

WEST HANTS REGIONAL MUNICIPALITY
Committee of the Whole – Budget Meeting Agenda
March 25, 2026 - 6:00 p.m.
In-person Sanford Council Chambers, 76 Morison Dr, Windsor, NS
Virtual via Zoom (also YouTube Livestream)

Agenda is subject to change due to additions that may not be able to be reflected until after the meeting.



West Hants
something inspiring awaits

1. Call to Order
2. Attendance
3. Approval of the Agenda, including additions or deletions
4. Declaration(s) of Conflict of Interest
5. Announcements
6. 6:00- 6:15 Introduction and Overview of 2026-27 Budget - Mark Phillips & Carlee Rochon
7. 6:15- 7:30 Operating Budget Overview
 - a) General Revenues and Expenses
 - b) Tax Rate Overview
 - c) Debt Services
 - d) Historical Tax Rates & Reserve Utilization Information
8. 7:30- 8:30 Protective Services- Part 1
 - a) Fire Protection
 - i. Operating Budgets
 - ii. Capital budgets
9. 8:30- 8:45 Break
10. 8:45- 9:45 Water Utility
 - a) Operating Budgets
 - b) Capital Budget
11. Next Meeting Date / Adjournment
 - a) Committee of the Whole Budget Meeting Thursday, March 26, 2026, at 12pm

WEST HANTS REGIONAL MUNICIPALITY
Special Committee of the Whole Budget Meeting Minutes
March 25, 2026 - 6:00 p.m.
In-person Sanford Council Chambers, 76 Morison Dr, Windsor, NS
Virtual via Zoom (also YouTube Livestream)



1. **Call to Order** – The meeting was called to order at 6:03 pm

2. **Attendance**

Council

Abraham Zebian, Mayor

Rupert Jannasch, Councillor Dist. 1

Scott McLean, Councillor Dist. 2

Chrystal Remme, Councillor Dist. 3

Paul Wheadon, Councillor Dist. 4

Bob Morton, Councillor Dist. 6 (6:12 pm)

Debbie Francis, Deputy Mayor, Dist. 5

Kayla Leary-Pinch, Councillor Dist. 7 (6:07 pm)

Paul Morton, Councillor Dist. 8

John Smith, Councillor, Dist. 9

Bonnie Smith, Councillor Dist. 10

Jim Ivey, Councillor Dist. 11

Staff

Mark Phillips, CAO

Todd Richard, Director of Public Works

Carlee Rochon, Director of Financial Services

Deanna Snair, Exec. Asst/ Clerk

Tim Bouter, Project Engineer

Chelsea Woodman, Financial Services Admin

Regrets:

Kari Fougere, Act Dir Planning & Development

Kathy Kehoe, Director of Community Dev

Presenters:

Brett Tetanish, Brooklyn Chief

Bill Hazel, Brooklyn

Vivianne Pineo, Brooklyn Auxiliary

Jamie Harvey, Windsor Chief

Peter Johnston, Hantsport Chief

Chris Spencer, Summerville Chief

Gladys Sanford, Summerville

3. **Approval of the Agenda including additions or deletions**

As there were no additions, the agenda was accepted as presented.

4. **Declaration(s) of Conflict of Interest** - None

5. **Announcements**

West Hants Regional Municipality is in Mi'kma'ki, the ancestral and unceded territory of the Mi'kmaq People and this land is governed by the treaties of Peace and Friendship signed in 1726. West Hants Regional Municipality also recognizes that we are all treaty people and have responsibilities to this land and each other. West Hants Regional Municipality also recognizes African Nova Scotians are a distinct people whose history, legacies, and contributions have enriched that part of Mi'kma'ki known as Nova Scotia for over 400 years.

Council and I as Chair are committed to ensuring this meeting and its participants conduct themselves in a respectful and professional manner as outlined in the municipality's Municipal Code of Conduct. Meeting presenters, staff, and the public are expected to conduct themselves

in an equally respectful manner at all times the meeting is being conducted. I thank you all in advance for your commitment to these important meeting principles.

