	25-Jun-20	Oct., 2020		75%

7	Staff to contact the NS Department of TIR regarding the Town's proposed 2020/21 Transportation Project as well as to discuss proposed changes on highway approaches to Mahone Bay as outlined in the CBCL report.	25-Jun-20	Oct., 2020		75%	Notes: In Progress. Report anticipated to Council's Oct. 13 meeting.
8	Staff to contact the NSLC regarding the proposed bicycle corridor across their property referenced in the CBCL Ltd. report, connecting Main Street and Kinburn Street and supporting the establishment of a community-wide, all-ages bicycle route.	25-Jun-20	Oct., 2020		75%	Notes: In Progress. Report anticipated to Council's Oct. 13 meeting.
9	Staff to prepare a report on the costs of training in urban forestry best practices as soon as possible for all relevant Town employees and further to ensure that any contractors engaged to trim Town trees are properly qualified in urban forestry best practices.	25-Jun-20	Oct., 2020		75%	Notes: In Progress. Report anticipated to Council's Oct. 13 meeting.
10	Staff to prepare a report on optimal timelines for drafting a new Trees By-law in the context of the Municipal Plan Review process.	25-Jun-20	Oct., 2020		75%	Notes: In Progress. Report anticipated to Council's Oct. 13 meeting.

11	Staff to explore options to protect the aquatic gardens from future development as well as the possibility of developing and installing interpretive heritage signage.	25-Jun-20	Nov, 2020		50%	Notes: In Progress.
12	Staff to submit an application to the Nova Scotia Department of Energy's Connect2 Program for the Town's 2020-21 Transportation Project.	14-Jul-20	Sept., 2020		★	Notes: Application submitted.
13	Council approve AREA staff to submit an application to the Nova Scotia Department of Energy for funding to support Electric Vehicle (EV) adoption /exploration of EV carshare opportunities in the three AREA partner units, and direct Town staff to support this application	14-Jul-20	Sept., 2020		★	Notes: Application submitted.
14	Staff to confirm the incorporation of the MBDVFD as a Society and, on doing so, to arrange a meeting between members of Council and members of the MBDVFD executive to discuss the Society's potential contributions to future capital projects including the new Fire Station project and the anticipated purchase of a new fire vehicle	30-Jul-20	Oct., 2020		75%	Notes: Waiting on written confirmation from MBDVFD to schedule proposed meeting.



15	Staff to reply to Mr. Collery and thank him for his correspondence.	08-Sep-20	Sept., 2020	
16	Staff amend the Respectful Workplace Policy and/or Employee Conduct Policy to reflect points raised in review of the draft Violence in the Workplace Policy specific to Town employees and recommend to Council.	08-Sep-20	Jan., 2021	<b>Not Yet Begun</b> Notes: None.
17	Staff to apply to Nova Scotia Department of Energy for ICIP Climate Mitigation funding for the proposed Community Hall Project.	08-Sep-20	Sept., 2020	 Notes: Application submitted.
18	Staff to write to the Nova Scotia Department of Municipal Affairs and Housing requesting approval to allocate approved 2019-20 Provincial (PCAP) funding to the Town's wastewater effluent pilot project.	08-Sep-20	Sept., 2020	 <b>50%</b> Notes: In progress.
19	Staff to review Town policies regarding signage and provide recommendations in respect to plastic and disposable signage within the Town of Mahone Bay, specifically including a recommendation regarding election signage.	08-Sep-20	Jan., 2021	<b>Not Yet Begun</b> Notes: None.

20	Staff to draft a CAO Performance Review Policy that includes a detailed procedure, or procedure options, for how regular CAO Performance Reviews will be conducted, and to present such policy to Council for consideration after the new Council is sworn in following the October municipal	08-Sep-20	Jan., 2021	Not Yet Begun			
		Notes: None.					
21	Staff to develop a multi-year bench installation program with potential locations being decided on in consultation with the Age Friendly Community Committee in alignment with the CBCL Transportation Plan Report and Accessibility Standards.	08-Sep-20	Jan., 2021	<div><div></div></div>	<div><div></div></div>	<div><div></div></div>	25%
		Notes: In progress.					

## Chief Administrative Officer's Report - September 24, 2020

### 1 COVID-19

Staff have implemented measures at Council's direction and have issued public bulletins in this regard via website, social media and mailout. COVID-19 remains standing item on all regular Council meeting agendas. Staff are adhering to all provincial guidelines for safe work and are working remotely if possible. Town office remains closed to the public until renovations can be completed. Staff are now preparing for phased reopening as renovations are completed over fall/winter 2020-21. CAO participating in all NSFM and AMANS discussions concerning COVID-19 and relaying Provincial updates. COVID-19 Property Tax Financing Program Policy approved by Council June 9 with application deadline extended to September 30. Staff regularly updating COVID-19 messaging.

2	<b>Atlantic Infrastructure Management (AIM) Network Asset Management Cohort Program</b>	<p>Staff working with Municipality of the District of Chester GIS technical support to map Town's assets; water map with condition, probability of failure and risk completed, wastewater, stormwater and streets/sidewalks under development. MAMP funding received and 2020-21 AM project now underway. Funding for participation in AIM Cohort 2.0 approved by Council in 2020-21 budget; currently awaiting confirmation of format and schedule for Cohort 2.0. AIM Network annual conference taking place virtually Oct 28-29; staff, Council and AM Committee members encouraged to attend.</p>
3	<b>Municipal Joint Services Board (MJSB)</b>	<p>MJSB not proceeding with Safety and Procurement shared services in 2020-21 at request of MODL; discussions continue for 2021-22. HR Shared Service (MoDL/TOB with ToMB) up and running, MJSB Board has approved budget for HRSS in 2020-21. Town staff participating in performance management project which will standardize and enhance Town's performance management practice. Regular MJSB meetings continue.</p>

4	<b>Riverport Electric Shared Service Committee</b>	Coordinating with Riverport re imports, equipment inventory, policy development, stand-by coverage, etc.. Truck loan agreement signed. Spring 2020 debenture delayed by Covid-19 has now been issued by MFC ("All-in" cost to Town (RELC): 1.66% over 10 years). Exploring opportunities to coordinate on utility asset management and 2020-21 rate study. Riverport Electric working with Town staff on Construction Safety Nova Scotia voluntary audit and development of procedures manual.
5	<b>Regional Emergency Measures Organization (REMO)</b>	Coordinator and CAOs still working to implement REMO Board approved Post-Dorian report recommendations. Dorian claim submitted. Regular bi-weekly COVID-19 meetings between REMO Coordinator and CAOs continue (along with regular planning meetings). Coordinator continues to review and improve REMO EOC activation procedures in consultation with CAOs.
6	<b>Alternative Energy Resource Authority (AREA)</b>	Regular AREA staff meetings continue by phone. NB Power imports begun Jan 1, 2020. BUTU applications through 2026 submitted to NSPI. BUTU approval received from NSPI for 2020-21, rejected for 2021-26. AREA and Town staff moving ahead with feasibility work / funding applications for community solar / EV / demand-side management initiatives. HOME (Heatpump Options Made Easy) program launching Oct 1.

7	<b>FCM / Clean Foundation Transition 2050 (Partners for Climate Protection) Initiative</b>	Monthly online sessions begun in May. SSG baseline emissions report received; being reviewed by staff for incorporation into GHG Reduction Plan. Katherine working on updated draft GHG Reduction Plan for presentation to Council October 13th (initial draft provided to Council at the Special meeting on April 21st, 2020). Data collection and community outreach work continue.
8	<b>Lunenburg County Accessibility Advisory Committee</b>	CAO serving as staff policy resource to Lunenburg County Accessibility Advisory Committee. It is anticipated that, as a consequence of COVID-19, the Province will extend legislative deadlines for the development and implementation of Accessibility Plans and associated Operational Plans.
9	<b>Nova Scotia Federation of Municipalities (NSFM)</b>	CAO remotely attended Aug 25, 2020 meeting of Nova Scotia Infrastructure Asset Management Working Group as AMA/NSFM representative. CAO and Mayor participating in bi-weekly NSFM COVID-19 calls / list serve. Fall AMA/NSFM regional meetings upcoming in remote format.



<b>1</b>	<b>Streets &amp; Sidewalks</b>	Roadside/shoulder mowing was completed on various streets during September 1-3. Staff maintained asphalt cuts on Long Hill Rd. and Aberdeen Lane. A number of replacement street signs were ordered. Portable speed signs were moved to 38 Clearway St. and 237 Edgewater St.; necessary repairs were conducted and signs now both operational. Work has commenced concerning asphalt paving of the loop section of Freeman Veinotte Rd.
<b>2</b>	<b>Cemeteries &amp; Open Space</b>	Routine maintenance of parks and open space continued. Ball field use permits were issued for daily bookings on August 22 and September 19. A weekly facility use permit was issued for the bandstand for August & September.
<b>3</b>	<b>Electric Utility</b>	Staff continued PCB testing of old transformers and arrangements made for disposal of old transformers and oil. Two electrical inspections were conducted. The 3 reclosures sent for maintenance have been re-installed at the sub-station. Arrangements have been made for changing out a number of transformers on Pleasant St. Tree trimming has started on Long Hill Rd. and Main St.

4	<b>Water Supply, Treatment &amp; Distribution</b>	Regular monitoring and maintenance activities continued. Staff completed fire hydrant assessments/testing throughout the Town and repaired the hydrant at 488 Main St.; all hydrants operational. CBCL Ltd. completed the final inspection for the new back-up generator at the Pumphouse. Staff conducted various repairs and painted the Pumphouse. Work remains ongoing concerning the SCADA Upgrades and replacement of the antenna at the Water Treatment Plant. Four new water services were installed for 2 new duplexes on Long Hill Rd.
5	<b>Sewage Collection &amp; Treatment</b>	Regular monitoring and maintenance activities continued. Equipment and chemicals have been ordered concerning the PAA (peracetic acid) pilot program. Staff replaced the sewer lateral and water line serving 19 Aberdeen Lane. Four new pressure sewer laterals were installed for 2 new duplexes on Long Hill Rd.
6	<b>COVID-19</b>	Staff continue to provide essential services while practicing physical distancing and good hygiene practices.



## Finance Manager's Report - September 24, 2020

<b>1</b>	<b>COVID-19</b>	No change from prior report. Finance staff continue to provide a high level of service to residents remotley during these challenging times.
<b>2</b>	<b>Provincial Reporting</b>	All Provincial Reporting Requirements are up to date. The Final Requirement for Fiscal 2020-21 is the FIR which staff are waiting on the Audited Financial Statements to complete. Once received, the FIR will be completed and submitted to the Province.
<b>3</b>	<b>Tax Bills/Tax Sale</b>	The Property Tax Financing Program deadline was extended to September 30th. We have received 3 applications to date. Also, a review of tax accounts will be conducted in the coming weeks to determine if any properties will need to go on the Tax Sale List for Fiscal 2020-21.
<b>4</b>	<b>Audit</b>	The Fiscal 2019-20 Audit is nearing completion with Draft Financial Statements being presented to the Audit Committee on September 17th. The entire Audit was conducted remotley this year. There were some challenges, but overall staff did a fantastic job at getting the Auditors the required information on a timely basis.

## Clerk & Deputy CAO's Report - September 24, 2020

<b>1</b>	<b>Temporary Vending/Events</b>	Public Hearing Held August 6, 2020; Final Reading Passed by Council September 8, 2020.
<b>2</b>	<b>2020 Municipal Election</b>	Alternative Voting By-law given final reading July 30, 2020; October 3 -17, 2020 set as Advance Polling Period for Alternative Voting; October 10th and 13th set as advance poll days. 7 candidates for 6 Council seats to be elected-at-large; Mayoral seat will be acclaimed. Voter Information Letter (including Voter PIN) will be delivered to electors during the week of September 21st. An Assistant Returning Officer has been hired.
<b>3</b>	<b>Plan Review</b>	Community Engagement session #1 has been extended until October 5, 2020 and Community Vision and Engagement Summary to be delivered late November 2020; Current targeted interviews include staff, emergency services providers, seniors, and youth.
<b>4</b>	<b>Communications and Public Engagement</b>	New Town website soft launch September 18th; staff will continue to update and revise the website. Specific communications directed at the Election, alternative voting, Emergency Preparedness, GHG Reduction, and Municipal Tax Financing Program.
<b>5</b>	<b>Council Support</b>	Continued support of Council and Committee meetings; by-law review and passage procedure.

<b>6</b>	<b>Projects</b>	Installed the final 100 Trees:100 Years tree signs; Coordinated with BCAAF and Talking Trees regarding Communitree Tree Planting in October.
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By-law and Policy Review - September 24, 2020			
<b>1</b>	<b>Outdoor Burning By-law</b>	<b>Target</b> 08-Sep-20	Second and final reading September 8, 2020.
<b>2</b>	<b>Temporary Vending By-law</b>	<b>Target</b> 06-Aug-20	Public Hearing August 6, 2020. Second and final reading September 8, 2020.
<b>3</b>	<b>Events By-law</b>	<b>Target</b> 06-Aug-20	Public Hearing August 6, 2020. Second and final reading September 8, 2020.
<b>4</b>	<b>Trees By-law</b>	<b>Target</b> 31-Mar-21	Staff to prepare a report on drafting a Trees By-law in context of Plan Review.
<b>5</b>	<b>Park By-law</b>	<b>Target</b> 31-Mar-21	Staff to review Park By-law in context of Plan Review.
<b>6</b>	<b>Off Premises Signage Policy</b>	<b>Target</b> 31-Mar-21	Staff to review Off Premises Signage Policy in context of Plan Review.
<b>7</b>	<b>CAO Performance Review Policy</b>	<b>Target</b> 31-Jan-21	Staff to prepare a report on drafting a CAO Performance Review Policy.

8	Employee Conduct Policy	Target	Staff to review Employee
		31-Jan-21	Conduct Policy in relation to violence in the workplace.
9	Land-Use By-law and Municipal Planning Strategy	Plan Review Underway. Community Vision and Engagment Summary expected November 2020.	
PRESENTED FOR COUNCIL DIRECTION			

<b>Service Statistics - Sept. 24, 2020</b>			
<b>1</b>	<b>By-law Enforcement</b>	<b>Aug-20</b>	<b>Parking Tickets: 0</b>
		Still no parking enforcement due to pandemic. Development of compliant/enforcement plan for staff who may deal with compliance or enforcement issues. Enforcement calls regarding Dangerous and Unsightly, ATV in Jubilee Woods; smoke from commercial smoker; sidewalk encroachment; Temporary Vending.	
<b>2</b>	<b>Police Services (founded &amp; SUI occurences)</b>	<b>Apr-Jun</b>	<b>92      98 in Q1 2019-20</b>
		<b>Notes:</b> None.	
<b>3</b>	<b>Traffic (Speed Signage)</b>	<b>May, 2020</b>	<b><u>95 Clearland</u></b> Av. Speed 41 / 50 Kph
		<b>June, 2020</b>	<b><u>824 Main St.</u></b> Av. Speed 53 / 50 Kph
<b>4</b>	<b>Solid Waste (Tonnage)</b>	<b>Jun-20</b>	<b>87.30      YTD: 248.78</b>
		<b>Notes:</b> Recyclables = 9.21; Organics = 19.17; Garbage/Other = 53.52; Cardboard = 5.40.	

5	CodeRED (Registrations)	Mar. 31, 2020	Households: 161
		Total counts	Mader's Cove Utility: 25
		08-Aug-20	Residential: 266; Business: 10; Email: 144; Text: 174
		31-Jul-20	Residential: 242; Business: 12; Email: 133; Text: 159
		30-Jun-20	Residential: 246; Business: 12; Email: 135; Text: 160
		May. 31, 2020	Residential: 244; Business: 12; Email: 134; Text: 158
		Apr. 30, 2020	Residential: 244; Business: 12; Email: 134; Text: 158
		Mar. 31, 2020	Residential: 243; Business: 12; Email: 134; Text: 157

## Strategic Plan - Action Plan 2018-2021 - Sept. 24, 2020

### 21st Century Infrastructure

			2018/19				2019/20				2020/21			
			Year 2				Year 3				Year 4			
General Action	Specific Action	Responsible	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Facilities Management	Council makes decisions and authorizes staff to prepare RFP(s) relating to renovation or construction of facilities	Council									*			
		Fire Station project management / engineering assistance with the preparation of design-build tender documents contract awarded to Vigilant Management Inc. Feb 11, 2020. Design - build contract awarded to Roscoe Construction Ltd. Sept 8, 2020. Staff have applied for ICIP funding for Community Hall project on Council's direction.												

	Condition Assessments of Town Infrastructure	CAO/DOO	Ongoing
		FCM MAMP funding application resubmitted Jan 17, 2020; funding anticipated in 2020-21. Project work has now begun.	
	Public Engagement Process	CAO and Council	Ongoing
		AIM Cohort participation complete Nov 2019; Cohort 2.0 participation approved in 2020-21 budget, start date TBD. Town AM Committee meeting monthly with regular agenda item re public engagement / education.	









Optimize operations structure for efficient delivery of services	CAO to make recommendations to Council for optimal operations structure, including succession planning	CAO	Ongoing
	Implement an updated records management system	CAO	<div> <div></div> <div></div> <div></div> <div></div> <div>*</div> <div></div> <div></div> <div></div> <div>*</div> <div></div> <div></div> </div>
	Explore enhanced customer service opportunities, including maximization of technology	CAO	Ongoing

Reflected as a priority in 2020-21 business plan approved June 9, 2020.

## Economic and Community Development

			2018/19				2019/20				2020/21			
			Year 2				Year 3				Year 4			
General Action	Specific Action	Responsible	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Define the framework for an economic development strategy	Engage community partners in identifying potential areas of economic development in Mahone Bay	Council/Econ. Dev Committee							*					
		EDC discussion June 2020, regarding possible local shopping / local food initiatives continued at July meeting with Climate & Outreach Coordinator Katherine Dorey. Staff continuing to develop buy local / eat local promotion as proposed GHG Reduction Plan action. EDC discussing steps to define framework for an economic development strategy for recommendation to Council's 2021-22 budget												
	Discussion with all partners as to the role of each in economic development to identify gaps in service	Council/Econ. Dev Committee									*			

Ensure that Town policies, practices, bylaws and other regulations foster growth and development	Staff to review existing and proposed bylaws and policies and make recommendations to Council	CAO	Ongoing											
	Planning Advsory Committee to review MPS and LUB - including overseeing a public engagement process - and make recommendations to Council	PAC/Consultant	<div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div>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<b>Ensure that Town infrastructure is in place to support development plans</b>	Work with the Mahone Bay and Area Tourism and Chamber of Commerce to identify opportunities for tourism-supporting infrastructure (wifi, signage, etc.)	CAO/Econ. Dev Committee	Ongoing
		Letters from Mahone Bay Tourism and Chamber of Commerce received at Council's Feb 27 meeting and referred to budget. 2020-21 budget approved May 12 includes commitments for wayfinding signage and other tourism-supporting infrastructure. On May 28 Council directed staff to each out to MBTCC regarding wayfinding signage and the Wayfinding Signage project team consisting of Town staff and MBTCC representatives met on June 10. Council received a staff report in this regard at its regular meeting on June 25. Project team meetings continue; report on signage design RFP on Council's Sept. 24 meeting agenda.	

<b>Collaborate with organizations that are involved in economic</b>	Regular meetings with Mahone Bay Tourism and Chamber of Commerce	CAO	Ongoing
	MBTCC participation on Economic Development Committee	Econ. Dev Committee	Ongoing





<p><b>Enhance recreation and open space opportunities</b></p>	<p>Seek out opportunities to increase utilization of existing facilities by groups of all ages and physical abilities</p>	<p>DOO/MODL</p>	<p>Ongoing</p>											
	<p>See active transportation plan above. Staff report re Sports Field Management Agreement presented to Council July 30, 2020. Ballfield capital improvement scheduled to take place in October, 2020.</p>													
<p><b>Enhance recreation and open space opportunities</b></p>	<p>Update website to increase awareness of recreation opportunities within the Town</p>	<p>CAO</p>					*	*						
	<p>Skysail contracted to assist with update of website. Website launched Sept 18, 2020, staff continuing to update / troubleshoot.</p>													

<p><b>Encourage diversity in the community</b></p>	<p>Create a welcoming environment in the Town for persons from diverse communities</p>	<p>Council</p>	<p>Ongoing</p>
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## Governance and Public Engagement

			2018/19				2019/20				2020/21			
			Year 2				Year 3				Year 4			
General Action	Specific Action	Responsible	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4
Optimize governance structure for effective decision-making	Participate in Council Governance training annually or as appropriate	Council				*				*				*
		Staff in contact with Municipal Affairs re training (audit) / post-election Council training.												
	Engage in discussions regarding governance / electoral systems	Council								*				
		2020 municipal election proceeding with fully alternative voting as per Alternative Voting By-law approved in July, 2020.												

