

TOWN OF LUNENBURG COUNCIL MEETING MINUTES

TUESDAY, SEPTEMBER 29, 2020 AT 3:00 P.M.

VIA AUDIO/VIDEO CONFERENCE DURING COVID-19 PANDEMIC

PRESENT: Mayor Rachel Bailey
Deputy Mayor John McGee
Councillor Ronnie Bachman
Councillor Peter Mosher
Councillor Matt Risser

ALSO PRESENT: Kelly Cunningham, Recreation Director
Lisa Dagley, CPA, CGA, Finance Director
Heather McCallum, Assistant Municipal Clerk
Bea Renton, Chief Administrative Officer

ABSENT: Councillor Danny Croft

1. Call to Order

The Mayor called the meeting to order at 3:00 p.m. and welcomed everyone.

2. Acknowledgement of Mi'kma'ki the ancestral and unceded territory of the Mi'kmaq People

The Mayor spoke of the Town of Lunenburg's location on the unceded territory of the Mi'kmaq People. She reminded Council that October 1 is recognized in Nova Scotia as Treaty Day which begins the observance of Mi'kmaq History Month in October.

3. Agenda

Motion: moved by Councillor Risser, seconded by Councillor Mosher to approve the agenda. Motion carried.

4. Arena re-opening date determination and COVID-19 pandemic health requirements

The Recreation Director and Finance Director provided an overview of their staff report (**Schedule "A"**) regarding the proposed Arena re-opening on October 26 in view of the October 1 Provincial health directives allowing fifty persons to be present for certain sporting activities such as hockey. Previously, the Provincial Medical Health Order stipulated that only ten persons could be engaged in contact sports including hockey which made it impossible for full teams to play against one another.

Council discussed the Federal and Provincial governments' recent funding announcement to assist municipalities during the pandemic, the details of which are not yet known. When known, this information will be shared with Council.

Motion: moved by Councillor Mosher, seconded by Councillor Bachman that the Lunenburg War Memorial Arena open for the ice season on October 26, 2020 with an extended season until April 23, 2021.

Council discussed how the budget increase to offset reduced Arena revenue during this period should be funded? As noted in the draft motion contained in the staff report (Schedule "A") "...an Operating Surplus Reserve transfer of \$49,000 is (proposed if October 26 re-opening) approved to assist in the funding of the arena operations for fiscal 2020-21." Council inquired if there are 2020/21 Town budget savings because of the pandemic? The Finance Director advised that budget expenditure and revenue reductions were earlier made when the 2020/21 Town budget was approved in response to the anticipated downward financial impact of the pandemic. If there are further cost savings, then the proposed \$49,000 Reserve transfer may not be needed to the full extent, but this is difficult to forecast given the financial variables presented by future rental revenues during the pandemic, the Town is already seven months into the fiscal year and Capital and Operating expenditures have been made based on the approved budgets. It was commented staff should be challenged to find other savings to reduce the potential use of Reserve funds.

Council asked the Recreation Director if a fogger would be used to sanitize the Arena which she advised will be the practice because of the vast surface area of the various facilities.

Motion carried. The Mayor voted in the negative in the absence of subsidization funding determination.

Council discussed whether to ask the Municipality of the District of Lunenburg for financial assistance with the Arena re-opening cost? It was remarked that a staff report to find cost reductions or additional revenues could be prepared. The Finance Director spoke of the Town's high Financial Condition Indicator for budgeting accuracy and municipalities are not permitted by Provincial legislation to budget for a deficit. Staff have assessed the Town's financial ability to fund the projected \$49,000 additional deficit as outlined in the staff report (Schedule "A"). Council members spoke of the importance of building the Town Reserves which is a shared goal and progress has been made.

5. Adjournment

Motion: moved by Deputy Mayor McGee, seconded by Councillor Risser to adjourn the meeting. Motion carried.

The meeting adjourned at 3:36 p.m.