6. Introduction and Overview of 2026-27 Budget (6:05 p.m.)

Director Rochon introduced the 2025/26 Budget and reviewed the power point presentation.

Revenue - Tax revenue up \$2.9 (9.2%) from 2025/26. First full year of the Extended Producer Responsibility (Circular Material) revenue (approximately \$400,000). Of the \$2.9 million, \$2.3 was additional tax revenue if all rates were to remain the same (Lift).

Expenses – Operating expenses before debt servicing and transfers were projected to increase by \$2.1 million (6.5%) over the 2025/26 budget, with no reduction in service levels proposed. The increase was driven by two minimum wage increases within the year, higher mandatory payroll remittances due to increased rates and ceiling thresholds, and rising insurance, power, and utility costs. Residential and non-profit grants accounted for 3.5% of the total budget. In addition, debt servicing costs were increasing by \$1,201,334 (\$996,642 in new debt).

Reserves – Increase of \$25,000 to the Fire Operating Reserve. Decrease of \$346,000 in contributions to Capital Reserves.

Capital - \$40,563,147 was scheduled for projects, including carry-over projects from 2025/26, of which \$17 million related to prior-year carryovers. Of the total project funding, \$22,370,693 was funded through long-term debt, with the debt servicing ratio projected to be 8.5% (Green).

7. Operating Budget Overview - \$40,454,897 operating budget (increase of 8.8% from 2025/26).

a) General Revenues and Expenses

Director Rochon provided a brief overview of the Operating budget.

Revenue included Taxes (sewer revenue, tax revenue, deed transfer tax and business properties), Sale of Services (wind farms and Community development revenue), Services provided to other levels of government (recycling, enforcement, host community fees, Circular Materials and administration fees) and Other revenue (interest and penalties for taxes and AR, return on investments and administrative revenue and leases, fines, licenses and building permits).

Expenses included General Government Services (legislation, administration, financial services, IT services and Municipal buildings), Protective Services (RCMP, Fire, REMO, By-Law, Courthouse, building inspection and food banks, Environmental Development Services (Planning and Community and Economic Development), Environmental Health Services (sewer, waste diversion, waste collection and landfill), Recreation and Cultural Services (Community Development and libraries) and Public Health Services included cemeteries.

2026/27 Revenue

A 9.2% increase in total tax from 2025/26, rising from \$31,425,305 to \$34,331,841.

Highlights included:

- Tax rate increases based on the proposed budget.
- Special Assessments were initially estimated to decrease, but final figures show a \$15,000 increase. This will be updated in the next operating budget.
- Business property revenues were expected to decrease, but Bell and the Province have not yet confirmed the 2026/27 rates.
- The HST offset grant was based on estimates from the 2024/25 GST remittances to CRA.

Grants in Lieu of Taxes – based on assessment and rate changes and decreased by 3.7%.

Services to Other Local Governments - increased by 22.1%, primarily due to host community fees, reduced funding from the Department of Justice (Courthouses), and the inclusion of a full year of Circular Materials revenue.

Sales of Services - Decrease by 2.4%, primarily due to lower revenues from Community Development programs; however, this was offset by a 1% increase in wind farm revenue.

Other Revenue from Other Sources - increase overall by 3.4%.

Unconditional Transfers from Own Governments – were kept stable and conservative, as the Province has not yet provided updated information on the Municipal Financial Capacity Grant or the Farm Property Acreage.

Under other Conditional transfers from Federal and Provincial governments – changes include adjustments to Kings County funding for the Hantsport Fire Department and the municipal cost-sharing percentage. The Kings County share of calls has increased to 48.6%, while our operational portion was capped at \$131,400 (47.2%) this year, in accordance with the agreement with Kings County.

In summary, total revenue for 2026/27 was projected to increase by \$3,260,938. Overall, of the \$40,454,897 budget, 84.9% was expected to be funded through taxes.