Develop a policy and framework to engage the public in Council activities and decision making	Adopt Public Engagement Policy	<div> <div>Council</div> <div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div></div> <div>*</div> <div></div> <div></div> <div></div> <div></div> </div> </div>											
		Public Engagement Policy adopted at Council's July 30 meeting.											

<p><b>Improve communication and share information with the public in a manner consistent with their needs</b></p>	<p>Explore opportunities to share information via Town website and other methods</p>	<p>CAO/Council</p>	<p>Ongoing</p>
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<p><b>Create opportunities for public engagement</b></p>	<p>Utilize newsletter, website, public meetings, etc. to increase public engagement</p>	<p>CAO/Council</p>	<p>Ongoing</p>
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## Environmental Sustainability

						2018/19				2019/20				2020/21			
						Year 2				Year 3				Year 4			
General Action	Specific Action	Responsible	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4	Q 1	Q 2	Q 3	Q 4			
Pursue Climate	Establish Baseline Emissions Data	CAO/Consultant						*									
		Transition 2050 preliminary data collection complete; SSG baseline report received July 2020. Baseline data collection survey launched; Clean NS Intern Katherine MacLellan has been assisting in survey data collection. Updated report anticipated to Council's Oct 13 meeting.															

Mitigation Strategies (reducing Town carbon footprint)	Adopt Targets and Develop Plan	Council/Consultant									*	*				
		Katherine Dorey currently working to develop recommended targets as well as opportunities for reduction for inclusion in draft Community GHG Reduction Action Plan to Council's Oct 13 meeting. Staff have applied to Dept. of Energy Low Carbon Communities Program to support plan implementation in 2020-21.														
	Implement Plan	CAO/DOO											*	*	*	*








Undertake Climate Adaptation initiatives (implement further phases of the Harbour Development Plan)	Engage with waterfront property owners on Edgewater St.	CAO					*									
	Monitor and pursue funding opportunities for a storm surge abatement plan	CAO	Pursuing Investing in Canada Infrastructure Funding (Small Communities Component); staff recently updated CBCL Ltd. estimates for potential upcoming ICIP call for proposals. Funding for adaptation education activities included in 2020-21 budget; currently in discussions with Coastal Action regarding potential related opportunities supported by external funding.													
	Public engagement process	Council/Consultant					*	*								
			Public and stakeholder engagement process (inform and consult) anticipated for fall-winter 2020 as per above.													

	Council makes decision and authorizes staff to prepare RFP(s)	Council																*
		Funding not yet received; continues to be a priority in Council's 2020-21 budget. Letters sent to MLA/MP.																



<b>Expand Green Energy Generation (continued development of Alternate Resource Energy Authority)</b>	Work with AREA to conclude agreements and contracts supporting Town energy objectives	CAO	Ongoing
		Positive NSUARB decision on 2021 imports received. 2020 imports from NB Power begun Jan 1, 2020. Staff currently working closely with AREA partners and solicitors, responding to NSPI position re BUTU for wind / imports.	
	Continue to explore new renewable generation opportunities with AREA	CAO	Ongoing
		AREA progressing with Ellershouse windfarm expansion feasibility work (new test mast erected). Solar garden feasibility work complete; application submitted to Dept. of Energy ICIP for Climate Mitigation funding program. Community solar subscription report anticipated from AREA staff in October.	


<b>Preserve and enhance our natural spaces and assets</b>	Continue to preserve and enhance our natural spaces and assets	Council	Ongoing
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## 2020-21 Budget - Operating Initiatives - Sept. 24, 2020




	Total Cost	Town Cost		
<b>1</b> Asset Management Initiatives	\$72,895	\$26,495		<b>50%</b>
	Notes: AM Committee meeting regularly. MAMP funding received and project work has begun. AIM Cohort 2.0 approved in 2020-21 budget; program start date TBD.			
<b>2</b> Transportation Plan	\$33,237	\$18,237		
	Notes: CBCL Ltd. Transportation Plan Report accepted by Council July 14, 2020.			
<b>3</b> GHG Reduction Initiatives 2019-20	\$50,000	\$25,000		<b>75%</b>
	Notes: Completed requirements to join FCM / Clean NS Transition 2050 initiative; completed data collection to support establishment of emissions baseline (baseline report from SSG anticipated by end of June 2020). LCC funding announced Feb 24, 2020. Climate and Energy Outreach Coordinator Katherine Dorey hired. Report to Council with draft plan provided April 21, 2020; updated draft plan with baseline anticipated Oct. 2020.			
<b>4</b> GHG Reduction Initiatives 2020-21	\$60,000	\$30,000		<b>25%</b>
	Notes: LCC Program funding application submitted.			
<b>5</b> Centennial Year Program	\$73,270	\$15,000		<b>75%</b>
	Notes: Final dates disrupted by COVID-19; staff wrapping up project in Q1 2020-21, report to Council anticipated by October 2020.			
<b>6</b> Town Website Update	\$12,000	\$12,000		<b>75%</b>
	Notes: Website launched Sept. 18, 2020. Staff currently updating / troubleshooting.			

7	MPS / LUB Update - Year 1	\$80,000	\$80,000	<div><div></div></div>	25%
		Notes: Contract awarded to Upland planning + design, completion expected by July, 2021.			
8	Wastewater Rate Study	\$12,400	\$12,400	<div><div></div></div>	25%
		Notes: Study begun with consultant.			
9	Electric Utility "Grow the Load" Initiatives	\$8,000	\$8,000	<div><div></div><div></div><div></div></div>	75%
		Notes: AREA HOME Program / ambassadors community promotion begins Oct. 1, 2020.			
10	Electric Utility Rate Study	\$5,000	\$5,000	<div><div></div></div>	25%
		Notes: Consultant contracted in coordination with Riverport Electric Commission. Staff currently following Berwick rate application for information.			
11	Wayfinding Strategy / Signage	\$27,500	\$10,000	<div><div></div></div>	25%
		Notes: Provincial B&S funding (\$12,500) confirmed. Signage design RFP award recommendation on Council's Sept. 24 agenda.			
12	Waste Receptacles	\$12,000	\$12,000	Not Yet Begun	
		Notes: None.			
13	Accessibility Operational Plan	\$25,000	\$25,000	Not Yet Begun	
		Notes: Deadline extension from April 1, 2021 announced by Province (new deadline unknown).			
14	Climate Adaptation Initiatives	\$15,000	\$15,000	Not Yet Begun	
		Notes: In discussions with Coastal Action re potential coastal adaptation education initiatives.			
2020-21 Budget - Capital Projects - Sept. 24, 2020					
Town General					
1	Build / Acquire / Renovate PW & Utility Facility	\$50,000		Not Yet Begun	
		Notes: Contingent on other facilities decisions.			

2	Buy Used Truck for PW	\$20,000	\$15,645.00	<div><div></div><div></div><div></div><div></div><div></div></div>	
		Notes: 2011 Ford Ranger purchased.			
3	Repair / Renovate Town Hall Facility	\$100,000		<div><div></div><div></div><div></div><div></div><div></div></div>	25%
		Notes: Staff report to Council with updated floorplans, estimates, etc. provided April 21, 2020. Additional update concerning external funding, status of renovations provided to Council's Sept 24 meeting.			
4	Build New Fire Station	\$3,709,263	\$67,472.75	<div><div></div><div></div><div></div><div></div><div></div></div>	25%
		Notes: Design-build contract awarded to Roscoe Construction Ltd. Sept 8, 2020.			
5	Resurface Fire Station Parking Lot	\$90,000		Not Yet Beun	
		Notes: Linked to above.			
6	Radios & Pagers	\$5,000		Not Yet Beun	
		Notes:			
7	New PPE	\$22,000		<div><div></div><div></div><div></div><div></div><div></div></div>	25%
		Notes: Emergency Services Provider Fund application submitted.			
8	Pave Turning Loop on North Main St.	\$30,000		<div><div></div><div></div><div></div><div></div><div></div></div>	
		Notes: Tender issued and Project Budget increased to \$30,000 based on Council Motion. Paving completed Sept 21, 2020.			
9	Transportation Project	\$200,000		<div><div></div><div></div><div></div><div></div><div></div></div>	25%
		Notes: Council approved project July 14, 2020. Connect2 funding application submitted. Funding application also included with Bicycle NS ICIP AT infrastructure application.			
10	Security Cameras	\$4,000		Not Yet Begun	
		Notes:			
11	Replace Floating Wharves / Gangways	\$30,000		Not Yet Begun	
		Notes:			

<b>12</b>	Repair South-Facing Cribwork on Wharf	\$30,000		<b>Not Yet Begun</b>
		Notes:		
<b>13</b>	Bandstand - Phase 3	\$20,000	\$4,662.00	 <b>25%</b>
		Notes: Bird Netting has been reinstalled and new bleachers and flag pole are now in place. Canada Cultural Spaces Fund application anticipated in fall of 2020, in consultation with users / stakeholders.		
<b>14</b>	Annual Installation of New Sewer Services	\$10,000		<b>Not Yet Begun</b>
		Notes:		
<b>15</b>	Replace Pumps - Station #2	\$10,000		<b>Not Yet Begun</b>
		Notes:		
<b>16</b>	Breakwater Repairs	\$8,500		<b>Not Yet Begun</b>
		Notes:		
<b>17</b>	Sea Level Rise / Storm Protection - Edgewater St.	\$349,800	\$1,564.00	<b>Not Yet Begun</b>
		Notes: Report updating 2016 Edgewater St. Shoreline Project estimates for ICIP application.		
<b>18</b>	Home Heating Programs (Town Portion)	\$50,000		<b>Not Yet Begun</b>
		Notes: HOME Program presentation on Council's Sept 24 agenda, to launch Oct 1. Staff continuing to work with Neothermal to develop ETS pilot for Mahone Bay.		
<b>19</b>	Solar Garden Development	\$5,205,684		<b>Not Yet Begun</b>
		Notes: Dept. of Energy ICIP funding application submitted.		
<b>20</b>	Fix / Repair Edgewater Lamps & Cemetery Fence	\$20,000		<b>Not Yet Begun</b>
		Notes: External funds not received. Postponed to consideration in 2021-22 budget process.		



<b>21</b>	Replace Ballfield Backstop	\$25,000		<b>25%</b>
		Notes: Tender issued.		
<b>22</b>	Drill Well at VIC	\$10,000		<b>Not Yet Begun</b>
		Notes:		
<b>23</b>	Install Dechlorination System	\$105,000		<b>25%</b>
		Notes: CBCL Ltd. engaged to assist with paracetic acid pilot. Staff currently confirming pilot project details with Dept. of Environment / DMAH PCAP funding program.		
<b>24</b>	Wastewater PCAP - Plant Effluent Options	\$32,824		<b>25%</b>
		Notes: See above.		
<b>25</b>	Line Replacement - Fairmont to WWTP	\$448,350	\$2,260.00	<b>Not Yet Begun</b>
		Notes: Updating Engineering Information for ICIP Applications		
<b>26</b>	Line Replacement - Cherry Lane to Long Hill Rd.	\$1,312,500		<b>Not Yet Begun</b>
		Notes:		
<b>27</b>	Line Replacement - Long Hill Rd. to WTP	\$756,000		<b>Not Yet Begun</b>
		Notes:		
<b>28</b>	Line Extension - Main St. South to Town Boundary	\$249,200		<b>Not Yet Beaun</b>
		Notes:		
<b>29</b>	Line Replacement - Main St. North to Town Boundary	\$164,850		<b>Not Yet Begun</b>
		Notes:		
<b>30</b>	Service Extensions - Edgewater to Town Boundary	\$225,000		<b>Not Yet Beaun</b>
		Notes:		

Water Utility			
1	Connection of New Water Services	\$5,000	Not Yet Beaun
		Notes:	
2	Cut Out Access to Transmission Line	\$10,000	Not Yet Beaun
		Notes:	
3	Clearwell Cleaning / Inspection	\$14,000	Not Yet Begun
		Notes:	
4	Replace Hydrants as Needed	\$5,000	Not Yet Begun
		Notes:	
5	Install Water Meters as Required	\$3,700	Not Yet Begun
		Notes:	
6	Install Corrosion Coating in Chemical Room	\$10,000	Not Yet Beaun
		Notes:	
7	Deadend Flushings - System Extremities	\$15,000	Not Yet Beaun
		Notes:	
8	Replace Door / Window / Wet Well Cover	\$5,000	<div> <div></div> <div></div> <div></div> </div> 50%
		Notes: Some work has begun on the Raw Water Pump House.	
9	Install Security Cameras	\$4,000	Not Yet Beaun
		Notes:	
10	Install Air Conditioner in WTP	\$5,000	Not Yet Beaun
		Notes:	
11	Move Antenna to New Pole and RTU	\$20,000	Not Yet Beaun
		Notes:	
12	Water PCAP Project - Transmission Main Diagnostic	\$72,456	Not Yet Begun
		Notes:	

13	Line Replacement - Fairmont to WWTP	\$448,350		Not Yet Begun
		Notes:		
14	Line Replacement - Cherry Lane to Long Hill Rd.	\$1,312,500		Not Yet Beaun
		Notes:		
15	Line Replacement - Long Hill Rd. to WTP	\$756,000		Not Yet Beaun
		Notes:		
16	Line Extension - Main St. South to Town Boundary	\$249,200		Not Yet Begun
		Notes:		
17	Line Replacement - Main St. North to Town Boundary	\$164,850		Not Yet Begun
		Notes:		
18	Service Extensions - Edgewater to Town Boundary	\$225,000		Not Yet Begun
		Notes:		
Electric Utility				
1	Pole / Line Replacement as Required	\$20,000		Not Yet Begun
		Notes:		
2	New Digital Meters as Required	\$6,500		Not Yet Begun
		Notes:		
3	Replace Reclosers at Substation	\$12,000		Not Yet Beaun
		Notes:		
4	New Transformers as Required	\$35,000		Not Yet Beaun
		Notes:		
5	Home Heating Programs (Utility Portion)	\$50,000		Not Yet Begun
		Notes: HOME Program presentation on Council's Sept 24 agenda, to launch Oct 1. Staff continuing to work with Neothermal to develop ETS pilot for Mahone Bay.		

<b>6</b> EV Charges	\$60,000		<b>Not Yet Begun</b>
	Notes: NRCan funding announcement anticipated in Sept. 2020.		
<b>7</b> Purchase Utility Chipper (50% Riverport)	\$40,000		<b>Not Yet Begun</b>
	Notes:		



## **Town of Mahone Bay**

Staff Report

RE: Election Update

September 24, 2020

### **General Overview:**

The purpose of this report is to provide Council with an update in respect to preparations for the 2020 Municipal Elections.

### **Background:.**

The Municipal Election is scheduled for October 17, 2020, with electors being able to cast their votes via telephone or internet voting from October 3, 2020 at 8:00 am until 7:00 pm on October 17, 2020. Advance polls will be open from noon until 8pm on October 10<sup>th</sup> and 13<sup>th</sup> at Town Hall and polls will be at the Legion on Election Day.

### **Analysis:**

#### **Candidates**

There are seven candidates for six Council seats to be elected at large:

- Alice Burdick
- Penny Carver
- Aaron M. Collery
- Joseph Maxwell Feeney
- Francis Kangata
- Richard Nowe
- Kelly Wilson

David Devenne has been acclaimed as Mayor for the next Council term: 2020-2024. Diane Raclette has been acclaimed as the CSAP representative.

#### **Staff**

An Assistant Returning Officer has been hired; Joan Durnford will start work the week of September 21<sup>st</sup> and staff have provided a recommended motion of Council to appoint the District Returning Officer.

Both the Returning Officer and the Assistant Returning Officer will be taking part in training for Alternative Voting methods during the week of September 21<sup>st</sup>.

### Mahone Nursing Home

Election staff will be training staff from the Mahone Nursing Home to work the poll inside of the nursing home. This is a very common model for this election as long term care facilities across the province make arrangements for their residents to vote in a way that will not be interrupted by the ongoing pandemic.

### Community Education for Alternative Voting Methods

Staff have begun the process of distributing information on Alternative Voting procedures for the 2020 election. This community education process will enter a second phase during the last week of September when information begins to be released on the process of voting by telephone and what the electronic ballots will look like, ahead of the polls opening on October 3rd.

### **Financial Analysis:**

There are no additional financial commitments expected at this time outside of the previously approved 2020 Election Budget.

### **Links to Strategic Plan:**

#### 3.3 Governance and Public Engagement

- Optimize governance structure for effective decision-making
- Create opportunities for public engagement

### **Recommendation:**

It is recommended, that at the September 24, 2020 regular Council meeting:

**THAT Council appoint Joan Durnford as the Town of Mahone Bay's Assistant Returning Officer for the 2020 Municipal Election.**

Respectfully submitted,



Maureen Hughes

Town Clerk and Deputy CAO

Town of Mahone Bay Returning Officer, 2020 Municipal Election





## **Town of Mahone Bay**

Staff Report

RE: Wayfinding Signage Project Update

September 24<sup>th</sup>, 2020

### **General Overview:**

This report is intended to provide Council with a recommendation for the award of the Wayfinding Signage design contract.

### **Background:**

On June 25, 2020 Council passed a motion directing staff to apply to the Beautification & Streetscaping Program administered by the Department of Municipal Affairs and Housing (DMAH) for funding assistance to support the wayfinding signage project advanced by the Town and the Mahone Bay Tourism & Chamber of Commerce (MBTCC).

We have now received confirmation from DMAH Minister Chuck Porter that the Province will contribute \$12,500 for the wayfinding signage project, bringing the confirmed project budget to \$27,500 (Council approved a contribution of \$10,000 in the 2020-21 budget passed May 12, and MBTCC has committed \$5,000).

Pursuant to this confirmation of funds, and in coordination with the Town-MBTCC project team, Town staff issued a request for proposals for wayfinding signage designs on August 26<sup>th</sup>, 2020 which closed September 11<sup>th</sup>, 2020 (see attached RFP document). As per the RFP document the Town will separately contract for signage fabrication and installation on approval of designs by the Town Council and the MBTCC Board.

### **Analysis:**

Staff received three proposals in response to the RFP:

District Design Co.	\$19,500 +HST
Pierre Tabbiner	\$5,500 + HST
Sperry Design	\$19,550 inc. HST

On review of the proposals the project team recommends Council award the contract for wayfinding signage design to Pierre Tabbiner Design and Illustration.

**Financial Analysis:**

The established project budget of \$27,500 less the cost of this design contract leaves approximately \$21,000 for the fabrication and installation of signage in 2020-21 on the basis of approved designs.

**Strategic Plan:****3.2 Economic and Community Development**

- Collaborate with organizations that are involved in economic development activities

**Recommendation:**

It is recommended,

THAT Council award the contract for wayfinding signage design to Pierre Tabbiner Design and Illustration for the sum of \$5,500 + HST.

**Attached for Council Review:**

- Wayfinding Signage Design RFP Document

**Respectfully Submitted,**

Dylan Heide  
Town of Mahone Bay CAO





**TOWN OF MAHONE BAY**

REQUEST FOR PROPOSALS

# **Wayfinding Signage Design**

Issued: August 26<sup>th</sup>, 2020

Town of Mahone Bay  
P.O. Box 530  
493 Main Street  
Mahone Bay, NS B0J 2E0

Closing: 4:30 PM, September 11<sup>th</sup>, 2020

## Wayfinding Signage Design – Request for Proposals

### **1. INFORMATION TO PROPONENTS**

#### **1.1 Scope of Proposals**

The Town of Mahone Bay seeks proposals from qualified proponents for the design of new / replacement wayfinding signage.

