

TO: Mayors, Wardens, Councillor and CAO's
FR: Lyle Goldberg, Manager, Member Relations
RE: RESOLUTIONS REPORT UPDATED

Based on our last few resolutions meetings, we have updated the attached document. Specifically we have amended the following:

Protected Areas - The Provincial Department of Environment does provide a Grant-in-Lieu to municipalities for wilderness protected areas based on the actual assessed value. So the only issue would be to request that the Province improve consultation with municipalities prior to any designation.

Affordable Housing – The Shelburne County Housing Coalition along with their housing coalition partners in Digby, Yarmouth and Lunenburg have produced a report recommending a number of changes to the MGA and other provincial legislation which would assist municipalities in creating more affordable housing opportunities within their jurisdictions. It is recommended that these recommendations be explored by the working group tasked with addressing affordable housing issues.

Agriculture – The County of Kings is still working on updating the current resolution. The updated version will be provided when available.



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INTERIM RESOLUTIONS REPORT

Feedback Welcome

October 2017

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INTRODUCTION

Resolutions are a means to convey matters of importance. They are passed by majority vote at our annual conference and serve as notice to other levels of government that these matters will be addressed. In recent years a large number of resolutions were forwarded to the Province with little success. UNSM was advised to narrow the number of resolutions to the top priorities of the membership. In discussions with members, general support was expressed to limiting the number of resolutions that go to the Province at 3-5 per year, with clear requests for specific action based on evidence and analysis.

2016 was the first year resolutions were limited to five. The process to develop these resolutions was temporary, recognizing the municipal elections were being held a month before the annual meeting. The resolutions were based on a membership survey asking participants to identify top priorities.

The intent of the revised resolution process is to involve multiple municipalities in the identification the top issues impacting municipalities. Each potential resolution identified involves undertaking research and analysis to describe the issue, how it is impacting municipalities, options to address the issue, and a recommended solution in the form of a resolution. Developing a limited number of resolutions as a top priorities would have a greater impact on being implemented by the Province.

Given the goal of focussing the resolutions on matters that would make a difference to municipalities, the resolution policy focusses resolutions on municipal matters. Yet many of our members pointed out the need to bring community concerns to the province's attention. The challenge in using the resolution format is that municipalities likely do not have the expertise to identify the appropriate solution, hence the idea of a Statement of Municipal Concern. These would allow individual councils to detail the issue in their communities. All Statements of Municipal Concern would be sent to the province for their review.

Last winter and spring, regional and caucus meetings were held across the province. Participants suggested possible resolutions. These suggestions were not typically specific. Over the summer, UNSM staff worked with others to research the various topics. This interim document provides the information gained and suggests possible actions, not all of which lead to a resolution.

The resolution meetings being held September 6 in Baddeck, September 22 in Liverpool and October 6 in East Hants are intended to get further feedback from the membership.

Key questions to consider:

- Is this of major importance to municipalities?
- Is the issue correctly identified?

- Is there information missing in the discussion?
- Do the proposed actions make sense?
- Is there a major issue missing?

Feedback from the three sessions will be presented to the UNSM Executive, who will make recommendations for resolutions to be brought to the membership at the annual conference. Should more than five resolutions to the province be proposed, there will be a process for the membership to select their top five at the AGM in November.

AFFORDABLE HOUSING

Issue Identification:

Affordable Housing is critical to all communities. This issue includes:

- Lack of housing of various types
- Poor quality of housing, especially for low income renters
- Ongoing support from other levels of government to those supplying housing to citizens
- Homelessness
- Appropriate, affordable housing for those with disabilities
- Senior housing options

Background Information:

FCM has identified housing as it's next priority, following infrastructure. It has called attention to the federal programs expiring in the next year, and the need to renew them. In Nova Scotia, the federal government provides subsidies for 20,900 households, worth approximately \$50 million per year through federal social housing agreements. If the current programs expire, at least a third of these are at risk. FCM wants to ensure social housing is protected. FCM is also pushing for implementation of the national housing strategy, the building of new social and affordable housing, the support for the non-profit housing sector, financial support for vulnerable households, investment in rental housing, and support to reduce and prevent homelessness.