Bea Renton, CAO

Document No:
Meeting: September 29, 2020
Circulate To:
File: Budget 2020/21

MEMORANDUM

TO: TOWN COUNCIL

**FROM: KELLY CUNNINGHAM, RECREATION DIRECTOR, AND
LISA DAGLEY, FINANCE DIRECTOR**

DATE: SEPTEMBER 28, 2020

RE: LUNENBURG WAR MEMORIAL ARENA 2020/21 SEASON

1. FACTS

The Lunenburg War Memorial Arena ice season historically opens the beginning of October and closes the end of March. On March 16, 2020, the 2019/20 ice season came to an end as the Arena closed for the season due to the coronavirus pandemic.

In August Council made the difficult decision that the Arena 2020/21 ice season would have a delayed opening due to Provincial Government pandemic restrictions. Unfortunately, we found ourselves in a similar situation to other smaller Arenas across the province, where the Provincial gathering limit of 10 would have significantly impacted our facility use.

On Friday, September 18, the Provincial Government announced an increase in the allowable numbers of participants in performing arts, sport and organized physical activity. Effective October 1, the number of people who can participate in one of these activities without physical distancing will increase from 10 to 50. For most sports, this will allow full team practices and competition to resume. This also applies to recreational league sports, such as adult hockey, and drop-in activities, like open swims and skates.

2. ISSUES AND OPTIONS

The Provincial government has eased the gathering limit to 50 people for sports and organized physical activity beginning October 1, allowing for the traditional hockey, public skates and other Arena activities to commence in a more normalized fashion.

Hockey Nova Scotia (HNS), the provincial governing body of all ice hockey in NS, held a Provincial meeting on September 24 to discuss the updated "Rebound Plan", which is

a comprehensive return-to-play framework for hockey in a safe and secure environment. Please see highlights below:

- Games can be played against other associations in NS. As of now, no out-of-province games.
- Minor Hockey league play can begin October 15.
- No tournaments in the month of October. Detailed COVID-19 plans will be required before tournaments can be approved. More details to follow from HNS.
- Facility COVID-19 plans will be facility specific and will have their own specific guidelines based on the facility's size, capacities and services offered.
- "We need to remember that we're still in a State of Emergency and in a pandemic, and will need to follow public health protocols." – Amy Walsh, Executive Director, HNS
- "Facilities are not in an easy position right now, so we need to keep ourselves accountable on and off the ice." – Amy Walsh, Executive Director, HNS

South Shore Minor Hockey Association

- An extended season from October 13, 2020 until April 23, 2021.
- Committed to continue renting from the Lunenburg Arena again this season.
- Weekly rentals are anticipated to be ~80% compared to the 2019/20 season.
- Ice rentals are dependent on their registration numbers, which seem consistent at this time.

Adult Hockey

- Last season's long-term adult hockey rental teams were contacted to discuss their play expectation for the upcoming season.
- All teams have shown interest in returning.
- Teams will be notified of the facilities' terms and conditions in place. There may also be a slight change to their traditional rental timeslots due to increased transition time.

Staffing Expectations

- The Arena typically only has one staff member on per shift; a day shift and an evening shift covering a duration from 8:00am until midnight (12:00am). This staff member also looks after the Lunenburg Community Centre, and outdoor sporting and recreational facilities.
- The additional COVID-19 requirements for re-opening the arena include: cleaning and sanitizing dressing rooms, players benches and high touch areas between each rental; ensuring renters exit the facility within a set time prior to next renter's entrance (to minimize patron traffic in a small area); controlling entrance into the facility; ensuring health self-assessments are completed prior to entrance; and user behavior and compliance (such as masks and social distancing).
- These COVID-19 measures are in addition to the ice cleaning between rentals; facility maintenance (i.e. snow removal); occasional mechanical difficulties; taking payments and questions from renters; rentals at the Community Centre on

week nights and weekends, lock/unlock that facility, conduct sanitization between rentals and facility cleaning.

Current Staff Contingencies

- A Recreation staff member is currently on sick leave and will not be returning to work until the end of November.
- Assistance will be required by Public Works staff or additional personnel to make the ice, as the process needs a minimum of four people.
- A contractor (Brezac Property Services) will be temporarily contracted to cover off the sick leave shifts until the Recreation staff member is able to return to work. Plans for this have been confirmed and will be finalized upon re-opening approval. This would be at an additional cost, which is included in the financial information below (\$3,200).
- Re-opening the Arena next month will result in no staff members being temporarily laid off.
- If an Arena employee becomes ill or suspected to have COVID-19 symptoms, external personnel will likely be required to fill in for that shift(s) or the arena may have to temporarily close that day if unable to find someone to fill in. This would be at an additional cost.