2026/27 Proposed Expenses – total proposed spend increase of \$3,260,938. General Government Services (\$572,532), Protective Services (\$443,720), Transportation (\$148,212), Enviro Health Services (\$43,140), Public Health (\$4,207), Environmental Development (\$76,412), Recreation and Culture Services (\$454,001), Education (\$437,776) and Debt and Transfers (\$1,080,950).

Expenditures mandated by the province - increase in mandated expenditure was 7.3%.

For 2026/27, there was a 49.9% funding increase for regional libraries, while funding for Provincial roads and the Prosecuting Attorney remained unchanged. Assessment services (PVSC's annual amount) were projected to increase by 2.6%, and the Mandatory Education Contribution was up 7%. Within this, there was an increase in the Uniform Assessment (UA), which resulted in higher education costs based on the funding formula. Provincial funding details remain uncertain, so amounts were conservatively estimated; for example, library funding was confirmed, whereas assessment services estimates were based on capped assessment increases. Overall, the \$7,516,491 represented 0.3231% on the general residential tax rate and \$0.38 on the general commercial tax rate.

General Rated Expenditures for Municipal Services – Total proposed expenditures for 2026/27 are \$23,057,781, represented a 10.9% increase from 2025/26.

Key highlights include General Government Services (IT, Administration, Legislative, Financial Services, Municipal Facilities) increased by 14.1%. Protective Services (Fire, By-Law, Building Inspection, Prosecuting Attorney) increased by 8.8%. A major factor contributing to this increase was higher water and hydrant fees, increased by 6.9% (\$108,000). Fire services expenditures also increased by \$214,000.

Council approved a motion to provide \$44,000 in funding for the food bank through March 31, 2027.

Additionally, debt increased by \$996,642, all of which is new debt and is reflected in the current budget.

West Hants Area Rated Expenditures for Municipal Services – Total proposed expenditures for 2026/27 were \$5,394,535 (16.1% increase). Total proposed expenditures for 2026/27 were \$5,394,535 (16.1% increase) and 70% of RCMP costs resulting in a 0.9% increase).

Hantsport Area Rated Expenditures for Municipal Services – Total proposed expenditures for 2026/27 were \$496,577 (21.7% decrease). Key highlights included Cemetery increased by 6.6% (\$35,000), Regional Economic Development was moved to the Commercial rates, HMCC was area rated and there was no debt for Hantsport this year as it was paid off and a transfer to Reserves of \$284,500.

Windsor Area Rated Expenditures for Municipal Services – Total proposed expenditures for 2026/27 were \$3,989,513 (3.2% decrease). Key highlights included General; Government Services increase of 7.3% (\$244,937) associated with 100 King Street, 30% Protective Services/RCMP (0.9% increase), Cemetery in Windsor increased by 3.5% (\$58,913), the Downtown Business Society/Windsor Township increased by 3.2% (\$104,701) and the net transfer to Reserves of \$1,199,500 (12.4% decrease).

Transfers to and from Reserves – Total transfers were projected to be \$812,205, representing a 10.9% increase from 2025/26. Of this amount, \$100,050 was drawn from the Operating Reserve to fund the \$150,000 GFL Rink grant. Additional changes included a \$25,000 increase to the Fire Operating Reserve, while the Boundary Review Reserve and Election Reserve were being maintained at \$12,500 and \$50,000. The RCMP Reserve was being reduced by 15.4% (\$550,000) due to a higher-than-expected surplus, alongside a 100% reduction in consolidation funding and a 17.8% decrease in Housing Accelerator funding as the program nears completion. The Carryover Reserve reflected the Home Flood Protection Program for applicants who have not yet received funding. The Asset Retirement Obligation Reserve, required under public sector accounting standards and subject to annual review, will see a significant increase of approximately \$339,000. There were no transfers to or from reserves in West Hants, while in Hantsport there was a \$244,500 transfer to the Infrastructure Reserve and a \$40,000 transfer to the Operating Reserve. In Windsor, there was a proposed transfer of \$710,000 to the Operating Reserve and a reduced transfer of \$189,550 to the Windsor Infrastructure Reserve.