#### **1.2 Questions & Clarifications**

It is the Proponent's responsibility to clarify any details in question not mentioned in this document prior to submitting their Proposal.

Questions relating to this proposal must be received by September 7<sup>th</sup>, 2020 before 4:30 p.m. and can be submitted as per the provisions of Section 1.4 - Town Contact Person(s).

Responses to all questions will be shared with all known proponents to ensure a level playing field for all proponents. Questions received after this date and time will not receive a response.

Questions will be answered within forty-eight (48) hours of receipt (weekends and holidays excepted). A clarification does not form part of the Proposal document.

Any modifications to the document will be in the form of an addendum which will be issued to all known proponents and provided on the provincial procurement website at least twenty-four (24) prior to the closing date. No changes will be made during the final twenty-four (24) hours.

#### **1.3 Delivery and Closing Date for Proposals**

Due to current precautions concerning Covid-19 we will be making an exception to our standard submission requirements and permitting submission of proposals by email in this case. Email submissions are to be sent to [dylan.heide@townofmahonebay.ca](mailto:dylan.heide@townofmahonebay.ca) by **4:30 p.m. on September 11<sup>th</sup>, 2020.**

## Wayfinding Signage Design – Request for Proposals

Proponents who submit via email are accepting the associated risks, including but not limited to the risk that a submission arrives late or does not arrive at all. If you do not receive a response email confirming receipt of your submission within forty-eight (48) hours of sending (weekends and holidays excepted) please contact [dylan.heide@townofmahonebay.ca](mailto:dylan.heide@townofmahonebay.ca).

Proposals shall not be accepted after the closing date and time. Proponents may not make modifications to their proposals after the closing date and time.

It is the responsibility of each Proponent to submit all required documents as outlined in this Request for Proposal. Failure to quote on all options set out will disqualify your proposal.

### **1.4 Town Contact Person(s)**

Questions with respect to this Request for Proposal should be directed to Dylan Heide, Chief Administrative Officer via email to [dylan.heide@townofmahonebay.ca](mailto:dylan.heide@townofmahonebay.ca).

### **1.5 Evaluation Criteria**

Each Proposal will be evaluated by the Town to determine the degree to which it responds to the requirements as set out in this RFP document.

a. **Completeness**

Adherence to the Proposal Submission Requirements provided in Section 2.3 of the Terms of Reference – completeness and thoroughness of proposal submitted.

b. **Qualifications, References & Prior Work**

Team qualifications, references and examples supplied in accordance with Proposal Submission Requirements provided in Section 2.3 of the Terms of Reference.

c. **Methodology & Approach**

Describe the approach proposed to deliver on the Scope of Work detailed in Section 2.2 of the Terms of Reference.

## Wayfinding Signage Design – Request for Proposals

Include any notable methodologies, innovative solutions, tools and techniques, and their respective suitability to this project.

d. **Timeframes & Schedule**

Provide a project timeline that reflects your proposed approach/process and demonstrates your ability to meet the schedule requirements for this project, including any applicable milestones.

e. **Cost**

Proposal costs as per Proposal Submission Requirements provided in Section 2.3 of the Terms of Reference.

Proponent Name	Completeness (5%)	Qualifications, References & Prior Work (30%)	Methodology & Approach (20%)	Timeframes & Schedule (5%)	Cost (40%)	Total Score (of 100%)

Following the evaluation and development of a short list, Proponent interviews may be requested which will be considered in addition to previous scoring.

### 1.6 Rejection of Proposals

The Town reserves the right to reject any and/or all proposals received. The Town will not necessarily accept the lowest price Proposal. Any implication that the lowest price Proposal will be accepted is hereby expressly negated. The Town is not under any obligation to award a contract, and reserves the right to terminate the Request for Proposal at any time for any reason, and to withdraw from discussions with all or any of the proponents who have responded. The receipt and opening of a Proposal does not constitute acceptance of any proposal.

## Wayfinding Signage Design – Request for Proposals

### **1.7 Reservation of Right**

Proponents will not have the right to change conditions, terms or prices of the proposal once the proposal has been submitted in writing to the Town, nor shall proponents have the right to withdraw a Proposal once it has been processed through the official opening.

The Town reserves the right to consider, during the evaluation of Proposals:

- a) The Town's past experience with the Proponent and/or its management;
- b) Information provided in response to enquiries of credit and industry references;
- c) Information received in response to enquiries made by the Town of third parties apart from those disclosed in the proposal in relation to the reputation, reliability, experience and capabilities of the Proponent;
- d) The manner in which the Proponent provides services to others; and,
- e) The experience and qualification of the Proponent's senior management and project management.

The Town may, in its sole discretion, accept any proposal or any portion of any proposal that may be considered in the best interests of the Town or reject any proposal which does not fully satisfy the above consideration to its satisfaction. This includes the right to accept a proposal that is not strictly compliant with the instructions in this RFP document.

The Town reserves the right to negotiate after the RFP Closing Date with any Proponent to finalize service arrangement in the best interests of the Town. The Town shall not be bound by trade or custom in dealing with and/or evaluated the responses to the RFP. The Town reserves the right to interpret any and all aspects of this RFP in a manner most favourable to the Town.

In submitting a proposal, the Proponent has accepted the reservations of rights as set out herein and agrees to be bound by the same.

## Wayfinding Signage Design – Request for Proposals

### **1.8 Governing Law**

Any contract resulting from this Request for Proposal shall be governed by and interpreted in accordance with the laws of the Province of Nova Scotia.

## Wayfinding Signage Design – Request for Proposals

### 2. TERMS OF REFERENCE

#### 2.1 Project Background

The Town of Mahone Bay seeks proposals from qualified proponents for the design of new / replacement wayfinding signage. Wayfinding signage is signage intended to assist visitors to Mahone Bay in knowing where they are, knowing where their desired destination is, and knowing how to get there from their present location.

The 2020 Wayfinding Signage Project is a joint project of the Town of Mahone Bay and the Mahone Bay Tourism and Chamber of Commerce (MBTCC). It is our intent to begin expanding / renewing wayfinding signage in Mahone Bay, a process which will take place over several years.

As an initial step we are seeking to develop a standardized design approach to new and replacement wayfinding signage, building on the appearance of existing signage. The selected proponent will develop sign templates for a variety of applications, based on a common design approach. Resulting signs are to be economical with intent to fabricate and install locally.

The Town and MBTCC, with the support of the Provincial Beautification & Streetscaping Program, have budgeted \$25,000 +HST for the design, fabrication and installation of signage in 2020. At a minimum new blade signage, affirmation signs and pedestrian map signs utilizing the new templates are to be installed at several locations in the downtown in the fall of 2020. Additional signs using the new templates will be erected in future years, including replacement of existing signage as it becomes depreciated.

**This Request for Proposals is for design only. Fabrication and installation will be contracted separately on the basis of the final design templates.**

Work related to this Request for Proposals is to begin immediately following the award of contract with a kick-off meeting to be scheduled as soon as possible.

## Wayfinding Signage Design – Request for Proposals

### **2.2 Scope of Work**

The successful Proponent will undertake the following scope of work.

Project Deliverables:

- Provide three sets of draft signage designs, each including examples of the templates requested herein.
- Refine one selected set of draft signage designs with Project Team, for recommendation to Council / MBTCC Board.

These selected design templates will be used in the fabrication and installation of new signage in the fall of 2020.

Requested designs to include templates for:

- Directional blade signage to attractions / destinations (not specific businesses);
- Affirmation signage (potentially using amenity logos such as on highway signage);
- Pedestrian directional map signage (potentially building on existing walking map - image attached as Appendix - not showing specific businesses); and,
- Light-standard banners for events promotion, plus associated flag design for commercial / Town use.

Designs to be developed as templates where relevant content (destinations for blade / affirmation signs, event details / logos for banners, sign location “You are Here” for pedestrian map signs, for example) can be added easily in-house by Town staff. If specialized training / software will be required for this it is to be referenced and priced in proposal.

The primary design purpose is to catch the eye of the visitor and direct them to destinations in Mahone Bay. Additional design considerations include:

- Fit - Build on existing signage, in keeping with appearance of Mahone Bay (existing signage (images attached as Appendix), streetscapes, built environment, etc.);



## Wayfinding Signage Design – Request for Proposals

- Accessibility - Keep signage simple and contrasting, use of recognizable logos instead of / alongside text wherever possible;
- Public Safety - Avoid clutter and confusion with regulatory / other signage; and,
- Cost - Economical with intent to fabricate and install locally.

Appendices provided for reference:

- A) Existing Wayfinding Signage
- B) Existing Walking Map

### **2.3 Proposal Submission Requirements**

The proponent(s) proposal submission must include the following information:

- Corporate name and company profile;
- A description of the methodology / approach to be followed;
- A statement of the proponent(s) understanding of the scope of the project;
- A statement as to whether other professionals will be used;
- A description of the experience and expertise of the proponent(s) citing at least 3 similar design projects which have been successfully completed, including an overview of scope, process, work and final product for each example, and providing contact reference information for each;
- A work plan which clearly outlines milestones and timelines to demonstrate how the work will be completed in the most timely manner possible;
- A maximum price for the design work including all expenses and HST; and,

#### Schedule "A"

Schedule "A" to this document is relevant information that is required and the form or replica must be completed and submitted with your proposal to be considered complete.

## Wayfinding Signage Design – Request for Proposals

Please submit your Proposal by **4:30 PM on September 11<sup>th</sup>, 2020** to  
Dylan Heide, Chief Administrative Officer for the Town of Mahone Bay  
at:

Dylan Heide  
Chief Administrative Officer  
Town of Mahone Bay  
493 Main Street, PO Box 530  
Mahone Bay, Nova Scotia  
B0J 2E0

Wayfinding Signage Design – Request for Proposals

**SCHEDULE “A”**

**COVER SHEET FOR PROPOSAL**

**Company Name:**

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**Company Address:**

---

**Contact Information:**

---

**Key Contact for Proposal:**

**Name:** \_\_\_\_\_

**Email:** \_\_\_\_\_

**Business Phone:** \_\_\_\_\_

**Cell Phone:** \_\_\_\_\_

**Name of Request for Proposal:**

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**Documents Attached:**

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# Appendix A - Existing Wayfinding Signage













Mahone Bay



VIS  
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### BLUE NOSE COAST

On Nova Scotia's South Shore

#### Prospect

- ✓ Prospect Cemetery
- ✓ Prospect House
- ✓ Prospect Mill
- ✓ Prospect Park
- ✓ Prospect School

#### New Ross

- ✓ New Ross Cemetery
- ✓ New Ross House
- ✓ New Ross Mill
- ✓ New Ross School
- ✓ New Ross Church

#### Peggy's Cove

- ✓ Peggy's Cove Lighthouse
- ✓ Peggy's Cove Chapel
- ✓ Peggy's Cove Cemetery
- ✓ Peggy's Cove School
- ✓ Peggy's Cove Church

#### Western Shore

- ✓ Western Shore Cemetery
- ✓ Western Shore House
- ✓ Western Shore Mill
- ✓ Western Shore School
- ✓ Western Shore Church

#### Mahone Bay

- ✓ Mahone Bay Cemetery
- ✓ Mahone Bay House
- ✓ Mahone Bay Mill
- ✓ Mahone Bay School
- ✓ Mahone Bay Church

#### Lunenburg

- ✓ Lunenburg Cemetery
- ✓ Lunenburg House
- ✓ Lunenburg Mill
- ✓ Lunenburg School
- ✓ Lunenburg Church

#### Bridgewater

- ✓ Bridgewater Cemetery
- ✓ Bridgewater House
- ✓ Bridgewater Mill
- ✓ Bridgewater School
- ✓ Bridgewater Church

#### Lunenburg Region

- ✓ Lunenburg Region Cemetery
- ✓ Lunenburg Region House
- ✓ Lunenburg Region Mill
- ✓ Lunenburg Region School
- ✓ Lunenburg Region Church

#### Chester

- ✓ Chester Cemetery
- ✓ Chester House
- ✓ Chester Mill
- ✓ Chester School
- ✓ Chester Church

#### Hubbards/Aspotogan

- ✓ Hubbards/Aspotogan Cemetery
- ✓ Hubbards/Aspotogan House
- ✓ Hubbards/Aspotogan Mill
- ✓ Hubbards/Aspotogan School
- ✓ Hubbards/Aspotogan Church

#### Tentation

- ✓ Tentation Cemetery
- ✓ Tentation House
- ✓ Tentation Mill
- ✓ Tentation School
- ✓ Tentation Church

#### Distances & Driving Times

Atlantic Ocean

From	To	Distance (km)	Driving Time (min)
Atlantic Ocean	Prospect	44 km	about 25 min
Prospect	New Ross	40 km	about 25 min
New Ross	Peggy's Cove	40 km	about 25 min
Peggy's Cove	Western Shore	40 km	about 25 min
Western Shore	Mahone Bay	40 km	about 25 min
Mahone Bay	Lunenburg	40 km	about 25 min
Lunenburg	Bridgewater	40 km	about 25 min
Bridgewater	Lunenburg Region	40 km	about 25 min
Lunenburg Region	Chester	40 km	about 25 min
Chester	Hubbards/Aspotogan	40 km	about 25 min
Hubbards/Aspotogan	Tentation	40 km	about 25 min

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**CUSTOMER PARKING ONLY**  
UNAUTHORIZED VEHICLES  
WILL BE TICKETED OR TOWED  
AT OWNER'S EXPENSE







# MAHONE BAY DENTAL

**PUBLIC  
POOL**  
→ 624-6193 →



RCL Br49  
MAHONE BAY  
21 POND ST. →

Public Pool  
Tennis Courts  
Fire Hall  
→

**MAHONE BAY  
CENTRE**  
→





LIVEWELL  
*informed.*

Let's talk about our  
health care services.

522

LIVE WELL WITH  
**PHARMASAVE**

MAHONE BAY  
CENTRE



Drop-in Info Sessions - Tuesday, July 21







# Appendix B - Existing Walking Map







## **Town of Mahone Bay**

Staff Report

RE: Town Office Renovations Update

September 24<sup>th</sup>, 2020

### **General Overview:**

This report is intended to provide Council with an update concerning the renovation of the Town Hall included in the 2020-21 annual budget.

### **Background:**

Renovation of the Town Hall was originally included in the 2019-20 capital budget approved May 14, 2019 but required additional definition. Staff report to Council with updated floorplans, estimates, etc. was provided April 21, 2020. On this basis Town Hall renovation was confirmed in 2020-21 capital budget approved by Council May 12, 2020. Staff have since further developed the proposed scope of renovations – particularly in consideration of the COVID-19 pandemic – and this report provides updated capital estimates and related information on the project.

### **Analysis:**

Renovation of the Town Hall is intended to address accessibility issues, increase energy efficiency, improve staff and public safety (in particular in consideration of COVID-19), and support effective use of this historic building which hosted the first meeting of the Mahone Bay Town Council in 1919. 2020-21 is the ideal year for renovations to the building as many Town staff are working remotely or partially remotely as a result of the COVID-19 pandemic. Renovations will take place over the fall and winter of 2020-21 on confirmation of external funding. Renovations will take place in phases, supporting a phased reopening of the building to the public and return to regular on-site by staff as COVID-19 pandemic restrictions are lifted. Phase one, minor renovation of the downstairs office to allow return to partial office hours (weekday mornings proposed) pending a second wave of the pandemic in Nova Scotia, will take place in October 2020.

Staff, with support from Skysail, have developed a poster for public education on the Town Hall renovation project, focusing on the rationale for the project (attached as Appendix A). This poster will be supplemented by regular social media and newsletter updates on the status of renovations and office hours.

## Financial Analysis:

To support planned Town Hall renovations staff have applied for funding from the federal Enabling Accessibility Fund and continue to await confirmation from the Province concerning funding for COVID-19-related renovations originally announced by the Federal government in June (<https://www.infrastructure.gc.ca/plan/covid-19-resilience-eng.html>). The recent Safe Restart Agreement announcement also suggests some retroactivity in covering minor safety improvements (such as phase one described above).

In light of identified funding sources staff present the following updated budget estimate (2020-21 annual budget approved May 12, 2020 included allocation of \$100,000 without external funding for renovation of the Town Hall):

### REVENUES

\$48,846 Accessibility

\$51,963 ICIP COVID / Safe Restart

\$31,902 Town

### EXPENDITURES

Renovation \$113,800

Wiring \$12,270

Security \$6,641

**TOTAL \$132,711**

## Strategic Plan:

### **3.1 21<sup>st</sup> Century Infrastructure**

- Asset Management

## Recommendation:

It is recommended,

**THAT Council accept this report for information.**



**Attached for Council Review:**

- Town Hall Poster

**Respectfully Submitted,**

A handwritten signature in blue ink, appearing to read 'Dylan Heide', followed by a long horizontal flourish.

Dylan Heide  
Town of Mahone Bay CAO



# Town Hall needs an overhaul.

## A RETURN TO FUNCTION

We've outgrown and outpaced our space. In order for Town staff to work efficiently, significant renovations are required.

## SOMEHOW EVEN MORE GREEN

No one can accuse Town Hall of not being green but it's time we made it eco-friendly too. Our renovation will find new efficiencies and reduce the municipality's carbon footprint.

## SAFETY FIRST

Changing times require changes to familiar spaces. To keep staff and visitors safe with the onset of COVID-19, we're applying what we've learned and making some changes.

## ACCESSIBILITY GRANTED

Town Hall has heritage charm but accessibility as never been given the priority it deserves. Our planned update will ensure that it meets all modern standards.

## A municipal building worthy of civic pride.

493 Main Street needs updating. Renovations will make Town Hall a safe, functional, and efficient workplace again and for a lot less than a new facility. We're presented with a rare opportunity to make improvements while our building is unoccupied. Soon Town Hall will meet the needs of the staff, council, and the people of Mahone Bay!





## **Town of Mahone Bay**

Staff Report

RE: Solar Connectivity Policy

September 24<sup>th</sup>, 2020

### **General Overview:**

This report is intended to provide Council with a recommended update to Town's Solar Connectivity Policy.

### **Background:**

An issue has been identified with the way the Town's Solar Connectivity Policy has been applied to customers with rooftop solar installations which occasionally over or under produce to supply their own energy needs.

The issue arises from the application of the following clause in the Policy (policy attached as Appendix A). This clause is important for the protection of utility customers who benefit from lower cost renewable energy from utility-owned wind and solar but may also result in an undesirable negative for customers with rooftop solar installations.

#### **5. Billing**

- (a) Customers will be billed under the otherwise-applicable metered rate schedules of the Utility's Schedule of Rates for Electric Supply and Services.
- (b) There will be no compensation to the customer from the Utility for any excess power generated by the customer.
- (c) For clarity, if the electricity generated by the customer does not cover the energy used, the Utility will bill the customer for the Net Purchased Energy Requirement and for the applicable non-KWh monthly charges.
- (d) Any environmental credits which may be created through the generation of energy through solar connectivity will be for the benefit of the Utility.

This clause provides *that there will be no compensation to the customer for any excess power electricity generated by the customer and that if the electricity generated by the customer does not cover the energy used the Utility will bill the customer.* The Policy does not specify the period over which customer use will be netted against customer generation. Past practice has been to perform this reconciliation each billing period, resulting in the

customer losing excess power without compensation in periods of overproduction and having to purchase power in periods of underproduction.

### **Analysis:**

The practice of performing a reconciliation of electricity generated and energy used for customers with rooftop solar installations each billing period results in the customer losing excess power without compensation in periods of overproduction and having to purchase power in periods of underproduction. This is financially beneficial to the utility (and therefore other utility customers) but negative for customers with rooftop solar installations.

In a review of other municipal electric utilities in Nova Scotia staff have found that the more common practice, to remove this negative for customers with rooftop solar while ensuring other customers remain protected, is to perform a rolling reconciliation where an overproduction of energy in one period can be applied to offset underproduction in a future period. Under this practice the utility still does not provide compensation for energy produced.