Part-time COVID-19 Support Staff

- Our current practice of only one staff member working per shift poses many challenges with the new COVID-19 requirements in place. It is the responsibility of the Town, as facility operator, to ensure the arena is a safe and clean facility for all users, and to abide by the new COVID-19 safety rules is a shared responsibility. A part-time staff member will be an essential piece to ensure all those entering the facility are aware of the terms and conditions in place for our arena, are in compliance with the terms set out, and continue to abide by these terms throughout the rental period.
- Many weekend rentals consist of Minor Hockey games against away associations. It is essential that visiting players, guardians and spectators are aware of our own facility specific plan, and we support them in meeting the requirements.
- It is proposed to have a part-time staff member on weekends (Saturday and Sunday) during the arena operations, and weekday evenings for the first month that the Arena is open. The part-time weekend support is an additional \$7,000 and evening support staff is \$1,200.
- Smaller facilities in the province are facing similar challenges to implement the COVID-19 requirements and some, such as the Chester Memorial Arena, are also planning to hire a part-time support staff.

Additional Factors

- Ice times will have an increased transition time of 30 minutes (previously 15 minutes) to ensure minimal patron traffic and allow time for proper disinfecting. This is similar to other small arenas, such as the Chester Memorial Arena.

- Staff anticipate keeping dressing rooms open for users, with maximum time usage restricted. Staff requires time between each rental to clean dressing rooms prior to the next rental.
- The increased transition time would still be required even if dressing rooms were closed, as the players' benches require disinfecting prior to the next ice time.
- A second wave of COVID-19 is predicted in the fall or winter 2020. Depending on the severity, this could cause the Arena to close or decrease rentals.

The Recreation Facility Association of Nova Scotia (RFANS) has stated that all recreation facilities are required to have a reopening plan in place before reopening. These plans are not required to be submitted but should be made available to users of the facility. The Lunenburg War Memorial Arena COVID-19 terms and conditions have been created and may be flexible as more information becomes available. This document will be circulated to all renters and posted for the public prior to the arena opening.

Staff are proposing an Arena re-opening date of Monday, October 26, 2020. This will provide staff with the time to make ice, put up directional flow and new COVID-19 required signage in the entire building, finalize the weekly schedule with renters, create and receive signed rental agreements for all renters, ensure users are aware of and understand the new COVID-19 terms, and provide adult rental teams time to organize their game schedule. An October 26 opening date works best for Minor Hockey, as their teams will more likely be formed for the season at that time. The process to begin putting in the ice would begin the week of October 5, 2020.

The earliest possible date the Arena can open this season is October 19, 2020. The earliest that the refrigeration contractor can begin the start-up procedures at the Arena would be on Friday, October 2 (which is a day later than when we would typically have them). Minor Hockey's weekly rental that was anticipated to be 80% would be lowered this week (October 19-25) due to teams likely not being formed by October 19. This opening date would also require staff to work at an overtime rate on Thanksgiving Monday and the cost of this has not been calculated. An opening date of October 19 would be a compressing timeline, noting the work required to be in place prior to opening as stated in the paragraph above.