Total expected expenses for 2026/27 were proposed at \$40,454,897, with Protective Services representing the largest share at 27.8%, followed by Education at 16.6%.

b) Proposed Tax Rates and PVSC

Under the 2026 assessment roll, the Municipality saw 151 new dwellings. The average taxable residential assessment was \$227,411, with 88% of all residential properties participating in the Capped Assessment Program (CAP). A total of 558 property sales were recorded, including residential, commercial, vacant land, and apartment building transactions. Overall, the

assessment roll included approximately 13,500 residential accounts, 78 apartment accounts, and 649 commercial accounts.

Overall, compared to the previous year, the total assessment for Residential and Resource properties increased by \$160,267,394, representing an 8.1% rise. The PVSC Capped Assessment Program (CAP) adjustment for this year was a 2.6% increase, resulting in approximately 88% of all WHRM properties experiencing a 2.6% increase based on the cap alone. In comparison, the total assessment for Commercial properties increased by \$11,233,112 over the previous year.

A penny was worth:

General Rate (Residential) – 8.14% (\$212,901.53) increase, (Commercial) – 7.17% (\$16,801.09) increase.

West Hants Rate (Residential) – 7.75% (\$184,764.86) increase, (Commercial) –10.19% (\$9,870.43) increase.

Windsor Rate (Residential) –10.79% (\$28,136.67) increase, (Commercial) – 3.14% (\$6,930.66) increase.

Hantsport Rate (Residential) –7.52% (\$9,194.62) increase, (Commercial) - 1.17% (\$1,717.78) decrease.

Proposed Tax Rate for 2026/27 – General Residential Rate – an increase of (0.0500) 0.8331 (Hantsport, West Hants and Windsor).

2026-27 Proposed Residential Area Tax Rates for West Hants was 1.0823 (increase of 0.0700); Windsor was 1.5564 (decrease of 0.0900) and Hantsport was \$1.2637 (decrease of 0.0900).

Proposed Commercial Rates for 2026/27. The General Rate for all areas would remain at 0.98; West Hants Area Rate would remain at 1.78; Hantsport would decrease by 0.0500 (3.70), and Windsor would decrease by 0.0500 (3.80).

Mandatory Rate (Department of Transportation for roads, Prosecuting Attorney, Regional Library and Regional School Board). Equates to 36.9% (\$7,153,546 not including PVSC) of the General rate or \$0.30975 on the Residential rate. \$0.35617 on the Commercial Rate.

Proposed Residential Tax rate that fund Municipal Activities: 50.8% within West Hants go towards municipal services, 57.9% within Hantsport go towards municipal services and 56.6% within Windsor go towards municipal services.

Proposed Commercial Tax rate that funds Municipal Activities: 41.0% of the West Hants rate go towards municipal services, 71.6% of the Hantsport rate go towards municipal services and 53.9% of the Windsor rate go towards municipal services.

c) Historical Tax Rates & Reserve Utilization Information

Director Rochon provided an overview of the estimated increases to average properties (low, medium and high valued homes) based on the 2.6% increase in CAP. Based on PVSC increases alone, average property owners will see an increase in their tax bill.

Director Rochon provided an overview of a seven-year tax rate comparison showcasing tax rates prior to consolidation and current proposed tax rates. Windsor's tax rate pre-consolidation was \$1.8800; the proposed tax rate for 2026/27 was \$1.5564. Hantsport's tax rate pre-consolidation

was \$1.6600; the proposed tax rate for 2026/27 was \$ 1.2637. West Hants's tax rate pre-consolidation was \$1.0323; the proposed tax rate for 2026/27 was \$1.0823.