Staff provide the following amendment to the attached Solar Connectivity Policy to address this issue:

5. (b) There will be no compensation to the customer from the Utility for any excess power generated by the customer. Excess power generated in a given period will be credited toward usage in future periods.

### **Financial Analysis:**

There is some cost to utility and utility customers associated with the Policy amendment presented herein however based on the current number of customers with rooftop solar installations the total annual cost is not significant.

### **Strategic Plan:**

#### **3.4 Environmental Sustainability**

- Pursue Climate Mitigation strategies (reducing Town carbon footprint)

**Recommendation:**

It is recommended that at its regular meeting on Oct 13<sup>th</sup>, after due consideration, Council resolve:

**THAT Council amend the Solar Connectivity Policy as presented.**

**Attached for Council Review:**

- Solar Connectivity Policy

**Respectfully Submitted,**

A handwritten signature in blue ink, appearing to read 'Dylan Heide', with a long horizontal flourish extending to the right.

Dylan Heide  
Town of Mahone Bay CAO

**Town of Mahone Bay**  
**Policy #19**  
**Solar Connectivity Policy**

---

**1. DEFINITIONS**

**Solar Connectivity** – refers to a metering practice that enables electricity consumers to generate electricity from renewable, low-impact, solar power generators to offset part or all of their own electrical requirements without being compensated for any excess.

**Customer** – refers to customers who wish to connect a solar generating facility to meters. For the purpose of this policy, “customer” is defined as a single legal entity.

**Class 1 Service** – refers to a solar power generating facility of an aggregate nameplate capacity of up to 100 kW.

**Utility** – refers to the Town of Mahone Bay Electric Utility

**2. Availability**

(a) Solar Connectivity service is available to all Utility customers who:

- i. Are served from the Utility’s Distribution system
- ii. Are billed under Utility’s metered service rates
- iii. Install a qualifying generating facility, as defined under item a) in the Special Conditions Section 7. The maximum capacity of the customer’s generating facility will be sized to meet the expected annual consumption of the customer.

(b) Solar Connectivity service is not applicable for unmetered services.

(c) Solar Connectivity does require the electrician to apply for an inspection/permit through the Electric Utility.

(d) The customer must ensure that they are compliant with NSPI’s Interconnection Guideline for Class 1.

(e) The service is available on a first come, first serve basis.

(f) The applicant must provide a written request to the Utility to take this service.

**3. Applicability**

The service is applicable to any metered electric service accounts which are electrically connected to the same Utility Distribution Zone as the solar generator and which are owned by the same customer.

**4. Distribution Zone**

The Distribution Zone is defined as all Utility distribution feeders emanating from a single distribution supply transformer within a substation. The utility reserves the right to broaden this definition if in the opinion of the Utility this is justified by a customer-specific circumstance and is consistent with the spirit of the intent of this regulation.

**5. Billing**

- (a) Customers will be billed under the otherwise-applicable metered rate schedules of the Utility's Schedule of Rates for Electric Supply and Services.
- (b) There will be no compensation to the customer from the Utility for any excess power generated by the customer
- (c) For clarity, if the electricity generated by the customer does not cover the energy used, the Utility will bill the customer for the Net Purchased Energy Requirement and for the applicable non-KWh monthly charges.
- (d) Any environmental credits which may be created through the generation of energy through solar connectivity will be for the benefit of the Utility.

**6. Metering**

- (a) Metering for customers will require dual flow meters and the customers will be required to pay for the difference in metering costs.

**7. Special Conditions**

- (a) A Qualifying generating facility must meet the following requirements:
  - i. Utilizes only a solar renewable, low-impact source of energy as defined in the Renewable Electricity Regulations for the purposes of Section 3A of Chapter 25 of the *Electricity Act*.
  - ii. Has a manufacturer's nameplate rating of not more than 100 kilowatts, which the Utility has the right to verify through inspection or testing.
  - iii. Is located within the same Distribution Zone as all of the customer's premise(s) for which the customer is requesting electrical service in conjunction with this facility.
  - iv. The solar power generating facility shall meet all applicable safety and performance standards established by Measurements Canada, the Canadian Electrical Code, and NSPI's Interconnection Guidelines.
  - v. The customer shall adhere to all municipal zoning guidelines and permitting requirements of the Town of Mahone Bay and the Utility.
  - vi. The customer is responsible for all costs associated with their solar power generator facility

- (b) The generating facility and all wiring, equipment and devices forming part of it shall conform to the Canadian Electrical Code.
- (c) The customer is responsible for all costs of upgrades and/or additions to the Utility's electrical system required to connect the customer's generating equipment.
- (d) The customer shall be responsible for permit and inspection fees as outlined in section 7 of Schedule B of the Utility's Regulations for Electric Supply and Services.
- (e) The policy comes into effect upon passage by Town Council of the Town of Mahone Bay.

**Clerk's Annotation for Official Policy Book**

Date of Notice to Council Members of Intent to

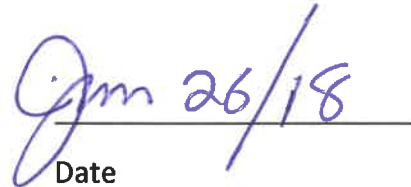
Consider {7 days minimum notice}:

January 9<sup>th</sup>, 2018

Date of Passage of Policy:

January 25<sup>th</sup>, 2018

  
Clerk/CAO

  
Date



## Draft Age Friendly Community Committee 2020 Action Plan

	Domain	Action
1	Communication and Information	Publicize existence of Committee, share relevant information and solicit correspondence / delegations, making use of Town website, Mayor's Newsletter and social media.
2	Outdoor spaces and buildings	Solicit and make recommendations concerning infrastructural barriers and service standards (walkways, benches, etc.) including supporting active transportation by making recommendations to Council intended to support inclusive participation; collaborate with Asset Management Committee.
3	Housing & Respect and Social Inclusion	Participate in review of Municipal Planning Strategy and Land Use By-Law, applying planning principles of age friendly communities.
4	Respect and Social Inclusion & Social Participation	Promote age friendly training opportunities / recognition of age friendly leadership in community. Collaborate to support sessions / workshops for seniors and youth in Mahone Bay.
5	Housing	Consider housing issues and explore solutions as they relate to age friendliness (aging in place), connecting with the work of the South Shore Housing Action Coalition.
6	Community support and health services	Follow up / monitor ongoing efforts: 2017 Age Friendly Mahone Bay research project, NOW Lunenburg County physician recruitment, Taming the Octopus initiative, quality of life survey (engage NS).
7	ALL EIGHT DOMAINS	Define the scope of and framework for a 5+ year Age Friendly Community Plan, for recommendation to Council's 2021-22 budget process.

### Topics of ongoing interest (from 2019 Action Plan):

- a) Recommendations to support social connection / participation of new residents;
- b) Inclusive recreational activities that support social connection / participation for young people as well as intergenerational activities;
- c) Community alcohol / recreational drugs policies.

---

A meeting of the Economic Development Committee for the Town of Mahone Bay was held on Thursday, September 10, 2020 at 2:00 p.m. via video conferencing.

Present:

Councillor John Bain  
Jeff Frampton  
Lynn Hennigar  
Ange Phillips  
Mayor David Devenne  
CAO, Dylan Heide  
Clerk, Maureen Hughes  
Climate & Energy Coordinator, Katherine Dorey

Absent: Councillor Colleen O'Neill (regrets)  
Danielle King

**1. Approval of Agenda**

A motion by Ms. Hennigar, seconded by Mr. Frampton, **"THAT the agenda be approved as amended to include Land at Hawthorne and the Field Adjacent to the Mahone Bay Centre under New Business."**  
**Motion carried.**

**2. Minutes**

A motion by Ms. Hennigar, seconded by Mr. Frampton, **"THAT the minutes of the July 9, 2020 meeting be approved as presented."**  
**Motion carried.**

**3. Economic Development Committee Action Plan**

**Action Plan Item #1**

Supply Chain/Business to Business Initiative

Committee members discussed local impact of the July 25th national campaign to promote local spending and improve the Canadian economy, The Big Spend.

**4. New Business**

Mahone Bay Business Community and COVID-19

The CAO reminded committee members that the Municipal Property Tax Financing Program, which is available for property owners who have been negatively affected by COVID-19, and that applications for this program are being accepted until September 30, 2020.

Committee members also discussed feedback from Mahone Bay business owners in respect to how they have weathered this difficult time and what they anticipate going into the fall season. Committee members learned that rising insurance rates are just now starting to become evident and they are expected to be an additional issue for businesses dealing with the difficulties of the pandemic.

#### 2020 Economic Development Committee Action Plan

Committee members reviewed and edited the draft Economic Development Committee Action Plan as developed at the July 2020 meeting. The revised Action Plan will be reviewed at the Committee's October meeting and recommended to Council.

#### Land at Hawthorne

Ms. Hennigar advised Committee members that the 26 remaining lots on Hawthorne Hill are available at a group rate and suggested the Town consider purchasing the lots and marketing to attract residents to Mahone Bay.

A motion by Ms. Hennigar, seconded by Mr. Frampton, **"THAT the Economic Development Committee recommend that Council investigate the viability of purchasing the available lots on Hawthorn Hill for possible development of housing to attract new residents."** **Motion carried**

#### Field Adjacent to Mahone Bay Centre

Mr. Frampton and Ms. Hennigar advised that the Mahone Bay Centre Society would like to develop a management agreement with the Town of Mahone Bay for the field adjacent to the Mahone Bay Centre, as a way to increase the recreation opportunities for the community using their booking software.

#### 6. Next Meeting

The next meeting of the Economic Development Committee will be held on Thursday, October 8, 2020 at 2:00 pm.

**The meeting adjourned by motion at 3:37 pm.**

**TOWN OF MAHONE BAY**

**TOWN OF MAHONE BAY**

Chair, Councillor John Bain

Clerk, Maureen Hughes

The regularly scheduled meeting of the Town of Mahone Bay's Asset Management Committee was held on Thursday, July 16<sup>th</sup>, 2020 at 1:00 p.m. via video conferencing.

**Present:**

Mayor D. Devenne  
Councilor R. Nowe  
CAO D. Heide  
Manager of Finance L. Wentzell (Secretary)  
L. Hennigar  
N. Whynot  
D. King

**Absent:**

A. Collery  
S. Veinot (Regrets)

**Gallery:**

Councilor P. Carver

**Approval of Agenda**

A motion by L. Hennigar, seconded by Councilor R. Nowe **"THAT the agenda be approved as presented."**

**Motion carried.**

**Approval of Minutes**

A motion by L. Hennigar, seconded by D. King , **"THAT the minutes of the June 18th, 2020 Asset Management Committee be approved as presented."**

**Writing the Plan**

The committee reviewed available information concerning the various public and natural assets located within the town. D. Heide indicated that the anticipated FCM MAMP-funded condition assessment project would add to available information on public assets including comfort stations, VIC, signage, etc.

Discussion was held regarding various public parking assets in the community and whose responsibility it is to perform required maintenance on these assets and ensure they meet required accessibility standards.

There was unanimous feeling amongst members that creating an inventory of trees, wetlands and other natural assets within the town is important and should be considered as part of the Town's asset management process.

A conversation was also had concerning the harbour and how the Town can manage this asset when we have no jurisdictional control over the asset.

### **Communicating Asset Management**

The revised Transportation and Electrical Fact Sheets were reviewed by the committee. There were a few minor modifications that were suggested, which will be made to these documents prior to the next meeting. In addition, the committee also reviewed the Recreation and Stormwater Fact Sheets for the first time. During the discussion, some changes were recommended by the committee which will be made prior to redistribution at the next meeting.

Following the review of the fact sheets, the committee also reviewed the revised Recreation Poster and a few additional changes were recommended which will be completed and the poster will be brought back to the committee at the next meeting. In addition, the draft Natural Assets and Public Assets Posters were reviewed by the committee for the first time. After review, a few changes were recommended by the committee which will be made and the revised posters will be distributed at the next meeting.

All posters and fact sheets to date will be included in the package for the next meeting for an overall review prior to recommendation to Council.

### **Next Meeting**

September 17<sup>th</sup>, 2020 at 1:00 PM

**The meeting adjourned upon motion at 2:58 PM.**

---

Mayor David Devenne

---

Town Clerk, Maureen Hughes

DRAFT

A meeting of the Audit & Finance Committee for the Town of Mahone Bay was held on Monday, September 21, 2020 at 7:05 p.m. via video conferencing.

Present:

Mayor D. Devenne  
Deputy Mayor Nauss  
Councillor P. Carver  
Councillor R. Nowe  
Councillor J. Feeney  
S. Veinot  
B. Lewis  
CAO D. Heide (Secretary)  
Manager of Finance L. Wentzell

Absent: Councillor J. Bain (regrets)  
Councillor Colleen O'Neill (regrets)

**1. Approval of Agenda**

A motion by Councillor Carvery, seconded by Deputy Mayor Nauss, **"THAT the agenda be approved as presented."** **Motion carried.**

**2. Minutes**

A motion by Councillor Feeney, seconded by Councillor Nowe, **"THAT the minutes of the July 23, 2020 meeting be approved as presented."** **Motion carried.**

**3. Business Arising from Prior Minutes**

There was no business arising from the prior meeting minutes.

**4. 2019-20 Audit – Presentation of Draft Statements**

Derrick Dempster from Deloitte presented the draft 2019-20 town general consolidated, water and wastewater statements and schedules to committee members and addressed questions.

A motion by Deputy Mayor Nauss, seconded by Councillor Feeney, **"THAT the Audit & Finance Committee recommends that Council approve the 2019-20 draft financial statements from Deloitte as presented."** **Motion carried**

## **5. 2020-21 Annual Budget Reporting**

Manager of Finance L. Wentzell received feedback on ways to improve reporting, particularly for the utilities.

It was agreed by all present that a meeting in November of 2020 would provide a valuable opportunity to review YTD reporting on the first half of the year, particularly in light of the pandemic.

## **6. Audit Committee Training**

New Department of Municipal Affairs and Housing online training for audit committee members in Nova Scotia is anticipated prior to the 2020 municipal elections in October, so that incoming – and current – members may access the training.

## **7. Next Meeting**

The next meeting of the Audit & Finance Committee will be held on Thursday, November 19, 2020 at 7:00 pm.

A motion by Deputy Mayor Nauss, seconded by Councilor Feeney, **“THAT the meeting be adjourned.”**  
**Motion carried**

The meeting was adjourned on motion at 8:36 PM.

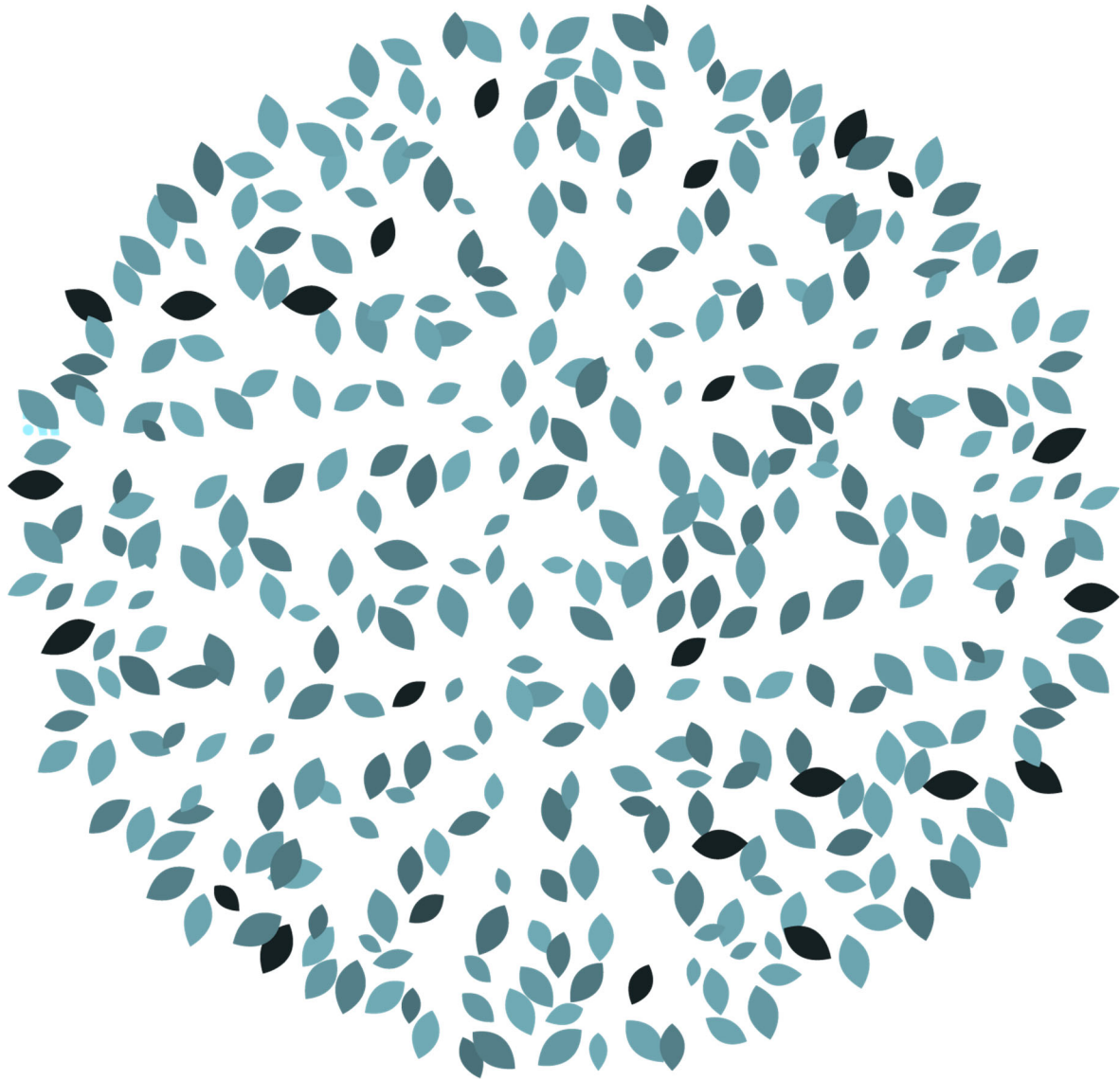
**TOWN OF MAHONE BAY**

Chair, Mayor D. Devenne

**TOWN OF MAHONE BAY**

Clerk, Maureen Hughes





## **Town of Mahone Bay** Report to the Audit Committee and Council on the 2020 audits

Presented on September 17, 2020



September 17, 2020

To the Audit Committee and Council of the Town of Mahone Bay

**Report on the audited annual financial statements**

Dear Audit Committee and Council members:

We are pleased to submit this report on the status of our audits of the Town of Mahone Bay (the "Town") for the 2020 fiscal year. This report summarizes the scope of our audits, our findings to date and reviews certain other matters that we believe to be of interest to you. We are continuing to work with management to complete the outstanding matters summarized on page 2 of this report.

As agreed in our master services agreement dated September 10, 2020, we have performed audits of the consolidated financial statements of the Town, and the financial statements of Town of Mahone Bay Water Utility ("Water Utility") and Town of Mahone Bay Electric Utility ("Electric Utility") as of and for the year ended March 31, 2020, in accordance with Canadian generally accepted auditing standards ("Canadian GAAS").

Our audit has been conducted in accordance with the audit service plan dated December 10, 2019.

This report is intended solely for the information and use of the Audit Committee, Council, management and others within the Town and is not intended to be, and should not be, used by anyone other than these specified parties.

We look forward to discussing this report summarizing the outcome of our audits with you and answering any questions you may have.

Yours truly,

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Deloitte LLP  
Chartered Professional Accountants

# Table of contents

Our audit explained	1
Significant audit risk	4
Other reportable matters	5
Appendix 1 – Deloitte resources a click away	6

# Our audit explained

This report summarizes the main findings arising from our audit to date.