The Federal Housing Strategy will invest \$11.2 billion across Canada. \$5 billion of this money has been dedicated by CMHC for a National Housing Fund that will support co-investment opportunities with housing partners. As well, financing for affordable housing will be federally designed and delivered. Likely municipalities and non-profit housing organizations will be eligible, along with the private sector. This will present a particular challenge in Nova Scotia, where housing support is delivered by the Province. Housing is not a core responsibility for municipalities and in many municipalities resources may not be available. As well, the non-profit housing sector is not large. This point should be made clear to the federal government.

The provincial government housing initiatives focus on low income residents. They do have programs related to homelessness, shelters and transition housing, social housing, affordable rental housing, home ownership and housing repair programs. The current provincial strategy was established in 2013, and should be reviewed once the federal program details are clear.

With respect to seniors, the province's SHIFT program to support our aging population commits the province to working with the federal and municipal governments to invest in housing that

supports people to age in place in their homes and communities. It specifically mentions reviewing the Statement of Provincial Interest on Housing to determine if it adequately directs municipal planning and zoning to support a range of options that bridge the gap between independent living and long-term care. The SHIFT action plan also supports construction of affordable housing for seniors, additional rent subsidies to reduce the waiting list for public housing, improving the quality of social housing for low-income households, funding to create and upgrade shelter and transitional housing spaces for victims of family violence.

While housing is not a core responsibility for municipalities, there are ways municipalities are contributing to housing solutions. These include the use of municipal planning and land use tools, community-based partnerships with other parties, donations of land, reduced taxes to non-profit organizations providing affordable housing, tax reductions to low income home owners, etc. FCM has developed a guide for municipalities which identifies tools available across the country, not all of which may apply in Nova Scotia.

Earlier this year the Shelburne County Housing Coalition along with their housing coalition partners in Digby, Yarmouth and Lunenburg produced a report titled *Supportive and Affordable Housing in Rural Nova Scotia*. This report recommended several changes to Provincial legislation to allow municipalities to contribute resources (e.g., land banks) directly to the private and not-for-profit sector for the purpose of affordable housing development. These proposed changes include the following:

1. To sell or lease property and land at a price less than market value to the private sector for the purpose of affordable housing development

Currently municipalities are limited to selling or leasing property at less than market value to non-profit organizations. This recommendation would extend Section 51 of the Municipal Government Act to include selling or leasing property at a price less than market value to a private developer strictly for the purpose of affordable housing development. The municipality shall enter into an agreement with the private developer to sell or lease land for an agreed-upon price contingent that the units being built (or renovated) are affordable housing units for a period of no less than 25 years. This recommendation would allow for more municipalities to divest unwanted property or lands to those private developers that have the resources necessary to build affordable housing in the community, thus increasing the affordable housing stock.

2. Enter into an agreement with the private sector for phasing-in freeze of assessments before renovations (amend and apply Bill 177 to multi-unit residential developments) for the purpose of affordable housing development.

Currently municipalities are limited to the phasing-in freeze of assessments (the cancellation, reduction or refund of taxes) for commercial zones (Bill 177). This recommendation would extend Bill 177 of the Municipal Government Act to include multi-unit residential zones for the purpose of affordable housing development. The municipality shall enter into an agreement

with the private residential developer to freeze the assessment value of the property before any renovations or improvements are made if the development is for the purpose of creating affordable housing units.

3. To extend the definition whom municipal housing corporations are for to include all citizens of the municipality

Currently the Municipal Housing Corporations Act (Section 11) states that “the object of the corporation is to construct, hold and manage accommodation for the aged, mentally handicapped or physically disabled or others requiring nursing or custodial care.” This recommendation would allow municipalities to be able to create housing corporations for any community member, or group of members so long as the housing was deemed affordable. Many municipalities across Canada construct, hold and manage accommodation (create corporations) for their community members, including mixed-income housing. Amending Section 11 of the Nova Scotia Municipal Housing Corporations Act to include community members that do not fit in the prescribed definitions would allow municipalities to create corporations for the purpose of constructing, holding and managing accommodations for all citizens; creating more affordable housing units.

Impact on Municipalities

As the provincial and federal governments review their strategies and negotiate new arrangements, concerns are emerging and municipalities are increasingly under pressure to assist in ensuring affordable housing is available.