In 2020/21, West Hants utilized \$265,021 from reserves and still experienced a 2-cent increase in the tax rate. In 2021/22, \$295,000 was used from reserves, allowing the rate to be reduced back to pre-consolidation levels. In 2022/23, \$219,000 was used, resulting in a 1-cent rate reduction. In 2023/24, no reserves were used, and the rate was reduced by 4 cents. In 2024/25, West Hants used \$1,180,000 from reserves to reduce the rate by 1 cent. In 2025/26, \$697,000 was used, yet the rate still increased by 4 cents. For 2026/27, a 7-cent increase was proposed, with no reserve funds being used to offset the impact.

d) Debt Servicing

Director Rochon reviewed the cost of borrowing \$1 million at an interest rate of 7%, noting that over 5 years the cost would be \$221,481.37, over 10 years \$120,241.37, over 15 years \$86,825.07, and over 20 years \$70,361.08.

Director Rochon highlighted the 2026/27 proposed new debt servicing totalling \$996,642. A good chunk of this was being funded through sewer and water utilities.

Borrowing by Departments – \$8,974,142 (40-12%) for Capital Renewal projects; many of which have been approved in advance, \$2,289,965 (10.24%) for Public Works - General, \$330,000 (1.48%) for Community Development, \$1,179,659 (5.27%) for Fire services, \$8,0214,774 (36.72%) for Water Utility and \$1,382,153 (6.18%) for the Sewer Utility.

Director Rochon reviewed the debt ratio estimates noting the 2026/27 budget included a projected debt ratio estimate of 8.4%. Outstanding debt as of March 31, 2026 was \$16.1 million as per the financial indicators; without water it would be \$14.8 million.

Estimated Debt Servicing Forecast over the next 5 years

Director Rochon provided an estimated debt servicing forecast for the next five years, noting that debt servicing was projected at 8.5% in 2026–27, increasing to 11.9% in 2027–28, 13.6% in 2028–29, 17.0% in 2029–30, and 17.6% in 2030–31, assuming the capital budget remained as presented.

Discussion Points:

- West Hants residents would see a combined proposed rate increase of 7 cents.
- 70% of RCMP costs were allocated to the West Hants rate and 30% were allocated to the Windsor rate based on the number of officers pre-consolidation.
- Changes in Revenue have to balance the changes in Expenses. Through the Municipal Government Act, municipalities were required to present a balanced budget.
- Expenses do not necessarily equal revenue; transfers from reserves provide the flexibility to adjust the figures and achieve a balanced budget.
- As part of the compressed schedule, the Reserves budget was not completed through the normal process. The details were now being finalized, and it will be some time before the Reserve balances were presented.
- The debt service ratio reflects the Municipality's ability to manage its combined debt. It was calculated by taking total debt payments, less interest, and dividing that amount by

specific revenue sources, primarily tax revenue, excluding sewer and a few other designated revenues.

8. Protective Services- Part 1 (7:04 p.m.)

a) Fire Protection

i. Operating Budgets

The Regional Fire Services budget summary (including all departments) for 2026/27 was proposed to be \$2,097,399 which equated to an 11.4% increase from 2025/26. The largest increase overall was associated with the Regional Fire Services (63.3% increase). Confirmation was also provided of East Hants' portion to Brooklyn in the amount of 105,398 and confirmation on the rate of 47.2% for the funding for Hantsport from Kings County.

Overall, the largest percentage of total funding was associated with the Regional Fire Services budget at 26%, followed by Windsor at 19%, Brooklyn Station 1 at 17%, Hantsport at 13%, Summerville at 10%, Brooklyn Station 2 at 9% and Southwest Hants at 6%. Walton's funding was included in the Regional Fire Services budget total.

The Regional Fire Services budget (\$667,822 or 54.5% increase) saw the largest increase, which was associated with the Fire Services Director as it was not included in the budgeting numbers, Employee related costs, Insurance, WCB Rates, EAP Rates and Fire Fighting stipend remained in the budget as well.