## Audit scope and terms of engagement

We have been asked to perform audits which include the following for the year ended March 31, 2020:

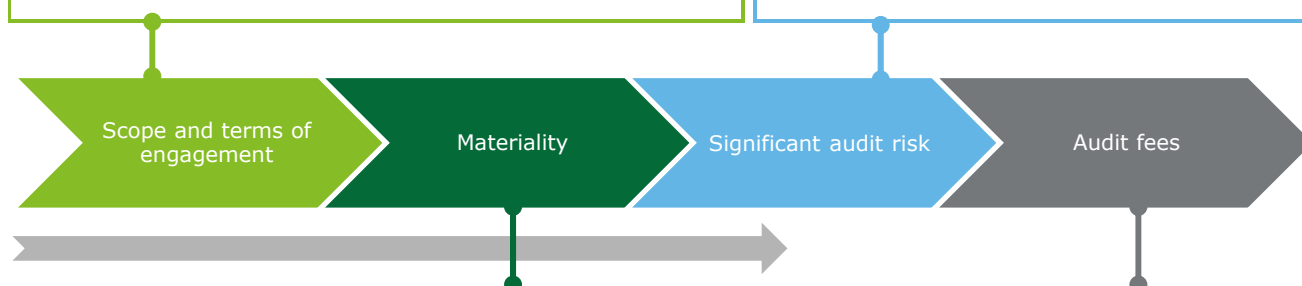
- The Town's consolidated financial statements in accordance with Canadian public sector accounting standards ("PSAS");
- Water Utility's financial statements in accordance with the accounting principles prescribed for Nova Scotia water utilities by the Nova Scotia Utility and Review Board ("NSURB"); and
- Electric Utility's financial statements in accordance with the accounting principles prescribed for Nova Scotia electric utilities by NSURB.

Each of our audits were conducted in accordance with Canadian Generally Accepted Auditing Standards ("Canadian GAAS").

The terms and conditions of our engagement are described in the master services agreement dated September 10, 2020.

## Significant audit risk

Through our risk assessment process, we have identified the significant audit risk. This risk of material misstatement and related audit response is discussed in the significant audit risk section of this report.



## Materiality

We are responsible for providing reasonable assurance that your financial statements as a whole are free from material misstatement.

Materiality levels are determined on the basis of total revenues. Our materialities for the year ended March 31, 2019 were:

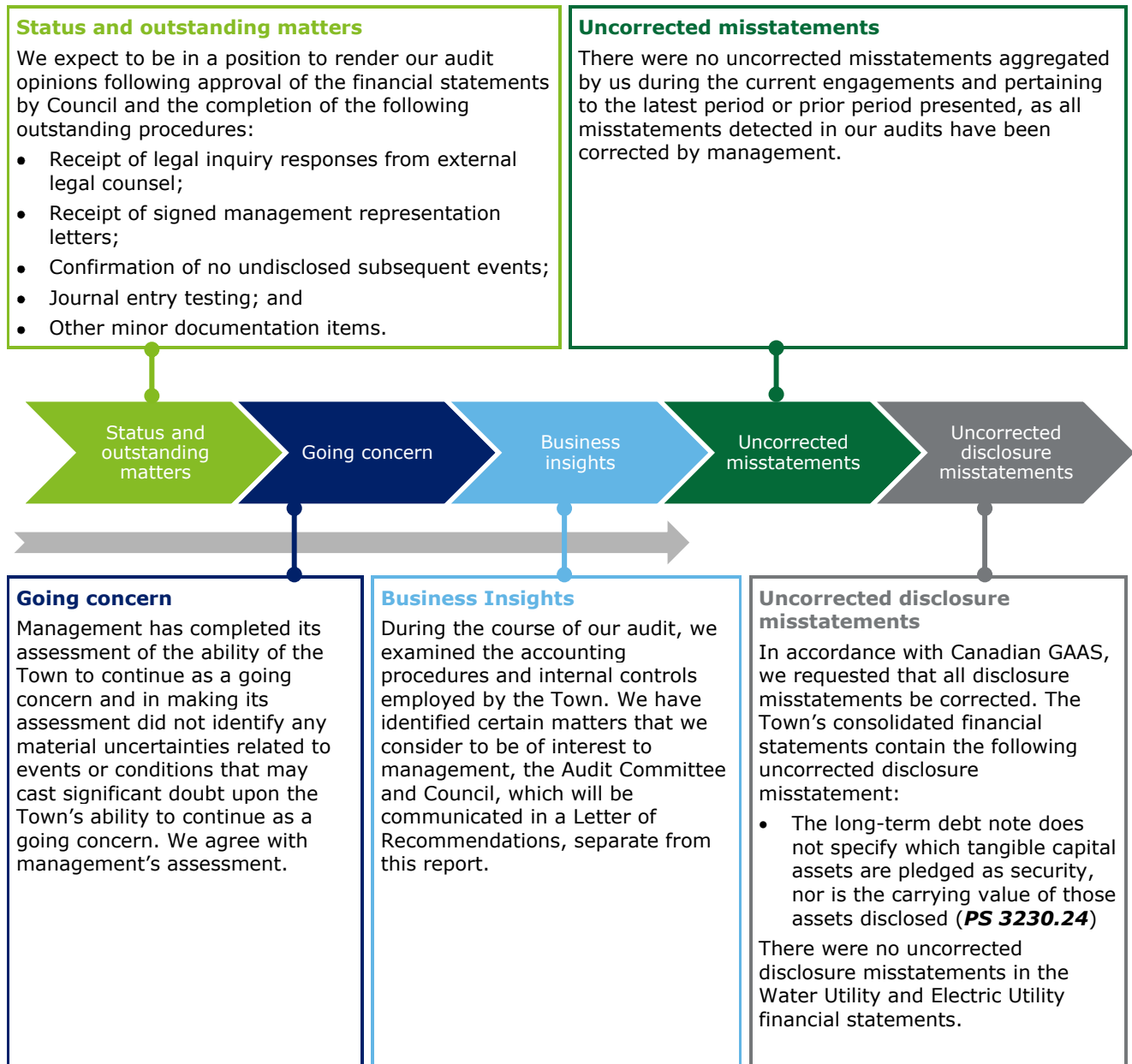
- Town consolidated: \$235,000 (2019 - \$200,000)
- Water Utility: \$24,000 (2019 - \$20,000)
- Electric Utility: \$83,000 (2019 - \$80,000)

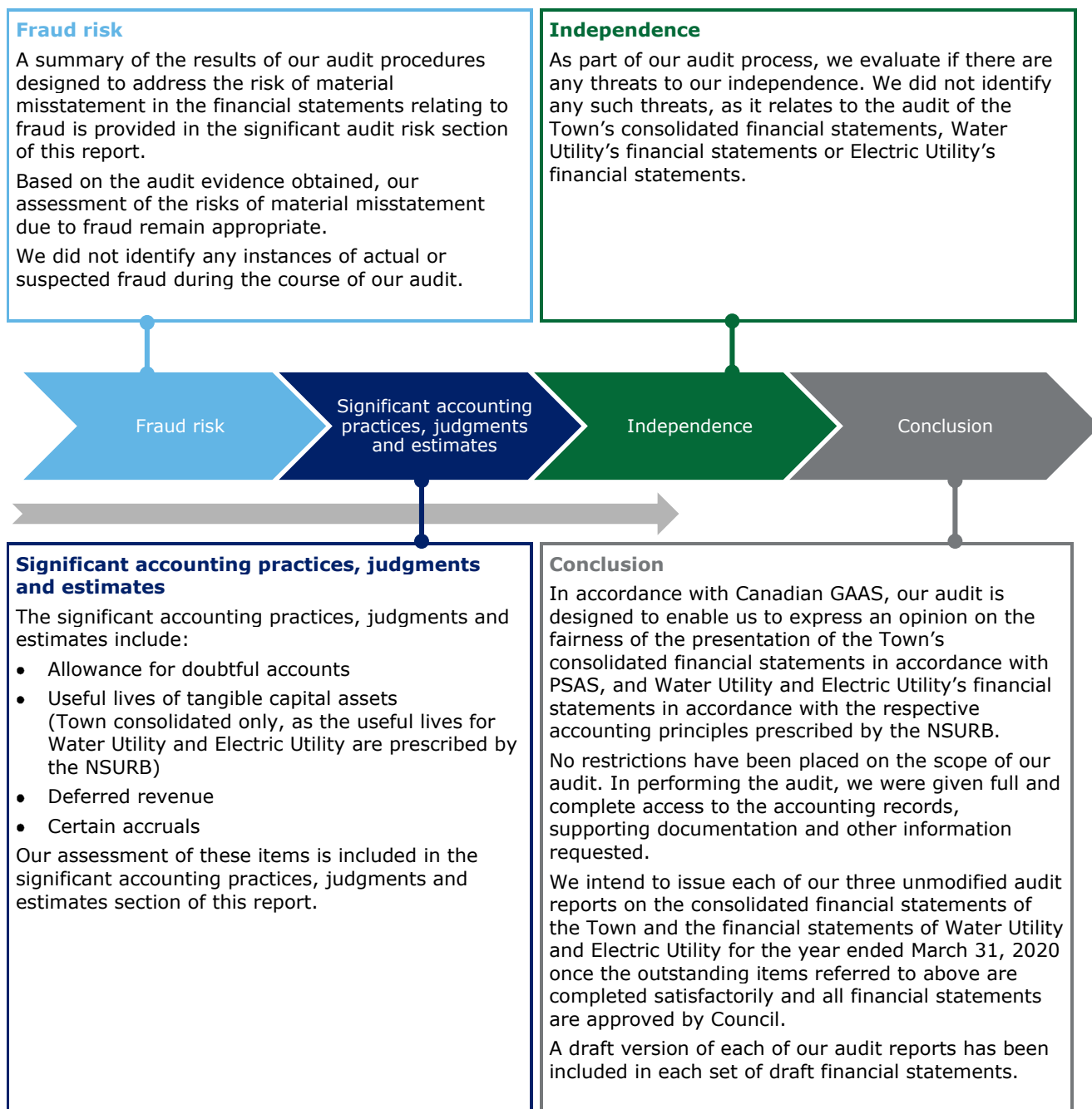
We have communicated all uncorrected misstatements greater than a clearly trivial amount of 5% of materiality, for each audit respectively, and any misstatements that are, in our judgement, qualitatively material. In accordance with Canadian GAAS, we asked that any misstatements be corrected.

## Audit fees

Our agreed upon fees were \$32,900 for the audits (2019 - \$32,900), \$2,500 for the involvement of component auditors (2019 - \$4,500), and \$6,100 for the preparation of the Town consolidated, Water Utility and Electric Utility financial statements (2019 - \$6,100), plus reasonable expenses, a 7% administrative charge, and applicable taxes.

Any out-of-scope work, based on the audit scope agreed upon in the master services agreement dated September 10, 2020 and the audit service plan dated December 10, 2019, will be billed separately from the audit fees above.





# Significant audit risk

The significant audit risk identified as part of our risk assessment, together with our response and conclusion, is described below.

## Management override of controls

### Audit risk

Under Canadian Auditing Standards, it is the responsibility of management, with the oversight of those charged with governance to place a strong emphasis on fraud prevention and detection.

Oversight by those charged with governance includes considering the potential for override of controls or other inappropriate influence over the financial reporting process.

Management override of controls is present in all entities. It is a risk of material misstatement resulting from fraud and therefore is considered as a significant risk.

### Our audit response

- We evaluated the design and implementation of the internal controls that address this risk. We did not rely on controls.
- We discussed fraud with management, members of the Audit Committee and Council, and others within the entity.
- We tested the appropriateness of a sample of journal entries made throughout the period, and adjustments made at the end of the reporting period.
- We evaluated the business rationale for any significant unusual transactions.
- We determined whether the judgements and decisions related to management estimates indicate a possible bias, which included performing retrospective analysis of significant accounting estimates.

### Audit results

We concluded the internal controls that address this risk were effectively designed and implemented.

We obtained sufficient audit evidence to conclude that there were no material misstatements in relation to management override of controls.

We did not identify any instances of actual or suspected fraud.

There was no indication of possible bias in management estimates.

# Other reportable matters

The following summarizes the status and findings of key aspects of our audit.

Reportable matter	Comment
<b>Related party transactions</b>	We have not identified any related party transactions that were not in the normal course of operations and that involved significant judgments by management concerning measurement or disclosure.
<b>Disagreements with management</b>	In the course of our audit, we did not encounter any disagreements with management about matters that individually or in the aggregate could be significant to the financial statements.
<b>Consultation with other accountants</b>	We are not aware of the Town consulting with any other accountants about auditing or accounting matters.
<b>Litigation</b>	Our limited procedures did not identify any litigation or claims against the Town.
<b>Legal and regulatory compliance</b>	Our limited procedures did not identify any areas of material non-compliance with laws and regulations by the Town.
<b>Reliance on service organizations</b>	<p>We used the Service Organization Controls ("SOC 1") report issued by the independent auditors of the following third party service organization employed by the Town:</p> <ul style="list-style-type: none"> <li>• Payworks Inc.</li> </ul> <p>Our assessment provided us with sufficient appropriate audit evidence to address the related risks of material misstatements in the financial statements.</p>
<b>Reliance on component auditors</b>	<p>In order to obtain sufficient appropriate audit evidence regarding the Town's 10% investment in the Alternative Resource Energy Authority ("AREA") and render our audit opinion on the consolidated financial statements, we relied on the work of the auditors of AREA's standalone financial statements for the year ended March 31, 2020 (the "component auditor"). This included providing referral instructions to the component auditor, having discussions with the component auditor, reviewing certain working papers from their audit file and obtaining an unmodified component auditor clearance memorandum. We obtained sufficient audit evidence to conclude that there were no material misstatements in relation to the Town's investment in AREA, as presented in the consolidated financial statements, using the proportionate consolidation method.</p> <p>We performed certain limited procedures on the Town's 3.39% investment in the Municipal Joint Services Board, Lunenburg Region ("MJSB"), but did not rely on the work of any additional component auditors. We obtained sufficient audit evidence to conclude that there were no material misstatements in relation to the Town's investment in MJSB, as presented in the consolidated financial statements, using the modified equity method.</p>
<b>Post-balance sheet events</b>	<p>At the date of this report, we are not aware of any significant post-balance sheet events impacting the financial statements in any of our audits, other than the impact of COVID-19 disclosure in the respective Subsequent Events note of each of the Town's financial statements.</p> <p>As noted above, we will require confirmation from management as at the date of our audit report, that there are no further subsequent events requiring adjustment or disclosure.</p>



# Appendix 1 – Deloitte resources a click away

At Deloitte, we are devoted to excellence in the provision of professional services and advice, always focused on client service. We have developed a series of resources, which contain relevant and timely information.

<input type="checkbox"/> Centre for financial reporting ( <a href="http://www.cfr.deloitte.ca">www.cfr.deloitte.ca</a> )	<ul style="list-style-type: none"> <li>• Directors</li> <li>• CEO/CFO</li> <li>• Controller</li> <li>• Financial reporting team</li> </ul>	Web site designed by Deloitte to provide the most comprehensive information on the web about financial reporting frameworks used in Canada.
<input type="checkbox"/> Financial Reporting Insights ( <a href="http://www.iasplus.com/fri">www.iasplus.com/fri</a> )	<ul style="list-style-type: none"> <li>• CFO</li> <li>• Controller</li> <li>• Financial reporting team</li> </ul>	Monthly electronic communications that helps you to stay on top of standard-setting initiatives impacting financial reporting in Canada.
<input type="checkbox"/> On the board's agenda	<ul style="list-style-type: none"> <li>• Directors</li> <li>• CEO/CFO</li> </ul>	Bi-monthly publication examining a key topic in detail, including the perspectives of a Deloitte professional with deep expertise in the subject matter as well as the views of an experienced external director.
<input type="checkbox"/> State of change ( <a href="http://www.iasplus.com/StateOfChange">www.iasplus.com/StateOfChange</a> )	<ul style="list-style-type: none"> <li>• CFO</li> <li>• VP Finance</li> <li>• Controller</li> <li>• Financial reporting team</li> </ul>	Bi-monthly newsletter providing insights into key trends, developments, issues and challenges facing the not-for-profit sector in Canada, with a Deloitte point of view.
<input type="checkbox"/> Deloitte Financial Reporting Update ( <a href="http://www.deloitte.com/ca/update">www.deloitte.com/ca/update</a> )	<ul style="list-style-type: none"> <li>• CFO</li> <li>• VP Finance</li> <li>• Controller</li> <li>• Financial reporting team</li> </ul>	Learning webcasts offered throughout the year featuring our professionals discussing critical issues that affect your business.



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# Consolidated financial statements of Town of Mahone Bay

March 31, 2020

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## Independent Auditor's Report

To His Worship the Mayor and Members of  
the Council of the Town of Mahone Bay

### Opinion

We have audited the consolidated financial statements of the Town of Mahone Bay (the "Town"), which comprise the consolidated statement of financial position as at March 31, 2020, and the consolidated statements of operations and accumulated surplus, changes in net debt and cash flows for the year then ended, and a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Town as at March 31, 2020, and the results of its operations, changes in net debt, and its cash flows for the year then ended in accordance with Canadian public sector accounting standards.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Town in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian public sector accounting standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Town's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Town or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Town's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Town's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Town to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Town to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



**Town of Mahone Bay**  
**Consolidated statement of financial position**  
As at March 31, 2020

	Notes	2020 \$	2019 \$
<b>Financial assets</b>			
Cash	2	3,401,224	3,422,405
Taxes and rates receivable		610,932	586,220
Accounts receivable	2	351,761	192,747
Investment in government business partnership	3	246,609	237,018
Due from other local governments		4,395	10,182
Total financial assets		4,614,921	4,448,572
<b>Liabilities</b>			
Payables and accruals	2, 3 & 4	659,810	677,092
Temporary borrowing	5	11,000	66,000
Deferred revenue	2	104,816	98,926
Long-term debt	2 & 6	6,261,165	6,584,888
Total liabilities		7,036,791	7,426,906
Net debt		(2,421,870)	(2,978,334)
<b>Non-financial assets</b>			
Prepaid expenses	2	96,680	99,694
Inventory		85,200	73,992
Tangible capital assets	2 & 7	17,955,216	18,102,531
Total non-financial assets		18,137,096	18,276,217
Accumulated surplus	2 & 8	15,715,226	15,297,883
Subsequent events	11		

The accompanying notes are an integral part of the consolidated financial statements.

Approved by the Council

\_\_\_\_\_ Mayor

\_\_\_\_\_ Clerk

# Town of Mahone Bay

## Consolidated statement of operations and accumulated surplus

Year ended March 31, 2020

	Notes	2020 \$	2019 \$
<b>Revenues</b>			
Taxes and rates		2,559,923	2,442,891
Power demand sales - electric	2	1,552,700	1,322,330
Domestic sales - electric		1,084,605	1,058,583
Metered sales - water		463,365	453,967
Other	2	314,030	322,206
Conditional transfers (federal and provincial)		165,375	104,897
Services provided to other governments		152,462	140,112
Unconditional transfers from other governments		114,913	50,022
Other revenue from own sources		93,840	83,169
Interest		41,111	32,818
Commercial sales - electric		32,182	26,271
Grants in lieu of taxes		19,843	22,774
Sale of services		3,489	4,150
Street lighting		2,925	2,845
		<b>6,600,763</b>	<b>6,067,035</b>
<b>Expenses</b>			
Power purchases	2	1,957,917	1,730,186
General government services	3	645,213	621,516
Protective services		477,012	451,042
Administrative and general	2	441,031	404,007
Education		405,008	400,177
Transportation		280,261	277,872
Environmental health	3	243,694	251,497
Loan interest	2	170,568	164,926
Water treatment		144,214	144,565
Operating and maintenance	2	138,821	102,677
Salaries	2	133,800	115,355
Transmission and distribution		92,143	81,367
Environmental development services		92,729	104,381
Recreation and cultural services		83,049	56,090
Pumping		30,083	17,415
Mowing and grounds upkeep		17,742	16,726
Taxes	2	13,698	13,581
Public health and welfare services		12,041	11,449
Other interest charges	2	6,393	6,299
		<b>5,385,417</b>	<b>4,971,128</b>
Annual surplus before undernoted		<b>1,215,346</b>	1,095,907
Amortization	2 & 7	<b>(807,594)</b>	(828,282)
Income on investment in government business partnership	3	<b>9,591</b>	8,099
Annual surplus		<b>417,343</b>	275,724
Accumulated surplus, beginning of year		<b>15,297,883</b>	15,022,159
<b>Accumulated surplus, end of year</b>	8	<b>15,715,226</b>	<b>15,297,883</b>

The accompanying notes are an integral part of the consolidated financial statements.

