

**SPECIAL COUNCIL MEETING (OPERATIONS BUDGET) AGENDA  
TOWN OF LUNENBURG**

Monday, March 9, 2026, | 6 pm  
Lunenburg Town Hall - Council Chamber



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- Present Mayor Jamie Myra, Deputy Rachel Bailey, Councillors Alex Greek, Debbie Dauphinee, Renea Babineau, Gale Fullerton, and Alison Strachan
- Also present Paul Nopper, CAO  
Tyson Joyce, Director of Public Works  
Marc Kiely, Director of Community Development  
Jamie Deans, Communications and Events Coordinator  
Kristi Tibbo, Director of Recreation  
Lisa Dagley, Director of Finance  
Kathleen Rafuse, Deputy Director of Finance  
Jacob McGuigan, Accountant
- Call to Order The Chair called the meeting to order at 6:00 p.m.
- Land Acknowledgment The Chair recognized Lunenburg's location on the unceded territory of the Mi'kmaq people.
- Approval of Agenda Moved and seconded that Council approve the agenda for the March 9, 2026, Special Council meeting as presented. Moved by Councillor Stachan, Seconded by Councillor Dauphinee.  
**Motion carried unanimously**
- Presentations 2026/27 Draft Water Utility Operating Budget Presentation
- Staff presented the Draft Water Utility Operating Budget to Council. Total Revenue of \$1,881,000 with total expense of \$1,868,000 equating to a net surplus of \$12,200. There is a 5.4% increase in the budget and a change of \$97,200. A Water Rate Study was commissioned and will be presented to Council on March 17, 2026. The last water rate application was in 2022. Cost increases to the budget are attributed to fuel, plant upgrades, and vehicle expenses.
- Council noted concern for fuel costs for all budgets based on world issues and the dynamics of a rapidly changing economy. No additional questions or comments from Council.
- 2026/27 Draft Town Operating Budget Presentation

Assessments are valued yearly by PVSC based on market value. Market value is based on a start date of January 1, 2026, and the sales information from the 2024 calendar year. Note that residential properties are eligible for the CAP program in Nova Scotia. Taxable assessments under the CAP increase by the Nova Scotia Consumer Price Index, which was 2.6%. Residential Assessments increased by \$51,000,000 from \$489,000,000 last year to \$541,000,000. The capped increase on that residential assessment was 7.2%, which increased from \$360,000,000 to \$386,000,000. The Commercial Assessment was \$60,000,000 in 2025 and \$62,000,000 this year, representing a 4.3% increase. 22 dwelling units, three parcels, and three capped assessments were added this year. The Town of Lunenburg Operating Budget chart shows multiple revenue sources. The draft budget was funded by a 2.1% Consumer Price Index increase applied to both Residential and Commercial Assessments or tax rates. The Residential Tax Rate increases from \$1.376 to \$1.405, which is a 2.9-cent increase. The Commercial Tax Rate increases from \$3.358 to \$3.429, which is a 7.1-cent increase or 2.9-cent. This draft also reflects a sewer rate adjustment of 2.1%, Consumer Price Index increase. Deed transfer tax is at 1.5%, with 1% or \$325,000 being used to fund future Capital projects and a 0.5% used for Operational revenues, an estimate at this time of \$162,500. Nova Scotia SCP, residential tax fund equates to \$5,420,000 or 45.8% of budget revenue. The Commercial Tax fund is \$2,160,000 or 18.3% of the budget revenue. Sewer revenue funds \$1,990,000 or 16.8%. These funds are used to fund the cost of the operations of the wastewater treatment plant and distribution system, including debt payments and reserve transfers. Other Municipal revenue includes fees and sales of services, parking meters, recreation services, and \$1,830,000 of the budget revenue or 15.5%. Provincial and Federal grant equate to \$419,500 and are 3.6% of the revenue.

Mandatory expenditures for the Municipality include RCMP services and Education. RCMP costs for the year are \$1,209,500, Education \$1,303,200, and equate to 21.3% of the total budget expenditures. For fiscal 2026/27, mandatory expenditures have increased by \$147,000, with Education at \$60,200 and RCMP at \$86,400. Assessment services are an additional cost of \$52,000.