Hantsport Fire Department budget (\$276,5000 or 0.7% increase). The largest adjustment seen here was in communication, which was attributed to pager replacements. Hantsport has an agreement with Kings County that helps fund Capital and Operating expenses and WHRM owns the building.

Summerville Fire Department budget (\$209,550 or 2% increase from 2025/26). The increase was associated with increased fire department costs, specifically snow plowing which increased by 32.3%. Summerville owns that station.

Windsor Fire Department budget (\$422,338 or 3.8% increase). The increase was attributed to small increases in personal protection and fire suppression & rescue equipment, small increases associated with maintenance and apparatus superintendent (increases in mandatory contributions) as well as small increases to public events, honorariums and member recognitions. WHRM owns the building; however, the fire department pays rent based on square footage and operating cost of the facility.

Southwest Hants Fire Department budget (\$121,935 or 1.8% increase). The proposed Society's funding was \$34,025, an increase of 5.4% compared to last year. The 1.8% increase was attributed to small increases to honorariums, membership recognition, insurance and general expenses. The fire station was owned by the Society and WHRM reimburses them for fire station related costs.

Brooklyn Fire Department Stations 1 and 2 budgets, their submission was not available until just prior to the meeting date. Their increase was presented in the budget as an increase of 3%. A supplemental information sheet was provided based on the recent submission received but was not captured within the budgets.

For Brooklyn Station 1, within the municipal costs there was a 5% increase and a 16.7% increase in the East Hants contribution as well as an operating contribution from West Hants which saw a decrease of 8.7%.

For Brooklyn Station 2, within the municipal costs there was a decrease of 7.5%, but there was a 17.4% increase in the contributions to the Fire Services, which netted a 9.5% increase overall.

New items proposed to be added from Brooklyn in the 5-Year Capital plan would be included in the overall budget and highlighted further at the next budget meeting when Capital was reviewed.

Discussion Points:

- SCBA was a self-container breathing apparatus.

ii. Capital Budgets

Within the 5-year Capital budget Fire Services make up \$8,489,890, which did not include the updated numbers from Brooklyn. The proposed spend was \$1,408,885 in 2026/27, \$6,976,005 in 2027/28 (some of which were already approved numbers as apparatus has been ordered and were set to be delivered in 2027/28), \$80,000 in 2028/29 and \$25,000 in 2029/30.

Protective Services represented about 4.5% of the 5-year Capital (\$8,489,890). Of the total Capital budget Windsor made up 4.1% of that 4.5%, and on the lower side Brooklyn Station 2 made up 0.1% of that 4.5%. 97.3% (\$8.2 million) of the proposed debt was funded through long term borrowing, with 2.7% funded through the Fire Operating Reserve (including the historical Windsor Fire equipment reserve) which represented \$229,000.

2026/27 Protective Service Capital For 2026/27, Protective Services capital funding was comprised of 86.1% long-term borrowing and 13.9% from reserves. Fire services represent 3.5% of the overall 2026/27 budget, with borrowing estimated at \$1.1 million. Of the total \$1.4 million in capital expenditures, \$712,000 (50.5%) was related to carryover projects. Similarly, of the \$1.1 million in long-term borrowing, \$578,493 (49%) was tied to carryover, meaning 51% of the debt servicing reflects new debt, while 49% had already been accounted for in the budget. \$229,226 was being utilized from Reserves.

The majority of the projects for Hantsport were debt serviced due to the agreement with Kings County as they fund a certain percentage (47.2%) of the debt servicing costs.

Discussion Points:

- Pumper Tanker 4 for BFD 1 at \$2.5 million serves as the primary first-out truck for structure fires and has a capacity of 2,000 gallons of water. An increase was built into the \$2.5 million projected cost.
- \$25,000 was allocated for work at the Brooklyn Civic Centre, covering exterior painting and the recaulking of concrete seams.
- The final insurance amount for the truck involved in the accident was still pending. Once received, discussions with the Chief and potentially Council outside of the budget process may need to occur. The vehicle involved was a one-ton pickup truck.