**Town of Mahone Bay****Consolidated statement of changes in net debt**

Year ended March 31, 2020

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Annual surplus	<b>417,343</b>	275,724
Change in tangible capital assets		
Purchase of tangible capital assets	<b>(660,279)</b>	(250,039)
Amortization of tangible capital assets	<b>807,594</b>	828,282
	<b>147,315</b>	578,243
Change in other non-financial assets		
Prepaid expenses	<b>3,014</b>	8,830
Inventory	<b>(11,208)</b>	15,729
	<b>(8,194)</b>	24,559
Decrease in net debt	<b>556,464</b>	878,526
Net debt, beginning of year	<b>(2,978,334)</b>	(3,856,860)
<b>Net debt, end of year</b>	<b>(2,421,870)</b>	(2,978,334)

The accompanying notes are an integral part of the consolidated financial statements.

**Town of Mahone Bay**  
**Consolidated statement of cash flows**  
Year ended March 31, 2020

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>Operating transactions</b>		
Annual surplus	<b>417,343</b>	275,724
Amortization	<b>807,594</b>	828,282
Income on investment in government business partnership	<b>(9,591)</b>	(8,099)
Changes in non-cash working capital items		
Taxes and rates receivable	<b>(24,712)</b>	(13,635)
Accounts receivable	<b>(159,014)</b>	296,711
Due from other local governments	<b>5,787</b>	5,695
Payables and accruals	<b>(17,282)</b>	58,991
Due to other local governments	<b>—</b>	(11,811)
Deferred revenue	<b>5,890</b>	(13,565)
Prepaid expenses	<b>3,014</b>	8,830
Inventory	<b>(11,208)</b>	15,729
	<b>1,017,821</b>	1,442,852
<b>Financing transactions</b>		
Proceeds from long term debt	<b>—</b>	1,990,000
Repayments of long-term debt	<b>(323,723)</b>	(248,620)
Repayment of temporary borrowing	<b>(55,000)</b>	(2,062,500)
	<b>(378,723)</b>	(321,120)
<b>Capital transactions</b>		
Purchase of tangible capital assets	<b>(660,279)</b>	(250,039)
	<b>(660,279)</b>	(250,039)
(Decrease) increase in cash	<b>(21,181)</b>	871,693
Cash, beginning of year	<b>3,422,405</b>	2,550,712
<b>Cash, end of year</b>	<b>3,401,224</b>	3,422,405

The accompanying notes are an integral part of the consolidated financial statements.



## **1. Significant accounting policies**

### *Basis of accounting*

The consolidated financial statements of the Town of Mahone Bay (the "Town") are prepared in accordance with PSAS, as established by the Public Sector Accounting Board ("PSAB") of the Chartered Professional Accountants of Canada ("CPA Canada").

### *Reporting entity*

These consolidated financial statements reflect the financial assets, liabilities, non-financial assets, revenues, expenses, changes in net debt and cash flows of the reporting entity. The reporting entity is comprised of the Town and its 10% proportionate share of the Alternative Resource Energy Authority ("AREA").

Inter-departmental and inter-entity transactions and balances are eliminated on consolidation.

### *Fund accounting*

Funds within the consolidated financial statements consist of current, capital and reserve funds.

Council approves certain amounts to be set aside in reserve funds for future operating and capital purposes. Transfers between funds are recorded as adjustments to the appropriate fund balances.

### *Cash*

Cash is comprised of amounts held with financial institutions and petty cash.

### *Financial instruments*

The Town initially measures its financial assets and financial liabilities at fair value plus the amount of transaction costs directly attributable to the instrument. Subsequently, the Town measures all of its financial assets and financial liabilities at amortized cost using the effective interest method.

Fair value is the estimated amount for which a financial instrument could be exchanged between willing parties, based on the current market for instruments with the same risk, principal and remaining maturity. Certain fair value estimates are significantly affected by the assumptions for the amount and timing of estimated cash flows and discount rates, all of which reflect varying degrees of risk. As a result, the fair values may not necessarily be indicative of the amounts that would be realized if these instruments were actually settled. Due to their short period to maturity, the fair values of cash, taxes and rates receivable, accounts receivable, due from other local governments, payables and accruals, temporary borrowing, and due to other local governments approximate their carrying values as presented in the statement of financial position.

### *Deferred revenue*

Deferred revenue consists of customer prepayments and user charges, grants and fees which have been collected but for which the related services have yet to be performed, at which time they will be recognized as revenues.

### *Inventory*

Inventory consists of materials to be used in the construction of tangible capital assets and are carried at cost. Work in progress is included in tangible capital assets.

## **1. Significant accounting policies (continued)**

### *Investment in government business partnership*

Investment in government business partnership consists of a 3.39% ownership interest in the Municipal Joint Services Board, Lunenburg Region (the "MJSB"). The Town records its investments in government business partnerships using the modified equity method.

Under the modified equity method, the investment is carried at the initial cost of the investment plus adjustments for the Town's proportionate share of subsequent earnings, dividends and other changes in equity of the government business partnership. Investment income is recorded for the Town's proportionate share of the government business partnership when earned by the government business partnership and adjustments for dividends are recorded when the dividends are declared by the government business partnership. No adjustments are made for accounting policies of the government business partnership that are different from those of the Town, except that any other comprehensive income of the business enterprise is accounted for as an adjustment to the accumulated surplus. Inter-organizational transactions and balances are not eliminated, except for any profit or loss on the sale between entities of assets that remain within the reporting entity.

### *Investment in government partnership*

The Town records its investment in government partnership, which consists of its 10% ownership interest in AREA, using the proportionate consolidation method.

Under the proportionate consolidation method, the Town recognizes its proportionate share of the financial assets, liabilities, non-financial assets, accumulated surplus, revenues and expenses of the government partnership, adjusted for differences between the government partnership's and the Town's accounting policies. These are proportionately consolidated on a line-by-line basis, after elimination of the inter-organizational transactions and balances.

### *Tangible capital assets*

Tangible capital assets are carried at cost less accumulated amortization.

Amortization is based on the estimated useful life of the assets and is calculated using the straight line method, as follows:

General Capital	
Land improvements	20-25 years
Municipal buildings	25-40 years
Buildings – plants	25 years
Electronic data equipment	3 years
Small equipment	5 years
Machinery and equipment	5-15 years
Vehicles	5-15 years
Wharves	25 years
Bridges	25 years
Streets, roads and curbs	25 years
Sidewalks	20 years
Sewer lines	50 years
Lagoons	50 years
Landfills	4 years
Other	5 years
Work in progress	No amortization

## **1. Significant accounting policies (continued)**

### *Tangible capital assets (continued)*

Water Utility system	As specified for water utilities by the Nova Scotia Utility and Review Board ("NSURB")
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Electric Utility system	As specified for electric utilities by the NSURB
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#### **AREA**

Development costs	10 years
Interconnection	40 years
Generation foundation	50 years
Generation turbines	25 years
Poles, fixtures and conduit	30 years
Overhead conductors	32 years
Roads	50 years
Substation equipment	31 years
Substation foundation	50 years
Right of way	No amortization

### *Revenue and expense recognition*

Funds from external parties and earnings thereon restricted by agreement or legislation are accounted for as deferred revenue until used for the purpose specified.

Property tax revenue is based on assessments determined in accordance with Province of Nova Scotia legislation. Tax rates are set annually. Taxation revenues are recorded at the time tax billings are issued, in the period to which they relate. Assessments are subject to appeal with provisions made for any material appeals. Penalties on overdue taxes are recorded in the period levied.

Government grants and other transfers are recognized as revenue in the period in which the events giving rise to the transfer occur, provided transfers are authorized, any eligibility criteria have been met, and reasonable estimates of the amounts can be made.

Government grants with stipulations are initially deferred and recognized as revenue as the related stipulations are met. Stipulations associated with the acquisition or construction of tangible capital assets are considered to be met when acquisition or construction occurs.

Water and electric utility revenue is based on meter readings and levies, which are set annually. Utility revenues are recorded using the accrual basis as they are earned and measurable.

Investment income earned on surplus current funds, capital funds and reserve funds are reported as revenue in the period earned.

Expenses are recorded using the accrual basis of accounting. As such, expenses are recorded in period the related goods or services are received.

### *Use of estimates*

The preparation of consolidated financial statements in conformity with PSAS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Key components of the consolidated financial statements requiring management to make estimates include the allowance for doubtful accounts, the useful lives of tangible capital assets and certain accruals. Actual results could differ materially from these estimates.

## 2. Investment in government partnership

In July 2013, the Town of Antigonish, the Town of Berwick and the Town of Mahone Bay created AREA, a joint municipal corporation and inter-municipal agreement to explore alternative sources of Energy for municipal electric utilities. The primary project of AREA was to construct a windfarm facility in Ellershouse, Nova Scotia. The share of ownership of AREA is as follows: Antigonish 63%, Berwick 27% and Mahone Bay 10%.

AREA's financial information as at March 31, 2020 and for the year then ended, and the related amounts included in these consolidated financial statements using the proportionate consolidation method are summarized as follows:

	10% share of AREA \$	Consolidation Adjustments \$	2020 Inclusion in the Town Consolidated \$	2019 Inclusion in the Town Consolidated \$
<b>Statement of Financial Position</b>				
Financial assets				
Cash	96,762	—	96,762	250,783
Accounts receivable	291,183	—	291,183	126,931
	<b>387,945</b>	<b>—</b>	<b>387,945</b>	<b>377,714</b>
Liabilities				
Payables and accruals	166,087	—	166,087	96,618
Deferred revenue	4,500	—	4,500	—
Long-term debt	4,699,365	—	4,699,365	4,895,788
	<b>4,869,952</b>	<b>—</b>	<b>4,869,952</b>	<b>4,992,406</b>
Non-financial assets				
Prepaid expenses	2,004	—	2,004	2,869
Tangible capital assets	4,412,218	—	4,412,218	4,610,917
	<b>4,414,222</b>	<b>—</b>	<b>4,414,222</b>	<b>4,613,786</b>
Accumulated (deficit) surplus	(67,785)	—	(67,785)	(906)
<b>Statement of Operations and accumulated surplus</b>				
Revenues				
Power demand sales	841,190	(71,699) (1)	769,491	555,212
Other	221,046	—	221,046	224,392
	<b>1,062,236</b>	<b>(71,699)</b>	<b>990,537</b>	<b>779,604</b>
Expenses				
Power purchases	414,806	(71,699) (1)	343,107	128,092
Administrative and general	117,946	—	117,946	110,446
Loan interest	143,085	—	143,085	139,209
Salaries	15,667	—	15,667	15,442
Operating and maintenance	41,564	—	41,564	32,145
Taxes	13,019	—	13,019	12,913
Other interest charges	—	—	—	4,930
	<b>746,087</b>	<b>(71,699)</b>	<b>674,388</b>	<b>443,177</b>
Amortization (Note 7)	199,021	—	199,021	198,152
Annual surplus	<b>117,128</b>	<b>—</b>	<b>117,128</b>	<b>138,275</b>



## 2. Investment in government partnership (continued)

### *Consolidation adjustments and related party transactions with AREA*

- (1) During the year ended March 31, 2020, AREA received \$716,986 (2019 - \$485,300) of its power demand sales revenue from the Town; therefore, 10% of both the demand sales revenue recorded by AREA and 10% of the power purchases recorded by the Town are eliminated on consolidation.

## 3. Investment in government business partnership

As of March 31, 2013, the Town of Bridgewater, the Town of Mahone Bay and the Municipality of Lunenburg transferred the operations of the Solid Waste site to the MJSB. The Board of the MJSB establishes tipping fees and each customer of the MJSB, including municipalities, are charged a tipping fee based on tonnage delivered to the site. The assets and liabilities of the Solid Waste site were assumed by the MJSB effective April 1, 2013.

The Town holds a 3.39% ownership interest in the net assets of the MJSB. As of March 31, 2020 the Town's investment is carried at \$246,609 (2019 - \$237,018) and the Town's proportionate share of the MJSB's annual surplus for the year ended March 31, 2020 was \$9,591 (2019 - \$8,099).

The MJSB's consolidated financial information as at March 31, 2020 and for the year then ended, and the Town's related investment and investment income are summarized as follows:

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
<b>MJSB consolidated statement of financial position</b>		
Financial assets	<b>2,946,180</b>	2,948,987
Liabilities	<b>1,164,540</b>	1,155,637
Net financial assets	<b>1,781,640</b>	1,793,350
Non-financial assets	<b>5,492,970</b>	5,198,330
Accumulated surplus	<b>7,274,610</b>	6,991,680
Town of Mahone Bay ownership interest	<b>3.39%</b>	3.39%
Investment in MJSB	<b>246,609</b>	237,018
<b>MJSB consolidated statement of operations</b>		
Total revenue	<b>4,825,750</b>	4,618,302
Total expenses	<b>4,542,818</b>	4,379,384
Annual surplus	<b>282,932</b>	238,918
Town of Mahone Bay ownership interest	<b>3.39%</b>	3.39%
Investment income	<b>9,591</b>	8,099

### *Related party balances and transactions with MJSB*

The Town's payables and accruals include \$35,300 (2019 - \$39,989) payable to MJSB.

During the year ended March 31, 2020, the Town paid tipping fees of \$81,547 (2019 - \$83,231) to MJSB, included in environmental health expenses, and IT shared services costs of \$27,168 (2019 - \$18,711), included in general government services expense. These related party transactions were in the normal course of operations and were measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties. In accordance with the modified equity method, no adjustments have been made to the carrying value of the Town's investment in MJSB in respect of these transactions.

#### **4. Obligations**

##### *Employee benefits*

The Town provides certain employee benefits that require funding in future periods. Under the personnel policies of the Town, unused sick leave can accumulate and employees can use the credits at a future date, however, employees do not receive entitlement to a cash payment of sick leave credits when they leave the Town's employment. The Town is also liable for vacation days earned by its employees as at March 31, but not taken until a later date. An estimated accrual for this liability of \$44,062 (2019 - \$40,501) has been recorded in payables and accruals on the consolidated statement of financial position.

##### *Landfill site closure costs - centralized disposal site*

The centralized disposal site is closed and the present value of the remaining landfill site closure monitoring costs for the next 15 years is estimated to be \$622,500 (2019 - \$622,500), which will be covered by the three partners of MJSB (see Note 3) and the Town of Lunenburg.

The future landfill site closure costs were forecast with inflation at 2.5% (2019 - 2.5%) per annum and discounted back to March 31, 2020 using a discount rate of 2.5% (2019 - 2.5%). A liability (reserve) of \$21,987 (2019 - \$21,987) has been reported in the consolidated statement of financial position of the Town, as this represents the Town's portion of the related costs. This liability for landfill site closure includes costs for the assessment of the site monitoring and treatment of leachate, monitoring of ground water and surface water, monitoring and recovery of gases, maintenance of the required drainage systems and other control systems. The amount in the capital reserve for site monitoring will be adjusted at the end of each fiscal year. It is the intention of the Town; however, to pay the annual monitoring costs as an operating expense as part of the Town's annual budgets.

##### *Housing authorities*

During the year, the Town paid \$11,449 (2019 - \$11,481) to the Department of Community Services to fund its share of the prior year's operating deficit. As at March 31, 2020, the Town's share of the 2020 operating deficit, which will be required to be paid by the Town in 2020, was \$12,041 (2019 - \$11,449). This amount has been accrued in the financial statements as at March 31, 2020.

#### **5. Temporary borrowing**

##### *Advanced to the Town*

Bank of Montreal ("BMO") demand loans, bearing interest at prime less 0.75%, an effective rate of 1.70% (2019 - 3.20%).

<b>2020</b>	2019
<b>\$</b>	<b>\$</b>
<b>11,000</b>	66,000

## 6. Long-term debt

	2020 \$	2019 \$
Advanced to the Town		
Nova Scotia Municipal Finance Corporation ("NSMFC") debenture, bearing interest at rates of 2.06% to 3.50% over the term of the debenture (2019 - 2.06% to 3.50%), repayable in annual principal payments of \$40,000, maturing May 30, 2033.	<b>760,000</b>	800,000
NSMFC debenture, bearing interest at rates of 5.00% to 5.08% over the term of the debenture (2019 - 4.96% to 5.08%), repayable in annual principal payments of \$18,500, maturing June 1, 2021.	<b>129,500</b>	148,000
NSMFC debenture, bearing interest at rates of 5.16% to 5.48% over the term of the debenture (2019 - 5.10% to 5.48%), repayable in annual principal payments of \$35,400, maturing October 24, 2023.	<b>238,500</b>	265,000
NSMFC debenture, bearing interest at rates of 1.35% to 3.21% over the term of the debenture (2019 - 1.20% to 3.21%), repayable in annual principal payments of \$15,000, maturing May 9, 2032.	<b>270,000</b>	285,000
Bank of Montreal ("BMO") loan, bearing interest at prime less 0.75%, an effective rate of 1.70% (2019 - 3.20%), repayable in annual principal payments of \$27,300, maturing May 31, 2026.	<b>163,800</b>	191,100
Advanced to AREA (10% proportionate share)		
MSMFC debenture, bearing interest at rates of 2.06% to 3.50% over the term of the debenture (2019 - 2.06% to 3.50%), repayable in annual principal payments of \$419,000 to \$610,000, maturing in 2033.	<b>1,148,100</b>	1,190,000
NSMFC debenture, bearing interest at rates of 1.15% to 3.48% over the term of the debenture (2019 - 1.15% to 3.48%), repayable in annual principal payments of \$91,793 to \$124,175, maturing in 2031.	<b>2,121,175</b>	2,215,360
NSMFC debenture, bearing interest at rates of 1.20% to 3.21% over the term of the debenture (2019 - 1.20% to 3.21%), repayable in annual principal payments of \$59,573 to \$79,715, maturing in 2032.	<b>1,430,090</b>	1,490,428
	<b>6,261,165</b>	6,584,888

**6. Long-term debt (continued)**

The NSMFC debentures and BMO loan advanced to the Town are secured by the various General Fund, Water Utility system and Electric Utility system tangible capital assets disclosed in Note 7.

The NSMFC debentures advanced to AREA are secured by tangible capital assets with a net book value of \$4,412,218 (2019 - \$4,610,917), based on the Town's 10% proportionate share, as disclosed in Note 7.