The General Government Services budget for the 2026/27 fiscal year includes a 9.5% increase. This is a change of \$116,000 with a total General Government expense of \$1,341,600. Slight increases to legislative and Council honorariums, travel, and training, administrative building operating costs, and other expenses. The largest increase was in wages and benefits in allocations to ~~and from~~ the utilities of \$125,700.

Reductions in HR Consulting supports and, reviews, and plans of \$30,000. HR supports were for the recruitment of senior staff in 2025/26. Note that the Lunenburg County Wheels has been reallocated from the Community Grants budget line to its own separate line item of \$10,000. In 2022/23, the Council approved a low-income tax exemption that would increase by CPI yearly. The exemption amounts have been adjusted in this budget by 2.1%. Last year's top value of assessment exemption was \$1,000, and it was based on a cap of income of \$34,311. In 2026/27, this has increased to \$35,032 or less. The amount for last year for a \$500 exemption was an income from \$34,000 to \$40,000. This year it will be from \$35,000 to \$41,000.

Other Protective Budget Services for 2026/27 have an increase of 10.6% or \$140,600. The total Other Protection budget is \$1,470,500. Changes to this budget include the RCMP increase of \$87,200, a reduction of \$1,000 for Prosecuting Attorney, an increase of By-Law Enforcement Officer and support costs with a vehicle at \$55,000, Emergency Management Planning of \$11,000, and a reduction in Building and Fire Inspection costs of \$11,600.

Fire Protection Operating Budget for 2026/27 has an increase of 6.3%, a change of \$50,700 for a total budget of \$850,400. Minor increases to the budget for administration, fire-fighting force, and travel expenses of \$7,300. Fire protection rate increased by \$14,700, fire equipment at \$13,300 for hose and nozzle replacements, and \$6,000 for protective equipment reserve.

Transportation Services Operating Budget has an increase of 10.3% and a change of \$161,300 in budget for a total of \$1,729,900. The change includes wages and benefits of \$193,200, \$11,500 for fleet fuel, repairs, and supplies, street lighting of \$13,000 due to electrical rate increases, and a new line item of the Lunenburg County Wheels of \$10,000. This was noted removal from the Community Grants contributions and created a separate line item under Transportation.

The Environmental Health Operating Budget for 2026/27 includes the Wastewater Treatment Plant and Solid Waste collection. This has a 1% decrease in the budget and a change of \$17,100 reduction for a total budget of \$1,731,600. Changes include wages and benefits of \$65,700, \$11,100 for water, insurance, and interest on debt, an electricity increase of \$57,500, sludge disposal of \$11,300, reserve fund allocation of \$75,000 for the Biofilter Media, and a savings of \$87,700 in waste collection as per our Circular Materials contract.

The Community Development Services Operating Budget for 2026/27 has a reduction of 5% in the total Budget. This budget has a change of

\$43,200 with a total budget of \$820,300. Changes to the budget include wages and benefits of \$120,800, training, computer and advertising support of \$12,400, tourism expenses of \$4,500, and a reduction of the Economic Impact Study, as it was completed in 2025/26, of \$100,000. Additionally, there was a reallocation of Economic Development salary and support costs, showing a reduction of \$35,200. Additional changes to property holdings under Community Development include \$100 for the Old Fire Hall, the CN Train Station being sold removes \$55,100 from the budget, an addition of \$9,100 for the Lunenburg Academy operations, \$800 for the public washroom, and a reduction of \$600 from the cemetery.

Council inquired to the tourism expenses and what they would be related to. Staff indicated that this funding will be used to start projects as part of the upcoming Cultural Tourism Strategy to be presented to Council. Council asked about the funding for the public washroom and the goal of extending the seasonal use, and if this budget is sufficient. Staff noted that the full budget was not used last year and expects that this addition will be sufficient for the extended time of operation proposed.

The Recreation and Culture Services Operating Budget for 2026/27 includes a 1.4% increase in the budget of \$14,700 for a total budget of \$1,083,100. There are minor adjustments to the wages and benefits of \$3,400 and the UNESCO Joint Promotion of \$2,500. Larger increases included \$14,000 for upgrades to playgrounds and parks and \$47,100 for operating upgrades to buildings, including all new lighting, rental of a scissor lift, upgrades to internet services, and minor repair works. We have a reduction in debenture interest of \$1,200 and a Library-Janitorial Contract and Supplies reduction of \$3,900.