Chief Tetanish advised he calculated that East Hants' contribution to fire services has increased significantly, with a 22.2% rise this year. Concerns were raised that the current funding formula

reduced West Hants' share as East Hants' contribution grows, despite those funds being intended specifically for services provided to East Hants. He suggested that East Hants' portion be separated to better reflect this intent. Overall, the Brooklyn Fire Services budget increased by 2.6%, but concerns remain that he felt Station 2 has been underfunded and should receive a more proportionate share relative to its level of service.

Discussion Points:

- East Hants funding only goes towards operations. They do not contribute anything towards Capital projects (apparatus).
- Apparatuses (Engine 4 and Rescue Engine 4) that were pre-approved and ordered for 2027/28 were scheduled for delivery in the summer of 2027 but that could change.
- Repair work to Tanker 4 was corrected to \$22,000 in the 2026/27 budget, as a previous mislabeling error incorrectly listed the amount as \$1.9 million.
- Pumper Tanker in 2027/28 was corrected to \$1.9 million.
- Atv was corrected to \$85,000.
- The funding agreement between Kings County and Hantsport Fire was municipally negotiated and included both operational and capital funding. In contrast, the agreement between East Hants and the Brooklyn Fire Department was a fire service-based agreement that predated consolidation and included only operational funding; it was not municipally negotiated. Prior to consolidation, WHRM was not aware of the level of funding provided by East Hants to Brooklyn Fire. Concerns were raised that WHRM-funded apparatus (supported through WHRM capital expenditures) were being used to provide operational response to East Hants, despite East Hants not contributing to the capital costs of that equipment.
- To date no overseas apparatus have been explored. Apparatus in Europe differ significantly from those used in Canada. However, WHRM maintains an open procurement process, and any project over \$1 million was open to international bidders, all of whom were required to be considered if they apply. All tenders were posted publicly on the Nova Scotia Procurement website.
- Bulk purchasing of apparatus has been down a few times in the past; some savings have been achieved by doing this.
- The Maintenance Superintendent shared by Windsor and Southwest Hants was on the WHRM payroll, while the Brooklyn Maintenance Superintendent was not.

9. Break (6:52 p.m.)

A break occurred at 7:52 p.m. The meeting resumed at 8:15 p.m.

10. Water Utility

a) Operating Budgets (8:15 p.m.)

Director Rochon noted WHRM was now into the Schedule C of the Rules and Regulations under Matter #11538, with water rates increasing April 1, 2026.

Highlights included:

- Overall rate sales (consumption and base amounts) were projected to rise by about 5% based on forecasts and a three-year average.
- Fire protection rates (set by the Nova Scotia Regulatory and Appeals Board) were also increasing.
- Administration costs are rising with depreciation being the largest increase, projected at near \$1M.
- Administration fees increased by 4.1%.
- Admin expenses increased by 27.7% due to insurance, training, and shared public works costs.
- Increased Operating cost pressures included software upgrades for the bulk water station and increased Professional services (+46%) due to upcoming rate study and increased consulting needs due to development demands.
- Increased Source of supply costs due to Operation “Make It Rain” contingency plan.
- Higher water treatment costs due to inflation associated with higher costs with power and fuel.
- Transmission and Distribution increase was related to power.

Operational labour and supervision costs have risen due to updated salary allocations, along with additional increases tied to cost of living, benefits, and mandatory remittances.

Debt servicing costs have increased due to new loans coming into effect, including those related to the refinancing of the water treatment plant, the Mills Lake project, and the van. In addition, Capital costs that were coming online this year were also part of this increase.