Principal repayments required over the next five years and thereafter are as follows:

	Town \$	AREA \$	Total \$
2021	127,300	199,786	<b>327,086</b>
2022	127,300	203,582	<b>330,882</b>
2023	127,300	207,838	<b>335,138</b>
2024	127,300	211,343	<b>338,643</b>
2025	127,300	218,160	<b>345,460</b>
Thereafter	925,300	3,658,656	<b>4,583,956</b>
	<b>1,561,800</b>	<b>4,699,365</b>	<b>6,261,165</b>



**7. Tangible capital assets**

	<b>2020</b>						<b>2019</b>
	<b>Opening cost</b>	<b>Additions</b>	<b>Closing cost</b>	<b>Opening accumulated amortization</b>	<b>Amortization in year</b>	<b>Closing accumulated amortization</b>	<b>Net book value</b>
	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>
Town General							
Land (incl. cemetery)	618,100	—	618,100	—	—	—	618,100
Land improvements	833,324	—	833,324	668,152	21,316	689,468	165,172
Municipal buildings	593,710	75,767	669,477	287,854	21,513	309,367	305,856
Buildings - plants	1,011,525	—	1,011,525	958,529	3,938	962,467	52,996
Electronic data equip.	21,611	—	21,611	21,611	—	21,611	—
Small equipment	424,818	82,398	507,216	200,364	37,264	237,628	224,454
Machinery and equip.	1,526,485	20,365	1,546,850	1,219,723	72,161	1,291,884	306,762
Vehicles	241,792	—	241,792	209,706	15,293	224,999	32,086
Wharves	218,438	—	218,438	151,078	8,738	159,816	67,360
Bridges	767,108	—	767,108	47,190	15,342	62,532	719,918
Streets, roads, curbs	4,334,149	54,047	4,388,196	1,756,984	162,433	1,919,417	2,577,165
Sidewalks	374,914	—	374,914	256,286	10,747	267,033	118,628
Sewer lines	4,051,627	7,034	4,058,661	1,451,417	64,590	1,516,007	2,600,210
Lagoons	18,894	9,386	28,280	1,512	944	2,456	17,382
Other	145,782	—	145,782	27,713	5,938	33,651	118,069
	15,182,277	248,997	15,431,274	7,258,119	440,217	7,698,336	7,924,158
Water Utility system	5,592,570	113,026	5,705,596	969,222	123,579	1,092,801	4,623,348
Electric Utility system	1,481,451	297,934	1,779,385	537,343	44,777	582,120	944,108
AREA							
Development costs	140,516	—	140,516	33,403	14,064	47,467	107,113
Interconnection	74,391	—	74,391	6,265	1,703	7,968	68,126
Generation foundation	298,018	—	298,018	17,992	5,960	23,952	280,026
Generation turbines	4,000,395	—	4,000,395	420,115	160,016	580,131	3,580,280
Poles, fixtures, conduit	157,263	—	157,263	13,995	5,237	19,232	143,268
Overhead conductors	93,849	—	93,849	10,454	3,353	13,807	83,395
Roads	182,524	—	182,524	9,745	3,651	13,396	172,779
Substation equipment	114,658	—	114,658	12,473	3,669	16,142	102,185
Substation foundation	68,352	86	68,438	4,686	1,368	6,054	63,666
Right of way	10,079	236	10,315	—	—	—	10,079
	5,140,045	322	5,140,367	529,128	199,021	728,149	4,610,917
	27,396,343	660,279	28,056,622	9,293,812	807,594	10,101,406	18,102,531

## 8. Accumulated surplus

*Accumulated surplus - 2020*

	Current Funds	Reserve Funds	Capital Funds	2020 Total
	\$	\$	\$	\$
General	5,357,561	1,454,355	3,498,395	10,310,311
Water	8,557	156,227	3,544,299	3,709,083
Electric	131,639	85,036	1,154,356	1,371,031
Cemetery	145,472	—	505	145,977
	5,643,229	1,695,618	8,197,555	15,536,402
AREA (Note 2)	119,362	100,000	(287,147)	(67,785)
MJSB (Note 3)	246,609	—	—	246,609
	6,009,200	1,795,618	7,910,408	15,715,226

*Accumulated surplus - 2019*

	Current Funds	Reserve Funds	Capital Funds	2019 Total
	\$	\$	\$	\$
General	4,838,859	1,200,224	3,890,808	9,929,891
Water	46,534	153,146	3,440,702	3,640,382
Electric	386,044	83,358	899,194	1,368,596
Cemetery	122,397	—	505	122,902
	5,393,834	1,436,728	8,231,209	15,061,771
AREA (Note 2)	184,008	100,000	(284,914)	(906)
MJSB (Note 3)	237,018	—	—	237,018
	5,814,860	1,536,728	7,946,295	15,297,883

## 9. Remuneration of council and administrators

The following schedule sets out the gross earnings paid to each member of Council, including the administrators and the directors of departments, as reflected in the consolidated statement of operations and accumulated surplus.

	<b>Remuneration</b>	<b>Expenses</b>	<b>2020 Total</b>	2019 Total
	\$	\$	\$	\$
Dave Devenne, Mayor	<b>19,536</b>	<b>8,626</b>	<b>28,162</b>	25,354
Karl Nauss, Deputy Mayor	<b>11,824</b>	<b>1,427</b>	<b>13,251</b>	11,996
Councillors				
Penny Carver	<b>10,282</b>	<b>3,183</b>	<b>13,465</b>	11,907
Colleen O'Neill	<b>10,282</b>	<b>1,197</b>	<b>11,479</b>	11,259
Richard Nowe	<b>10,282</b>	—	<b>10,282</b>	9,279
John Bain	<b>10,282</b>	—	<b>10,282</b>	9,153
Joseph M Feeney	<b>10,282</b>	—	<b>10,282</b>	9,153
	<b>82,770</b>	<b>14,433</b>	<b>97,203</b>	88,101
Administrators				
Jim Wentzell, Retired Chief Accounting Officer ("CAO")	—	—	—	106,447
Dylan Heide, CAO	<b>96,900</b>	<b>6,489</b>	<b>103,389</b>	70,668
Maureen Hughes, Acting CAO	<b>66,300</b>	—	<b>66,300</b>	67,974
Derrick MacKenzie, Director of Operations	<b>72,458</b>	<b>2,076</b>	<b>74,534</b>	72,199
Luke Wentzell, Manager of Finance	<b>66,300</b>	<b>689</b>	<b>66,989</b>	61,446
	<b>301,958</b>	<b>9,254</b>	<b>311,212</b>	378,734

## 10. Financial instruments

### *Market risk*

Market risk is the risk that the fair value or future cash flows of the Town's financial instruments will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk. The Town is exposed to certain of these risks as described below.

#### (i) Interest rate risk

Interest rate risk is the risk that the market value of the Town's financial instruments will fluctuate due to changes in the market interest rates. The NSMFC debentures bear interest at fixed rates. Consequently, the cash flow exposure is not significant. However, the fair value of debentures having fixed rates of interest could fluctuate because of changes in market interest rates. The Town is exposed to interest rate risk with respect to its temporary borrowing and BMO long-term debt, which bear interest at variable rates, based on the prime lending rate. The Town does not actively manage this risk.

## 10. Financial instruments (continued)

### *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Town is exposed to credit risk on the accounts receivable from its customers, primarily related to Property Taxes and water and electric utilities balances owed. To mitigate this risk, the Town has developed the policies of commencing a tax sale process for Property Taxes in arrears over two years, and issuing disconnect notice to past due Utility accounts. The Town does not have a significant exposure to any individual customers. The Town has recorded a \$25,600 (2019 - \$25,722) provision for doubtful accounts.

### *Liquidity risk*

The Town's objective is to have sufficient liquidity to meet its liabilities when due. The Town monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2020, the most significant financial liabilities are the payables and accruals, and long-term debt.

The following table shows the remaining contractual maturities of the Town's financial liabilities:

	No set terms of repayment \$	Due within 1 year \$	Due within 2-5 years \$	Thereafter \$	<b>Total \$</b>
Payables and accruals	—	659,810	—	—	<b>659,810</b>
Temporary borrowing	11,000	—	—	—	<b>11,000</b>
Long-term debt	—	327,086	1,350,123	4,583,956	<b>6,261,165</b>
	<b>11,000</b>	<b>986,896</b>	<b>1,350,123</b>	<b>4,583,956</b>	<b>6,931,975</b>

## 11. Subsequent events

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which resulted in a series of public health and emergency measures that were put in place to combat the spread of the virus, including the announcement of a state of emergency in the Province of Nova Scotia on March 22, 2020. As of the date of issuing the consolidated financial statements, the ongoing duration and impact of COVID-19 is unknown and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Town in future fiscal years.



**Town of Mahone Bay****Schedule 1 – Schedule of current fund – general operations**

Year ended March 31, 2020

	<b>Budget</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
Revenues	<b>3,052,384</b>	<b>3,045,771</b>	2,848,015
Expenses	<b>2,561,680</b>	<b>2,167,315</b>	2,174,024
Annual surplus	<b>490,704</b>	<b>878,456</b>	673,991
Net transfers to other funds	<b>6,107</b>	<b>(359,754)</b>	(247,682)
Increase in fund balance	<b>496,811</b>	<b>518,702</b>	426,309
Opening fund balance	<b>4,838,859</b>	<b>4,838,859</b>	4,412,550
Closing fund balance	<b>5,335,670</b>	<b>5,357,561</b>	4,838,859

The accompanying notes are an integral part of the consolidated financial statements.

**Town of Mahone Bay****Schedule 2 – Schedule of current fund – water operations**

Year ended March 31, 2020

	<b>Budget</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
Revenues	<b>543,419</b>	<b>474,989</b>	467,400
Amortization	<b>143,965</b>	<b>123,579</b>	118,401
Other expenses	<b>456,595</b>	<b>446,490</b>	424,462
	<b>600,560</b>	<b>570,069</b>	542,863
Annual deficit	<b>(57,141)</b>	<b>(95,080)</b>	(75,463)
Net transfers from other funds	<b>57,141</b>	<b>57,103</b>	53,865
Decrease in fund balance	<b>—</b>	<b>(37,977)</b>	(21,598)
Opening fund balance	<b>46,534</b>	<b>46,534</b>	68,132
Closing fund balance	<b>46,534</b>	<b>8,557</b>	46,534

The accompanying notes are an integral part of the consolidated financial statements.

**Town of Mahone Bay****Schedule 3 – Schedule of current fund – electric operations**

Year ended March 31, 2020

	<b>Budget</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
Revenues	<b>2,092,200</b>	<b>1,960,855</b>	1,930,608
Amortization	<b>35,000</b>	<b>44,777</b>	35,273
Other expenses	<b>2,056,885</b>	<b>2,006,888</b>	1,911,944
	<b>2,091,885</b>	<b>2,051,665</b>	1,947,217
Annual deficit	<b>315</b>	<b>(90,810)</b>	(16,609)
Net transfers (to) from other funds	<b>—</b>	<b>(163,595)</b>	41,787
(Decrease) increase in fund balance	<b>315</b>	<b>(254,405)</b>	25,178
Opening fund balance	<b>386,044</b>	<b>386,044</b>	360,866
Closing fund balance	<b>386,359</b>	<b>131,639</b>	386,044

The accompanying notes are an integral part of the consolidated financial statements.

**Town of Mahone Bay****Schedule 4 – Schedule of current fund – cemetery operations**

Year ended March 31, 2020

	<b>Budget</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
<b>Park Cemetery</b>			
Revenues	<b>7,050</b>	<b>7,564</b>	9,323
Expenses	<b>22,250</b>	<b>16,071</b>	10,712
Annual deficit	<b>(15,200)</b>	<b>(8,507)</b>	(1,389)
Net transfers from other funds	<b>15,200</b>	<b>8,507</b>	7,684
Increase in fund balance	<b>—</b>	<b>—</b>	6,295
Opening fund balance	<b>95,419</b>	<b>95,419</b>	89,124
Closing fund balance	<b>95,419</b>	<b>95,419</b>	95,419

	<b>Budget</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
<b>Bayview Cemetery</b>			
Revenues	<b>3,430</b>	<b>20,640</b>	4,480
Expenses	<b>10,300</b>	<b>2,571</b>	6,810
Annual deficit	<b>(6,870)</b>	<b>18,069</b>	(2,330)
Net transfers from other funds	<b>6,870</b>	<b>5,006</b>	3,434
Increase in fund balance	<b>—</b>	<b>23,075</b>	1,104
Opening fund balance	<b>26,978</b>	<b>26,978</b>	25,874
Closing fund balance	<b>26,978</b>	<b>50,053</b>	26,978

The accompanying notes are an integral part of the consolidated financial statements.

**Town of Mahone Bay****Schedule 5 – Schedule of capital fund – municipal operations**

Year ended March 31, 2020

	<b>Budget</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
Interest revenue	—	<b>6,476</b>	4,080
General fund amortization	—	<b>440,213</b>	476,455
	—	<b>440,213</b>	476,455
Annual deficit	—	<b>(433,737)</b>	(472,375)
Net transfers from other funds	<b>98,690</b>	<b>400,083</b>	134,992
Decrease in fund balance	<b>98,690</b>	<b>(33,654)</b>	(337,383)
Opening fund balance	<b>8,231,209</b>	<b>8,231,209</b>	8,568,592
Closing fund balance	<b>8,329,899</b>	<b>8,197,555</b>	8,231,209

The accompanying notes are an integral part of the consolidated financial statements.



**Town of Mahone Bay****Schedule 6 – Schedule of reserve fund**

Year ended March 31, 2020

	<b>Budget</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
Interest revenue	—	<b>22,162</b>	23,461
Annual surplus	—	<b>22,162</b>	23,461
Net transfers from other funds		<b>236,658</b>	205,022
Increase in fund balance	—	<b>258,820</b>	228,483
Opening fund balance	<b>1,433,215</b>	<b>1,433,215</b>	1,204,732
Closing fund balance	<b>1,433,215</b>	<b>1,692,035</b>	1,433,215

The accompanying notes are an integral part of the consolidated financial statements.

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**Town of Mahone Bay****Schedule 7 – Schedule of trust reserve fund**Year ended March 31, 2020

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	<b>Budget</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
Revenues	—	<b>70</b>	64
Annual surplus	—	<b>70</b>	64
Increase in fund balance	—	<b>70</b>	64
Opening fund balance	<b>3,513</b>	<b>3,513</b>	3,449
Closing fund balance	<b>3,513</b>	<b>3,583</b>	3,513

The accompanying notes are an integral part of the consolidated financial statements.

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# Financial statements of Town of Mahone Bay Water Utility

March 31, 2020

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## Independent Auditor's Report

To His Worship the Mayor and Members of  
the Council of the Town of Mahone Bay

### Opinion

We have audited the financial statements of the Town of Mahone Bay Water Utility (the "Utility"), which comprise the statements of financial position as at March 31, 2020 and the statements of financial operations for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Utility as at March 31, 2020, and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Nova Scotia water utilities by the Nova Scotia Utility and Review Board (the "Financial Reporting Framework").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Utility in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Utility in complying with the financial reporting requirements of Nova Scotia water utilities. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Reporting Framework, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Utility's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Utility or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Utility's financial reporting process.



## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Utility's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Utility to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Town of Mahone Bay Water Utility

### Statement of financial position – operating fund

As at March 31, 2020

	Notes	2020 \$	2019 \$
<b>Assets</b>			
Receivables			
Rates receivable [net of allowance for doubtful accounts of \$3,000 (2019 - \$3,000)]		<b>58,525</b>	62,262
Due from General Operating Fund	2	<b>12,332</b>	14,701
Due from Electric Utility Operating Fund	2	<b>164,039</b>	171,401
Other		<b>14,295</b>	—
Prepaid expense		<b>396</b>	396
Inventory (at cost)		<b>13,315</b>	16,693
		<b>262,902</b>	265,453
<b>Liabilities</b>			
Trade payables		<b>11,436</b>	9,645
Customer prepayments		<b>6,252</b>	5,959
Other payables		—	1,622
Accrued liabilities		<b>7,289</b>	16,986
Customer deposits		<b>8,975</b>	8,700
Due to Water Utility Capital Fund	1	<b>139,116</b>	104,466
Due to Capital Reserve Fund	2	<b>81,277</b>	71,541
		<b>254,345</b>	218,919
<b>Net Assets</b>			
Surplus		<b>8,557</b>	46,534
		<b>262,902</b>	265,453

Subsequent events

6

The accompanying notes are an integral part of the financial statements.

Approved by the Council

\_\_\_\_\_, Mayor

\_\_\_\_\_, Clerk

## Town of Mahone Bay Water Utility

### Statement of financial position – capital fund

As at March 31, 2020

	Notes	2020 \$	2019 \$
<b>Assets</b>			
Cash		156,227	153,146
Due from Water Utility Operating Fund	1	139,116	104,466
Utility, plant and equipment (Schedule 1)		5,066,310	4,953,284
		<b>5,361,653</b>	<b>5,210,896</b>
<b>Liabilities</b>			
Due to Cemetery Fund	2	24,800	33,100
Due to General Operating Fund	2	12,500	12,500
Temporary financing		—	5,000
Long-term debt	3	543,026	597,226
Deferred contributions	4	2,109,726	2,143,961
Accumulated allowance for depreciation		1,092,801	969,222
Accumulated amortization of contributions		352,446	318,211
		<b>4,135,299</b>	<b>4,079,220</b>
<b>Net assets</b>			
Investment in capital assets		1,226,354	1,131,676
		<b>5,361,653</b>	<b>5,210,896</b>

Subsequent events

6

The accompanying notes are an integral part of the financial statements.

Approved by the Council

\_\_\_\_\_, Mayor

\_\_\_\_\_, Clerk

**Town of Mahone Bay Water Utility****Statement of financial operations – operating fund**

Year ended March 31, 2020

	<b>Budget</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
<b>Operating revenue</b>			
Metered sales	<b>528,279</b>	<b>466,449</b>	456,856
Public fire protection	<b>132,431</b>	<b>132,831</b>	111,496
Other	<b>13,640</b>	<b>10,711</b>	12,411
	<b>674,350</b>	<b>609,991</b>	580,763
<b>Operating expenditures</b>			
Administrative and general	<b>188,542</b>	<b>158,497</b>	167,148
Water treatment	<b>142,150</b>	<b>144,213</b>	144,565
Depreciation	<b>143,965</b>	<b>123,579</b>	118,401
Transmission and distribution	<b>117,940</b>	<b>92,143</b>	81,368
Pumping	<b>19,335</b>	<b>30,082</b>	17,415
Taxes	<b>650</b>	<b>679</b>	668
	<b>612,582</b>	<b>549,193</b>	529,565
Operating income	<b>61,768</b>	<b>60,798</b>	51,198
<b>Non-operating revenue</b>			
Transfer from depreciation funds	<b>25,000</b>	—	—
Appropriation from Town General	<b>25,000</b>	<b>25,000</b>	25,000
Other	<b>1,500</b>	<b>913</b>	1,022
	<b>51,500</b>	<b>25,913</b>	26,022
<b>Non-operating expenditures</b>			
Debt charges			
Principal	<b>73,690</b>	<b>67,500</b>	58,300
Interest	<b>38,415</b>	<b>28,415</b>	26,043
Other interest charges	<b>1,163</b>	<b>6,393</b>	1,368
Capital out of revenue	—	<b>22,380</b>	13,107
	<b>113,268</b>	<b>124,688</b>	98,818
Non-operating loss	<b>(61,768)</b>	<b>(98,775)</b>	(72,796)
Excess of expenditures over revenue	—	<b>(37,977)</b>	(21,598)
Surplus, beginning of year	<b>46,534</b>	<b>46,534</b>	68,132
<b>Surplus, end of year</b>	<b>46,534</b>	<b>8,557</b>	46,534

The accompanying notes are an integral part of the financial statements.

# Town of Mahone Bay Water Utility

## Statement of financial operations – capital fund

Year ended March 31, 2020

	Notes	Budget \$	2020 \$	2019 \$
		<b>(Unaudited)</b>		
<b>Revenue</b>				
Interest income		—	4,798	2,562
<b>Expenditures</b>				
Capital assets, net of funding	5	—	90,646	—
Excess of (expenditures over revenue) revenue over expenditures		—	(85,848)	2,562
<b>Financing and transfers</b>				
Transfer to Water Utility Operating Fund		(25,000)	—	—
Transfer from Water Utility Operating Fund		—	22,380	13,107
Capitalization of capital asset expenditures, net of funding	5	—	90,646	—
Due to Cemetery Fund retired		—	8,300	8,300
Temporary financing retired		—	5,000	189,226
Long-term debt drawn		—	—	(184,226)
Long-term debt retired		54,211	54,200	45,000
		29,211	180,526	71,407
Change in investment in capital assets		29,211	94,678	73,969
Investment in capital assets, beginning of year		1,131,676	1,131,676	1,057,707
Investment in capital assets, end of year		1,160,887	1,226,354	1,131,676

The accompanying notes are an integral part of the financial statements.



## **1. Accounting policies**

### *Basis of accounting*

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for Nova Scotia water utilities by the Nova Scotia Utility and Review Board (the "NSURB") and are intended for the use of Council of the Town of Mahone Bay ("Council"), Service Nova Scotia and Municipal Relations, and the NSURB.