3. FINANCIAL IMPACT

Arena 2020-21 Season				
		Opening Oct.26 or Nov.2	FOR REFERENCE ONLY	
		Revised	Revised	
		Budget	Budget	
	Approved	based on New	based on the	Revised
	Budget	50 person	10 person	Budget
	20-21 *	health restrictions	health restrictions	if no opening
<i>Revenues</i>				
Public Skate	6,000	4,000	3,000	-
Skate Sharpening	500	500	-	-
Minor Hockey	73,000	58,400	35,000	-
Hockey Other	45,000	31,500	20,000	-
School Skating	6,000	3,000	-	-
Other Skating	1,500	-	-	-
Sign Rentals	4,000	4,000	4,000	-
	136,000	101,400	62,000	-
<i>Expenses</i>				
Janitor Supplies	1,500	4,500	1,500	500
R&M Building	26,000	26,000	26,000	19,000
R&M Ice Machine	3,500	3,500	3,500	-
Electricity	65,000	65,000	65,000	8,000
Propane	5,300	5,300	5,300	-
Water	7,500	7,500	7,500	2,000
Sewer	2,600	2,600	2,600	2,600
Telephone, Wifi	2,600	2,600	2,600	2,600
Insurance	9,300	9,300	9,300	9,300
	123,300	126,300	123,300	44,000
Net Revenue (Deficit) before Wage Allocations	12,700	(24,900)	(61,300)	(44,000)
<i>Wage allocations</i>				
Rec Director	18,000	18,000	18,000	18,000
Seasonal staff (family skate)	2,350	2,350	2,350	-
Part-time Covid Weekend Support	-	7,000	-	-
Part-time Covid Evening Support (November)	-	1,200	-	-
Back-fill staff (surgery recovery)	-	3,200	-	-
Rec staff	100,100	100,100	100,100	46,750
	120,450	131,850	120,450	64,750
Operating Deficit with Wage Allocations	(107,750)	(156,750)	(181,750)	(108,750)
Additional budget shortfall		(49,000)	(74,000)	(1,000)

*Assumed that Arena would be able to operate without restrictions by Oct.1, 2020

Opening the arena this season with the October 1, 2020 health protocols in place will have an impact on the Operating Budget for 2020-21. It is estimated that it will cost an additional \$49,000 to operate the arena this season. It is not anticipated that there will be other operational savings to offset these additional costs. Either an Operating Reserve transfer will be required to balance the budget or the year end deficit will need to be funded in the next fiscal year, the tax rate impact of this will be approximately \$0.017.

The Operating Reserve balance as of March 31, 2020 was \$339,900 and is broken down as follows:

Operating Surplus Reserve	\$172,358
Parks and Playgrounds	53,669
LAFF	13,033
Pro-kids	16,768
Region 6 Special Projects	2,372
Sewer Reserve	15,836
Election Reserve	9,197
Salt Reserve	47,329
Miscellaneous	<u>9,338</u>
	<u>\$339,900</u>

The approved 2020-21 Operating Budget has \$20,000 allocated from the Operating Surplus Reserve for the additional election costs related to COVID-19. If we proceed with opening the arena the funding for that would be taken from this reserve as well, which will leave a balance of \$103,358.

The Operating Surplus Reserve was established from the cumulative surpluses of the Town. The Town's 18-19 FCI for Operating Reserves had a red indicator at 6.8%. The Town needs to have \$1.5M in Operating Reserves to achieve the provinces 20% green FCI indicator. Traditionally we have mitigated the risk of our low Operating Reserves with our high budget accuracy, the unpredictable nature of COVID-19 is trying our budgeting accuracy.

Staff wish for Council to note that any change to the health protocols limiting the size of groups allowed to use the arena will have additional financial impacts on arena deficit funding, the amount of which can't be determined because it would depend on when in the season and the degree of the change.

If Council wishes to consider a Covid-Surcharge it could be calculated as follows:

Possible Covid-Surcharge (based on 1,000 hrs)		
100%	pr/hr rental	\$49.00
50%	pr/hr rental	\$24.50
25%	pr/hr rental	\$12.25
10%	pr/hr rental	\$4.90

Physical activity has positive impacts on both our physical and mental well-being, which is even more critical during these trying times with the COVID-19 pandemic. Operating the arena also has economic benefits to the community as arena patrons go to restaurants and shop while in Town.

4. **STRATEGIC PLAN RELEVANCE**

In varying forms this report addresses the following Town Strategic Plan Goals:

Goal 3B: Facilitating and encouraging healthy lifestyles.

Goal 5A: Making best use of Town-owned buildings and land.

Goal 1C: Becoming a more welcoming community.

5. **RECOMMENDATION AND DRAFT MOTION**

It is recommended that the Lunenburg War Memorial Arena open for the ice season on October 26, 2020 with an extend season until April 23, 2021.

Draft Motion: moved and seconded that the Lunenburg War Memorial Arena open for the ice season on October 26, 2020 with an extend season until April 23, 2021 and an Operating Surplus Reserve transfer of \$49,000 is approved to assist in the funding of the arena operations for fiscal 2020-21.

Acknowledged only by:

Bea Renton
Town Manager/Clerk