

**MINUTES**  
**TOWN OF ANNAPOLIS ROYAL**  
**COMMITTEE OF THE WHOLE**  
**SPECIAL MEETING**  
**December 15, 2008**  
**2:30 p.m.**

A special meeting of the Committee of the Whole was held on Monday, December 15, 2008 in Council Chambers at Town Hall. In attendance were Chair Mayor Phil Roberts, Deputy Mayor Jane DeWolfe, Councillors Kathie Fearon, Pat Power and Doug Shaffner, CAO Amery Boyer, Director of Finance Melony Robinson and Administrative Assistant Jackie Longmire as recording secretary. Members of the public, Byron Mersereau and Steve Hawboldt were also in attendance.

Regrets: Councillor Sherman Hudson

**CALL TO ORDER**

Mayor Roberts called the meeting to order and introduced Lloyd MacLeod and Dean Hunter of Property Valuation Services Corporation. It was hoped that the PVSC representatives will be able to answer some questions regarding the re-assessment of the NSPI tidal power property.

Mr. MacLeod was asked how the re-assessment came about. He said that in 2005 the UNSM passed a resolution asking that all properties owned by NSPI be re-evaluated. The process began in 2005. Each NSPI-owned property in Nova Scotia was personally visited by Dean Hunter and other employees of PVSC. The tidal power plant is considered a “special” property and Stone-Webster, consultants located in the USA were contacted to assist in the assessment of the properties. Mayor Roberts asked if PVSC has received any written documentation for Stone-Webster and Mr. MacLeod said no written documentation has been received. The review process started when PVSC was a division of the Provincial Government and it is now owned by the municipal units.

It was noted that the tidal power plant in Annapolis Royal is the only one of two in North America and that it is difficult to find an expert to place a value on that type of property. Steve Hawboldt explained how the power is generated in Annapolis Royal and identified the unique differences between tidal and hydro power generation. Mayor Roberts said the differences will be raised in the appeal process.

Mr. McLeod continued with the explanation saying that the value of the property is not based on energy produced. The re-evaluation is based on the building and the land only. When the building was assessed at a value of \$41.5 million, equipment and machinery were included in the value. Equipment and machinery are not considered for assessment purposes in any of the NSPI properties. The turbine in the Annapolis Royal plant is considered equipment and is therefore not considered in the assessed value.

Mr. MacLeod said that the current book value of the property is \$24 million; he is not sure where the \$41.5 million figure came from when the building was previously assessed. It was also noted that the property had not been properly depreciated over the years and it would have been the responsibility of the assessment office in the area to ensure that proper depreciation was being applied to the property.

It was noted that the value of the majority of the NSPI properties in the Province had no significant change. There were three properties including the one in Annapolis Royal that experienced a significant decrease and there are three properties that would generate an increase in the grant in lieu paid to the host municipal units. Wreck Cove in Cape Breton produces more than ten times the amount of energy than the plant in Annapolis Royal does and has eleven dams. There is also a significant amount of infrastructure within the Wreck Cove plant that is not factored into the new assessed value.

Mr. MacLeod said the new assessment values are subject to change until the roll is released in 2009. He said that some of the values that were originally released have changed just in the past few days. Mayor Roberts said that the media seem to have some of the assessed values and are reporting numbers that may or may not be correct. Mr. MacLeod said that the numbers were released to the municipal units and it is possible that those units are releasing figures in their communications with the media.

Mayor Roberts said that the reduction in assessment puts Annapolis Royal in a difficult place with one-third of its total budget gone. A freeze has been placed on all non-essential spending, projects have been put on hold, and all staff members are on notice. Mr. MacLeod encouraged Mayor Roberts to focus attention where it should be focused at this time. He encouraged communication with the appropriate ministers and the UNSM. He said that PVSC is confident in the evaluation and the process used to generate the new figures.

It was asked why the assessment is based on net book value rather than replacement costs. Mr. MacLeod said that all of the properties have to be assessed the same way and he said that the majority of the NSPI properties in other areas have higher assessed values than the Annapolis Royal plant. The fact that it is a heritage property does not come into consideration. Mr. MacLeod said that PVSC has known for some time that the property in Annapolis Royal was assessed too high and that the Wreck Cove assessment was too low.

There was some confusion over whether or not Lloyd Hines was still the Chairman of the PVSC. Mr. MacLeod said that he did not believe that Mr. Hines was still the Chairperson. Mayor Roberts said that a PVSC meeting was held on December 3, 2008 and Mr. Hines was in attendance as the Chairperson.

It was noted that if the original agreement for the grant in lieu process has been to have the monies phased in over a period of time then perhaps there could be an agreement made to have the funds phased out. All issues and options will be thoroughly reviewed in preparation for an upcoming meeting with the Minister of Service Nova Scotia and Municipal Relations, Jamie Muir.

*It was moved by Deputy Mayor DeWolfe to adjourn the meeting.*

<i>Action:</i>	<i>Date</i>	<i>Signature</i>
Reviewed by Mayor Phil Roberts		
Changes made by Administrative Assistant Jackie Longmire		
Approved for website by CAO		
Forwarded to the Website		