Discussion Points:

- The variance in the Operating Surplus/Deficit is due to how the formula calculates the difference between two negative values (-\$5,876 and -\$512,150).
- It was suggested that revenue may be closer to \$3.9 million rather than the \$2.9 million currently reported, the figures only reflect results to the end of December with one quarter remaining, indicating up to \$1 million in additional revenue could be seen. It was suggested that revenue may be closer to \$3.9 million.
- Revenue projections were based on a three-year average, with consumption at about \$1.5 million and base rate sales at \$1 million, totaling \$2.5 million. After applying projections and adjustments, an approximate 5% increase was used for rate setting.
- Within the Rules and Regulations, a special water rate was applied for sprinkler services in buildings equipped with sprinkler systems, typically institutions or apartment buildings.

As of March 31, 2026, West Hants Water’s total outstanding debt was \$1,321,936. Debt servicing accounted for 11.7% of total operating and non-operating expenses. Excluding new debt added this year, debt servicing would be approximately 3.1%, meaning 3.1% of operating costs related to previously borrowed debt.

b) Capital Budget (8:26 p.m.)

The water utility represented 16.1% of the five-year Capital plan. Funding over this period included \$2.3 million from reserves, \$162,971 from water operations, \$582,508 from user fees, \$19,000,276 from long-term debt, and \$7.7 million from provincial and federal grants (some

confirmed, some pending). A significant number of projects were proposed for 2026/27 to build resilience and capacity, but spending was expected to decrease and balance out over the remaining four years of the Capital plan.

For 2026/27, the water utility represented 41.3% of the Capital budget, totaling \$16,751,250, with \$12.1 million carried over from previous years. All new borrowing this year (\$12.1million) was associated with carryover projects. Funding for Capital projects included \$39,944 from water operating funds, \$484,432 from water capital/depreciation, \$8,214,000 from long-term borrowing (all for carryover projects), \$282,508 from user fees for meter-related costs, and \$7.7 million from provincial and federal grants.

The expected year-end balance for the five-year water capital reserve as of March 31, 2026, was \$988,702.

Discussion Points:

- Carryover projects included the water storage tank, the Filter Redundancy 3rd Process Train at the Water Treatment Plant, the Windsor-Falmouth interconnection, and the Mills Lake Diversion Pipe.
- If there was a surplus instead of the projected deficit, any extra funds were deposited into a surplus/deficit account to create an operating buffer and help smooth rates.
- CHIFF funding would be applied for the project, covering about 73–74% of the costs, and the project is contingent on receiving this external funding.
- The water storage tank was now in full service. It was carried over due to a condensed schedule when the budgets were prepared in early January and because of a holdback amount. As of March 31, the actual carryover was expected to be less than initially presented, though about 10% will remain due to the holdback process.
- The Third Process Train was expected to be completed this fiscal year, while the interconnection was not. If the grant application for the interconnection was successful, it would be tendered in the fall, with construction planned for 2027.
- Most of the smaller water utility projects were completed last year, while the larger, multi-year projects were carried over.
- The Mills Lake Diversion Pipe was included in the budget to provide capacity and authorization to proceed if the project was retendered.
- The ½-ton pickup was shared between the water and sewer utilities. There were four pickup trucks supporting water distribution and treatment across three water treatment plants, three wastewater treatment plants, and full distribution systems in all remote locations. Only one truck was being replaced: the 2015 Unit 28, which, along with another high-mileage unit, was in need of replacement.
- The \$100,000 budgeted for water meters was allocated for the acoustic-sensing water meters pilot program
- Based on the expected water utility reserve balance of \$988,702, with estimated depreciation and capital contributions of \$5,784,142 and anticipated spending of \$4,842,627, the projected reserve balance as of March 31, 2027, was \$1,930,216.

- The sewer utility will be reviewed at the next meeting. There was value in seeing a detailed breakout for sewer separately, rather than just the aggregated total.
- Protective Services grants were limited. One available option was the Emergency Services Provider Grant, offered every three years, but it has a funding threshold of around \$20,000 and strict eligibility requirements.

11. Next Meeting Date / Adjournment – March 26, 2026 Special Committee of the Whole Budget.
With no further business to discuss, the meeting adjourned at 8:47 p.m.

Deputy Mayor Debbie Francis, Chair

Deanna Snair, Municipal Clerk