The Fiscal Services Operating Budget for 2026/27 has a 3.1% increase with a change of \$84,800, for a total Fiscal Services budget of \$2,798,900. Changes include a reduction of debenture principal payments of \$3,900, an increase in reserve transfers of \$28,500, and an increase of \$60,200.

The 2026/27 Proposed Sewer Rates have been adjusted by the CPI of Nova Scotia. Residential rates proposed are \$750.82, a change of \$15.44, Commercial per \$100 of assessment to \$0.7175; Churches (Quarterly) of \$440.98.

The 2026/27 Proposed Tax Rates for the Town of Lunenburg have been updated by CPI of Nova Scotia. The proposed residential rate per \$100 assessment from 2025/26 was \$1.376 to the draft rate of \$1.405 for 2026/27. Commercial per \$100 assessment from 2025/26 was \$3.358 to

the proposed rate of \$3.429 for 2026/27. It was noted by staff that this was the first increase in the tax rate by the Town since the 2021/22 budget.

Council asked staff a series of questions regarding the proposed budget. Council questioned the \$11,000 increase to Emergency Management Services and asked if this was from the proposed budget for the Regional Emergency Management Organization. Staff indicated this was from the proposed shared regional budget.

Council asked about the Education rate and how that was calculated. Staff noted it is based on a provincial calculation on uniform assessment and an average rate of need from across the province. The rate is set between the school boards and the province through provincial Acts.

Council asked for further clarity on the staff wages and changes between the utilities on how they are allocated. Staff will bring back a report for Council to provide clarity on how wages are allocated at the next meeting. Staff also indicated that, with a full complement of staff, some new positions were requested, including a By-Law/Meter Reader position and a Water and Wastewater Supervisor have also added to the increase in wages. These new positions will help with succession planning and staff coverage.

Council asked about a \$40,000 repair budget line for the Town loader for Public Works and why it was set at this rate. Staff outlined the condition of the loader and that it is nearing the end of its lifecycle. It was noted as a need in the Capital Budget in a few years. Staff are having to spend additional time repairing the loader due to age, wear and tear.

Council asked about the \$419,000 in grant funding in the revenue section of the budget. Council asked if staff could provide a further breakdown of the grants received and to provide clarity on funding that has been obtained previously. Staff noted they will provide Council with further clarification, but the major project funding currently is the Wastewater Treatment Plant upgrades.

Council inquired as to the capped assessment of 2.6% and noted that not every property in our community is capped. Council was seeking to know the difference between the properties that are capped and those that are not for the 2026/27 assessment. Staff noted that the majority of Residential properties are capped but Commercial properties are not. Only properties in the Residential sector are not capped when there is a house sale or building permits for improvements. Staff noted that on page 3 of the budget there was a breakdown of accounts that has a

comparative property tax assessment and tax rates. There is an overall increase of 6.45% for the year.

Council asked about the Residential and Commercial Sewer Rates for the upcoming budget. It was noted that they make up 16.8% of the revenue, which is close to \$2,000,000. It noted that there was a transfer of some revenue to reserves of 30%. Council asked if there was a policy regarding these transfers and rates. Staff noted that there are two components for this process, which can be found under the Fiscal Services budget. One is the specific plant upgrades, the \$286,000. When we chose the method of upgrading the plant, we undertook a process of funding a specific reserve for the upgrades, and to help offset future debt payments to reduce costs on the Town. In addition, there is a baseline rate to help maintain the current infrastructure.

Council asked about the increase in honorarium for their positions and how it was established for these increases. The Mayor noted that in 2013, the Council of the day had an independent group review the rates and determine a process to increase the honorariums. It was determined that they would be increased by the CPI yearly. It is difficult for Council members to debate their own wage increases and thus was completed by an outside group and recommended to Council.

Council asked about the Cemetery and what the status or direction that was provided to staff. Staff noted that the Cemetery will need to be its own meeting as there is a lot to review and staff have to create options for Council. As we currently have a contract for grass cutting in place for 2026/27, we will maintain it for this year and discuss next steps with Council on the operations of the Cemetery. Staff have not had time to review other cemeteries in the area for rates, what options Council has for improvements and protections for the cemetery, and the Operational and Capital costs that could be associated with improvements.