The basis of accounting used in these financial statements differs materially from Canadian Public Sector Accounting Standards ("PSAS") as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). PSAS requires that Government Business Enterprises ("GBE") use PSAS for business set out in the CPA Handbook. The significant differences from PSAS are described below. PSAS requires that:

- Accumulated allowance for depreciation be netted against utility, plant and equipment and presented within assets, rather than as a liability;
- Depreciation funds reported as part of the capital fund should be reported as part of the reserve fund;
- Revenues and expenditures exclude inter-fund transfers;
- Expenditures on capital assets should not be reported on the Statement of Financial Operations;
- Principal payments on debt should not be reported on the Statement of Financial Operations;
- Government transfers received are deferred only to the extent that there are eligibility criteria and stipulations;
- Deferred contributions are recognized as revenue over the useful life of the related capital asset, rather than the accumulated amortization of contributions being recorded as a separate account within liabilities; and
- Financial statements are to be presented in accordance with PS 1201, "*financial statement presentation*", including a Statement of Cash Flow being presented in the financial statements.

Other significant accounting policies are as follows:

### *Allowance for doubtful accounts*

A valuation allowance is provided for estimated losses that will be incurred in collecting outstanding receivables.

### *Utility, plant and equipment*

The utility, plant and equipment is carried at cost and depreciation is provided on the straight-line basis at rates specified by the NSURB. Interest earned on funds in the depreciation account are taken into income of the depreciation fund. Funds equal to the amount of depreciation charged during the year are to be set aside to be used for future extensions or repairs of the utility, plant and equipment as approved by the NSURB.

## Town of Mahone Bay Water Utility

### Notes to the financial statements

March 31, 2020

#### 1. Accounting policies (continued)

##### *Utility, plant and equipment (continued)*

	2020	2019
	\$	\$
Required depreciation fund cash, beginning of year	245,112	124,149
Add: interest income on depreciation fund	4,798	2,562
Add: depreciation expense	123,579	118,401
Less: capital expenditures from depreciation fund	(90,646)	—
Required depreciation fund cash, end of year	282,843	245,112
Depreciation fund cash, end of year	156,227	153,146
Depreciation fund cash due to General Operating Fund	(12,500)	(12,500)
	143,727	140,646
Deficit due from Water Utility Operating Fund	139,116	104,466

##### *Assistance toward the acquisition of capital assets*

Federal and Provincial assistance received towards the acquisition of capital assets are recorded as deferred contributions and are amortized at the same annual rate as the related capital asset.

Prior to April 1, 2007, the NSURB required Nova Scotia water utilities to record capital assets at their net cost (gross cost less government grants and donations). As such, all federal and provincial assistance towards the acquisition of capital assets received prior to April 1, 2007 are deducted from the cost of utility, plant and equipment (see Schedule 1).

##### *Capital fund*

This fund reflects all the capital assets of the utility and their related financing. All debt charges with respect to the loans are reflected in the operating fund.

##### *Allocation of Town costs to water utility funds*

Where identifiable, costs incurred by the Town of Mahone Bay on behalf of the water utility are charged to the water utility funds. The salaries of Public Works staff is allocated in proportion to time spent working for the water utility. A portion of administrative salaries and other expenses of the Town of Mahone Bay are allocated to water operations.

##### *Revenue and expenditures*

Revenue and expenditure items are recorded on an accrual basis. Certain sources of revenue, including forfeited discounts, are recorded on a cash basis. Interest earned on depreciation funds is recorded as an addition to the depreciation reserve fund.

Principal and interest payments relating to temporary financing and long-term debt are recorded as an expense of the operating fund when paid.

## Town of Mahone Bay Water Utility

### Notes to the financial statements

March 31, 2020

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#### 1. Accounting policies (continued)

##### Use of estimates

The preparation of financial statements in conformity with accounting principles prescribed for Nova Scotia water utilities by the NSURB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates included in these financial statements include the allowance for doubtful accounts and certain accruals. Actual results could differ materially from these estimates.

#### 2. Inter-fund balances

##### Operating fund

The inter-fund balances due from General Operating Fund and Electric Utility Operating Fund and due to Capital Reserve Fund are non-interest bearing.

##### Capital fund

The inter-fund balance due to Cemetery Fund bears inter-fund interest of prime plus 0.75% and is repayable in annual instalments of \$8,300.

The inter-fund balance due to General Operating Fund is a temporary advance, repayable on demand and non-interest bearing.

#### 3. Long-term debt

Nova Scotia Municipal Finance Corporation ("NSMFC") debentures, principal repaid annually, at the following terms:

	Balance March 31, 2019 \$	Principal (repaid) drawn \$	Balance March 31, 2020 \$	Applicable interest rates	Maturity date
Debenture 26-A-1	148,000	(18,500)	<b>129,500</b>	4.96% - 5.08%	June 1, 2021
Debenture 28-A-1	265,000	(26,500)	<b>238,500</b>	5.10% - 5.48%	October 24, 2023
Debenture 38-A-1	184,226	(9,200)	<b>175,026</b>	2.06% - 3.50%	May 30, 2033
Total	597,226	(54,200)	<b>543,026</b>		

Debenture 38-A-1 drawn by the Town of Mahone Bay has an outstanding balance of \$760,000 (2019 - \$800,000). Only \$175,026 (2019 - \$184,226) of the balance relates to funding for the Water Utility Capital Fund; therefore, the remaining \$584,974 (2019 - \$615,774) is included on the statement of financial position of the General Capital Fund and is excluded from these financial statements.

**Town of Mahone Bay Water Utility****Notes to the financial statements**

March 31, 2020

**3. Long-term debt (continued)**

Principal repayments required on long-term debt over the next five years and thereafter are as follows:

	\$
2021	54,211
2022	54,211
2023	54,211
2024	54,211
2025	54,211
Thereafter	271,971
	<u>543,026</u>

All long-term debt outstanding at March 31, 2020 has been properly authorized by Service Nova Scotia and Municipal Relations.

**4. Deferred contributions**

	2020 \$	2019 \$
Deferred contributions, beginning of year	2,143,961	2,178,196
Less: amortization of contributions	(34,235)	(34,235)
Deferred contributions, end of year	<u>2,109,726</u>	<u>2,143,961</u>

**5. Capital asset expenditures**

	2020 \$	2019 \$
Total capital asset expenditures	113,026	13,107
Less: funded capital additions		
Capital out of revenue (from operating fund)	(22,380)	(13,107)
Capital asset expenditures, net of funding	<u>90,646</u>	<u>—</u>

**6. Subsequent events**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which resulted in a series of public health and emergency measures that were put in place to combat the spread of the virus, including the announcement of a state of emergency in the Province of Nova Scotia on March 22, 2020. As of the date of issuing the consolidated financial statements, the ongoing duration and impact of COVID-19 is unknown and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Utility in future fiscal years.

**Town of Mahone Bay Water Utility****Schedule 1 - Schedule of utility, plant and equipment**

As at March 31, 2020

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Organization costs	<b>9,651</b>	9,651
Land and land rights		
Source of supply	<b>165,514</b>	165,514
Reservoir	<b>725</b>	725
Pumping	<b>208</b>	208
Structures and improvements		
Pumping	<b>99,812</b>	99,812
Water treatment structures	<b>1,882,898</b>	1,882,898
Distribution reservoirs and standpipes	<b>746,781</b>	746,781
Other	<b>9,981</b>	9,981
Equipment		
Pumping	<b>123,476</b>	40,272
Water treatment	<b>794,277</b>	794,277
Transportation equipment	<b>25,692</b>	25,692
Tools and work equipment	<b>33,573</b>	33,573
Mains		
Transmission	<b>122,150</b>	122,150
Distribution	<b>1,391,759</b>	1,391,759
Services	<b>111,387</b>	94,717
Meters	<b>98,970</b>	91,544
Hydrants	<b>56,743</b>	56,743
Work in progress	<b>16,992</b>	16,992
Other Assets	<b>15,007</b>	9,281
Capital grants prior to April 1, 2007	<b>(639,286)</b>	(639,286)
Total utility, plant and equipment	<b>5,066,310</b>	4,953,284

The accompanying notes are an integral part of the financial statements.



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# Financial statements of Town of Mahone Bay Electric Utility

March 31, 2020

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## Independent Auditor's Report

To His Worship the Mayor and Members of  
the Council of the Town of Mahone Bay

### Opinion

We have audited the financial statements of the Town of Mahone Bay Electric Utility (the "Utility"), which comprise the statements of financial position as at March 31, 2020 and the statements of financial operations, cash flows and investment in capital assets for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Utility as at March 31, 2020, and the results of its operations for the year then ended in accordance with the accounting principles prescribed for Nova Scotia electric utilities by the Nova Scotia Utility and Review Board (the "Financial Reporting Framework").

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Utility in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist the Utility in complying with the financial reporting requirements of Nova Scotia electric utilities. As a result, the financial statements may not be suitable for another purpose. Our opinion is not modified in respect of this matter.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Financial Reporting Framework, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Utility's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Utility or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Utility's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Utility's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Utility's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Utility to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Town of Mahone Bay Electric Utility****Statement of financial position – operating fund**

As at March 31, 2020

	Notes	<b>2020</b>	2019
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Cash		<b>550</b>	550
Rates receivable [net of allowance for doubtful accounts of \$22,600 (2019 - \$22,600)]		<b>356,305</b>	363,302
Prepaid expenses		<b>80,212</b>	90,988
Other receivables		<b>18,394</b>	13,994
Due from General Operating Fund	2	<b>—</b>	199,329
Due from Electric Utility Capital Fund	1	<b>42,908</b>	44,915
Inventory (at cost)		<b>71,886</b>	57,299
		<b>570,255</b>	<b>770,377</b>
<b>Liabilities</b>			
Accounts payable and accrued liabilities		<b>106,013</b>	175,776
Customer deposits		<b>37,533</b>	37,156
Due to General Operating Fund	2	<b>131,031</b>	—
Due to Water Utility Operating Fund	2	<b>164,039</b>	171,401
		<b>438,616</b>	<b>384,333</b>
<b>Net Assets</b>			
Surplus		<b>131,639</b>	386,044
		<b>570,255</b>	<b>770,377</b>
Subsequent events	5		

The accompanying notes are an integral part of the financial statements.

Approved by the Council

\_\_\_\_\_, Mayor

\_\_\_\_\_, Clerk



**Town of Mahone Bay Electric Utility**  
**Statement of financial position – capital fund**  
As at March 31, 2020

	Notes	<b>2020</b>	2019
		<b>\$</b>	<b>\$</b>
<b>Assets</b>			
Cash		<b>85,036</b>	83,358
Utility, plant and equipment (Schedule 1)		<b>1,779,384</b>	1,481,452
		<b>1,864,420</b>	1,564,810
<b>Liabilities</b>			
Due to Electric Utility Operating Fund	1	<b>42,908</b>	44,915
Accumulated allowance for depreciation		<b>582,120</b>	537,343
		<b>625,028</b>	582,258
<b>Net Assets</b>			
Investment in capital assets		<b>1,239,392</b>	982,552
		<b>1,864,420</b>	1,564,810

Subsequent events

5

The accompanying notes are an integral part of the financial statements.

Approved by the Council

\_\_\_\_\_, Mayor

\_\_\_\_\_, Clerk

**Town of Mahone Bay Electric Utility****Statement of financial operations**

Year ended March 31, 2020

	<b>Budgeted</b>	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>	<b>\$</b>
	<b>(Unaudited)</b>		
<b>Operating revenue</b>			
Domestic sales	<b>1,095,000</b>	<b>1,084,605</b>	1,058,583
Power, demand sales	<b>780,000</b>	<b>783,209</b>	767,118
Commercial sales	<b>103,500</b>	<b>107,006</b>	99,939
Street lighting	<b>46,800</b>	<b>46,268</b>	46,233
Sundry	<b>61,900</b>	<b>36,135</b>	52,256
Interest on overdue accounts	<b>5,000</b>	<b>3,657</b>	4,249
	<b>2,092,200</b>	<b>2,060,880</b>	2,028,378
<b>Non-operating revenue</b>			
Other	<b>—</b>	<b>18,142</b>	19,287
Total revenue	<b>2,092,200</b>	<b>2,079,022</b>	2,047,665
<b>Operating expenditures</b>			
Power purchased	<b>1,670,000</b>	<b>1,614,810</b>	1,602,094
Administration	<b>157,085</b>	<b>203,288</b>	165,217
Transmission and distribution			
Salaries	<b>125,200</b>	<b>118,133</b>	99,913
Operating and maintenance	<b>104,100</b>	<b>97,257</b>	70,532
Depreciation	<b>35,000</b>	<b>44,777</b>	35,274
	<b>2,091,385</b>	<b>2,078,265</b>	1,973,030
<b>Non-operating expenditures</b>			
Interest expense	<b>500</b>	<b>—</b>	792
Capital out of revenue	<b>—</b>	<b>255,162</b>	48,665
	<b>500</b>	<b>255,162</b>	49,457
Total expenditures	<b>2,091,885</b>	<b>2,333,427</b>	2,022,487
Excess of (expenditures over revenue)			
revenue over expenditures	<b>315</b>	<b>(254,405)</b>	25,178
Surplus, beginning of year	<b>386,044</b>	<b>386,044</b>	360,866
<b>Surplus, end of year</b>	<b>386,359</b>	<b>131,639</b>	386,044

The accompanying notes are an integral part of the financial statements.

# Town of Mahone Bay Electric Utility

## Statement of cash flows

Year ended March 31, 2020

	Notes	2020 \$	2019 \$
<b>Operating Activities</b>			
Excess of (expenditures over revenue)			
revenue over expenditures		(254,405)	25,178
Item not affecting cash			
Depreciation		44,777	35,274
Capital out of revenue		255,162	48,665
		45,534	109,117
Change in non-cash operating working capital items	3	(70,600)	(134,725)
		(25,066)	(25,608)
<b>Investing Activities</b>			
Purchase of utility, plant and equipment		(297,932)	(94,313)
Transfers from General Operating Fund		330,360	99,910
		32,428	5,597
<b>Financing Activities</b>			
Interest income on depreciation fund		1,678	1,518
Transfers (to) from Water Utility Operating Fund		(7,362)	20,010
		(5,684)	21,528
Net increase in cash		1,678	1,517
Cash, beginning of year		83,908	82,391
<b>Cash, end of year</b>		<b>85,586</b>	<b>83,908</b>
<b>Cash comprised of:</b>			
Cash - operating fund		550	550
Cash - capital fund		85,036	83,358
		<b>85,586</b>	<b>83,908</b>

The accompanying notes are an integral part of the financial statements.

**Town of Mahone Bay Electric Utility**  
**Statement of investment in capital assets**  
Year ended March 31, 2020

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	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Investment in capital assets, beginning of year	<b>982,552</b>	932,369
Add: interest income on depreciation fund	<b>1,678</b>	1,518
Add: transfer from Electric Utility Operating Fund	<b>255,162</b>	48,665
Investment in capital assets, end of year	<b>1,239,392</b>	982,552

The accompanying notes are an integral part of the financial statements.

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## 1. Accounting policies

### *Basis of accounting*

These financial statements have been prepared to conform in all material respects to the accounting principles prescribed for Nova Scotia electric utilities by the Nova Scotia Utility and Review Board (the "NSURB") and are intended for the use of Council of the Town of Mahone Bay ("Council"), Service Nova Scotia and Municipal Relations, and the NSURB.

The basis of accounting used in these financial statements differs materially from Canadian Public Sector Accounting Standards ("PSAS") as prescribed by the Public Sector Accounting Board of the Chartered Professional Accountants of Canada ("CPA"). PSAS requires that Government Business Enterprises ("GBE") use PSAS for business set out in the CPA Handbook. The significant differences from PSAS are described below. PSAS requires that:

- Accumulated allowance for depreciation be netted against utility, plant and equipment and presented within assets, rather than as a liability;
- Revenue and expenditures be recorded on a full accrual basis;
- Depreciation funds reported as part of the capital fund should be reported as part of the reserve fund;
- Revenues and expenditures exclude inter-fund transfers; and
- Financial statements are to be presented in accordance with PS 1201, "financial statement presentation".

Other significant accounting policies are as follows:

### *Allowance for doubtful accounts*

A valuation allowance is provided for estimated losses that will be incurred in collecting outstanding receivables.

### *Utility, plant and equipment*

The utility, plant and equipment is carried at cost and depreciation is provided on the straight-line basis at rates specified by the NSURB. Interest earned on funds in the depreciation account are taken into income of the depreciation fund. Funds equal to the amount of depreciation charged during the year are to be set aside to be used for future extensions or repairs of the utility, plant and equipment as approved by the NSURB.

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Required depreciation fund cash, beginning of year	<b>38,443</b>	47,299
Add: interest income on depreciation fund	<b>1,678</b>	1,518
Add: depreciation expense	<b>44,777</b>	35,274
Less: capital expenditures from depreciation fund (Note 4)	<b>(42,770)</b>	(45,648)
Required depreciation fund cash, end of year	<b>42,128</b>	38,443
Depreciation fund cash, end of year	<b>85,036</b>	83,358
Surplus due to Electric Utility Operating Fund from Electric Utility Capital Fund	<b>(42,908)</b>	(44,915)



## **1. Accounting policies (continued)**

### *Assistance toward the acquisition of capital assets*

Federal and Provincial assistance received towards the acquisition of capital assets received after January 1, 1989 is netted against the capitalized cost of the capital assets purchased.

### *Capital fund*

This fund reflects all the capital assets of the utility and their related financing. All debt charges with respect to the loans are reflected in the Operating Fund.

### *Allocation of Town costs to electric utility funds*

Where identifiable, costs incurred by the Town of Mahone Bay on behalf of the electric utility are charged to the utility funds. The salaries of Public Works staff is allocated in proportion to time spent working for the utility. A portion of administrative salaries and other expense of the Town of Mahone Bay are allocated to electrical operations.

### *Revenue and expenditure*

Major revenue and expenditure items are recorded on an accrual basis. Certain sources of revenue, including forfeited discounts, are recorded on a cash basis. Interest earned on depreciation funds is recorded as an addition to the depreciation reserve fund.

### *Use of estimates*

The preparation of financial statements in conformity with accounting principles prescribed for Nova Scotia electric utilities by the NSURB requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant estimates included in these financial statements include the allowance for doubtful accounts and certain accruals. Actual results could differ materially from these estimates.

## **2. Inter-fund balances**

The inter-fund balances due to General Operating Fund and due to Water Utility Operating Fund are non-interest bearing.

## **3. Change in non-cash operating working capital items**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Rates receivable	<b>6,997</b>	892
Prepaid expenses	<b>10,776</b>	10,775
Other receivables	<b>(4,400)</b>	(7,406)
Inventory	<b>(14,587)</b>	17,596
Accounts payable and accrued liabilities	<b>(69,763)</b>	(160,407)
Customer deposits	<b>377</b>	3,825
	<b>(70,600)</b>	(134,725)

**4. Capital asset expenditures**

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Total capital asset expenditures	<b>297,932</b>	94,313
Less: capital out of revenue (from operating fund)	<b>(255,162)</b>	(48,665)
Capital expenditures from depreciation fund	<b>42,770</b>	45,648

**5. Subsequent events**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which resulted in a series of public health and emergency measures that were put in place to combat the spread of the virus, including the announcement of a state of emergency in the Province of Nova Scotia on March 22, 2020. As of the date of issuing the consolidated financial statements, the ongoing duration and impact of COVID-19 is unknown and it is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Utility in future fiscal years.

**Town of Mahone Bay Electric Utility****Schedule 1 - Schedule of utility, plant and equipment**

As at March 31, 2020

	<b>2020</b>	2019
	<b>\$</b>	<b>\$</b>
Intangible plant		
Organization	<b>500</b>	500
Miscellaneous	<b>10,540</b>	10,540
Working capital	<b>2,750</b>	2,750
	<b>13,790</b>	13,790
Tangible plant		
Overhead conductors	<b>388,795</b>	388,795
Poles and fixtures	<b>263,323</b>	225,963
Street lighting system	<b>143,589</b>	143,589
Transformer		
Line	<b>288,069</b>	282,658
Installation	<b>1,117</b>	1,117
Transportation equipment	<b>239,472</b>	—
Services	<b>106,920</b>	91,231
Meters	<b>98,300</b>	98,300
Meter installations	<b>276</b>	276
Job equipment	<b>3,789</b>	3,789
Miscellaneous equipment	<b>231,944</b>	231,944
	<b>1,765,594</b>	1,467,662
Total utility, plant and equipment	<b>1,779,384</b>	1,481,452

The accompanying notes are an integral part of the financial statements.