Council noted to staff that a review of rates for programs, facilities, and field rentals needs to occur. Rates have not changed in many years, and with costs increasing for labour and supplies, we should be looking at a level of cost recovery. Staff noted that we will review our Municipal neighbours for their rates and look at evening up rates, i.e. badminton costs \$5.00 to participate, but pickleball costs \$4.00. Council would like to see fair and even rates for programs and rentals. Council also indicated this for parking meters and parking tickets. Staff noted a report was coming forward to the Committee of the Whole meeting that will address Parking Meter Rates and directions from Council.

Council asked about the increase to Canada Day expenses and why the budget was at \$6,200, and if we have heard back from our grant application. Staff noted that funding for Canada Day is usually released in late April or early May. Additionally, costs have increased for supplies and rental items like bouncy castles. So, we have increased the budget to accommodate this change.

Council discussed the tax rate and the proposed increase for 2026/27. They noted that the rate has not changed in many years and that we should be preparing to do CPI increases and/or slightly higher increases on a yearly basis to keep up with inflation and rising costs. Holding the tax rate and making a large increase after 5 plus years can be difficult for residents and businesses to handle. Council discussed low-income thresholds and how we can support those in most need in our community. Council asked staff to review our Municipal neighbours and what they are doing to support low-income households.

Council discussed the Protective Services and Other Protective Services budget being presented. It was noted that with the new position of By-Law Officer/Meter Reader, this would help with additional revenue through ticketing and provide 7 days a week coverage for enforcement measures. Additionally, with the provincial changes to the Fire Protection Act, there could be future impacts on training costs for level 1 firefighters and the standardization of services. We are fortunate to have a well-trained team, but we could see additional costs associated with it in the future.

### 5.3 2026/27 Town Capital and Operating Budget Reserve Report

A report was provided to Council in January 2026 outlining the need for Council to strongly consider significant investment in the reserves based on multiple large-scale projects that are being planned. Staff provided a review of the current reserves, tax service comparisons for adjacent municipalities, the historical tax rates of the Town since 2001/02, a residential tax impact for exemptions, and a letter from the province noting funding cuts to Municipal grant programs with unknown replacement of programs. Staff provided three options for Council consideration with a request for a \$0.10 increase to the tax rate to support the reserve funds, which included additional supports for low-income households. Currently, the draft budget does not include any of the options presented to Council. Staff provided an additional option for consideration based on how the Wastewater Treatment Plant funding occurred. This was a specifically targeted project that reserves were focused on. This program resulted in the acquisition of \$10,000,000 in grant funding with a \$2,000,000 investment by the Town and a future plan to keep borrowing down through debt repayment. Staff highlighted

to Council the strong and significant need for investment based on what is before the Town on Capital upgrade projects.

Council noted that the budget currently has a 2.1% increase for Operations. Council also noted that the Water Rates and Electrical Rates had increases in 2025/26 for the first time in a decade. These increases have had an impact on residents, including assessment increases. Council is aware of the upcoming Water Rate Study and the processes related to another Electric Rate increase coming forward. It was noted that all these cost increases will have an impact on residents, and affordability was a major concern. Council respected the advocacy from staff on the need for the reserves to be increased and requested that staff come back with additional options for reserve supports, including smaller increases over a greater timeframe and to look at specific project supports. Council noted that a \$0.10 increase for one year would not be considered. Council also indicated that we could look at a similar project like the LCLC and have a specific tax for a specific project over the course of 15 – 20 years, like what other neighbouring municipalities do. Staff will bring forward a report to Council at the next budget meeting with additional options for reserve allocations for consideration.

#### 5.4 Lunenburg Curling Club Tax Relief Request

Mayor Myra declared a Conflict of Interest on this file and left the meeting at 7:20 p.m. Deputy Mayor Bailey assumed Chair of the meeting.

Staff provided a report to Council on a request from the Lunenburg Curling Club for tax relief to their Residential tax bill. The request is for up to 10 years to help their organization to continue offering curling as a recreation program in the community. Staff outlined the current Commercial tax relief program that is provided to the Club in a value of \$6,000 per year. The request is for the additional \$4,000 in Residential tax to be waived. Under the Municipal Governance Act, Section 71 highlights a process, previously a By-Law, but now a policy, to review and decide on exemptions or relief. It was noted that several organizations in the community are offered relief in various amounts from 100% tax relief to Commercial tax relief. Staff recommended before Council decides on the relief that a presentation should be made before Council and financials be supplied for review. It was noted that this request is not reflected in the current budget and would need to be adjusted based on the Council's decision.

Council discussed the tax relief request for the Curling Club. Council agreed with staff to have the Club present to Council and have the financials brought forward for review. Council asked staff to provide a

copy of the current Tax Relief By-Law and the MGA Section 71 for review. Council was open to discussions on a 3-year agreement and allowed the next Council to follow up with a further request. Additionally, Council asked for the development of a policy that could guide Council in future decisions regarding property tax relief. Staff noted that they will contact the Club and arrange for the information and a report to be brought forward on the information requested. Staff indicated that a policy will take time to create and would not be in place before this file returns to Council for consideration.

Mayor Myra returned to the meeting as Chair at 7:30 p.m.

Public Input Session  
on Proposed  
Budgets

Robert Young, Dufferin Street

The 2.1% increase is not unreasonable for the budget. Noted that seniors had an increase of \$2.44 per month in social assistance. Mr. Young asked about what a Residential Resource Property was. Staff noted a residential property that is undeveloped. Mr. Young asked if the DNR Building is paying property taxes. Staff indicated they are waiting on information, but they do pay a tax or grant to the Town. Mr. Young noted that the revenues for the Farmers' Market seem low. Mr. Young asked if the Town has received the \$60,000 in funding requested from the Municipal District of Lunenburg for Recreation. Staff noted they are proceeding through their budget, but are confident funds will be approved. Mr. Young asked why there was an increase in the Canada Day Budget and that he would be a willing volunteer to help. Staff noted that with increased costs, we are ensuring the budget will meet the needs of the event. Mr. Young offered to make a donation to the Canada Day fund for 2026/27. Mr. Young asked about the Provincial Correction Facility funds and if we are still obligated to pay for this. Staff noted this was eliminated as a cost last year. Mr. Young inquired about the Firefighter Appreciation Dinner and if this can be opened to the public and charged per plate. Council stated that it would need to be discussed with the Fire Department, but that event is for recognition of members in the department and their families, with a few invited dignitaries. Mr. Young encouraged people to attend the Firefighters' breakfast as it was a great event for the community.

Duncan Kroll, MacDonald Street

I would like to thank the efforts of staff and Council as it relates to the detailed budget and discussions. We need to be prepared to protect the Capital Reserves and the integrity of these projects. Council understands the concerns of citizens with all the rising costs. It has been noted that the Capital Reserves have not been keeping pace and external funding

is less reliable moving forward. We will be approaching debt ceilings for borrowing, and need to protect the Town from this. The proposal from staff is a prudent approach to being prepared. As a ratepayer, I am prepared to pay for the infrastructure reserves so we can be ready for the projects ahead. I like the idea of the dedicated reserve, and Council should review all options before making a decision, but should focus on supporting the reserves.

George Case, Victoria Road

Property tax revenue is up 6.1% over the past few years. Can someone confirm whether or not most of the 6.1% is a result of increases in property appraisals going up? Staff noted it is a combination of the 2.1% CPI increase and property assessment changes. In most cases, residential properties have increased by 2.6%. Mr. Case noted he will speak at a future meeting on what is happening to his particular property as it relates to assessments and property taxes. Mr. Case noted that it seems like I am paying an awful lot just because I am updating my property to make it better. Food for thought.

Council Comments Councillor Strachan provided thanks to staff for a very detailed budget and for providing a high-level presentation that was easy to understand. I will have more questions for the next meeting but this was well presented.

Mayor Myra noted that this is a much different budget then when I started on Council. We did not have the summary sheets and high-level notes. I want to thank staff for putting a budget together that anybody could read and somewhat understand. I know how much time and effort have gone into this by everybody. Thank you to all department heads, directors, and all the Finance Department. I know there have been a lot of weekends and long days spent on this budget.

Adjournment There being no further business, the Council meeting adjourned at 7:05 p.m. Moved by Councillor Strachan and Seconded by Councillor Fullerton.

**Motion carried unanimously**

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Minutes were read and approved.