It is possible the federal and provincial programs are not enough, and municipalities will be asked to invest in housing directly. While partnerships are likely allowed under the MGA, the responsibilities municipalities are currently delivering have led to already high tax burdens on property owners. Adding to these burdens is a challenge, one requiring careful and transparent discussion within the community.

Renewal of the expiring federal Affordable Housing Agreements is essential. The reliance on municipalities and the non-profit housing sector in NS for the delivery of federal programming is of great concern, as the capacity is not there.

Municipal involvement with the province in finding housing solutions is essential.

Proposed Solution:

Two resolutions are recommended, one to the federal government and one to the provincial government:

- **Federal Resolution:** The resolution would ask the federal government to support the need for federal investments in housing in Nova Scotia; the need to renew the

Affordable Housing Agreements, and the need to recognize and address the lack of capacity in NS municipalities and the non-profit housing sector to deliver federal housing programs. The federal government should work with UNSM and the province to ensure federal programs are fully accessed in Nova Scotia.

- **Provincial Resolution:** The resolution would ask the province to establish a joint provincial/municipal working group or steering committee to review the current housing strategy in light of current needs; to clarify the role and tools available to municipalities to address housing issues including a review of the legislative changes proposed; and to develop guides for municipalities on the tools available to them to address these issues. The working group could also review the current Statement of Interest with respect to housing.

Alternative Approaches:

UNSM could develop a Statement of Municipal Concern which would document housing concerns from municipalities.

AGRICULTURAL LAND

Issue Identification:

All land in Nova Scotia assessed as agricultural is exempt from municipal property taxation. Instead, municipalities receive a provincial grant-in-lieu. A significant portion of lands which are assessed as agricultural are now abandoned and no longer being used for agricultural purposes. The issue is that in many cases these property owners are still receiving the tax exemption because a change in use has not been formally identified. This has likely resulted in reduced revenues for municipalities. It also creates little or no incentive to actively farm since abandoned agricultural lands are receiving the same tax benefit. In many situations it appears agricultural properties are being purchased by non-farmers where the new buyer builds a home with no intention of farming. This could result in valuable agricultural lands going out of circulation. If this situation continues, it could impact the amount of local food grown in Nova Scotia. While some of these mentioned lands may be lying fallow, there is no system in place to prove whether the land is fallow or abandoned.

Background Information

Section 77 of the MGA outlines the farm property taxation exemption as follows:

- (1) The Minister shall in each year pay to the municipality in which farm property exempt from taxation is situate a grant equal to \$2.10 per acre in respect of the land.
- (2) For the fiscal year ending March 31, 2001, and for each subsequent fiscal year, the Minister shall pay to the municipality in which the land is situate a grant per acre equal to the grant paid for the immediately preceding fiscal year varied by the same percentage as the variation in the cost of living over the immediately preceding calendar year as measured by the change in the Consumer Price Index for Canada prepared by Statistics Canada.
- (3) Where any land, or part thereof, to which this Section applies ceases to be farm property, a change in use tax, determined by the assessor pursuant to the Assessment Act, equal to twenty per cent of the value of the land, or part thereof, that ceased to be farm property is due and payable to the municipality in which the land is situate by the person determined by the assessor to have been responsible for the change in use, unless the land, or part thereof, becomes forest property bona fide used or intended to be used for forestry purposes, in which case no change in use tax is payable.

The organization responsible for identifying a change of use in agricultural lands is the Property Valuation Services Corporation (PVSC). Rural municipalities have not received many notices with respect to change in use over the last number of years even though anecdotally municipal

staff have identified several agricultural lands that have been abandoned (as indicated by the alders and shrubs sprouting up). It is suggested that the PVSC lead and develop a new comprehensive strategy to better identify a change in use.

The Province has its own Statement of Interest Regarding Agricultural Land where its goal is to protect agricultural land for the development of a viable and sustainable agriculture and food industry. The basis for the statement is as follows:

- The preservation of agricultural land is important to the future of Nova Scotians.
- Agricultural land is being lost to non-agricultural development.
- There are land-use conflicts between agricultural and non-agricultural land uses.

How the issue is currently impacting municipalities and/or any potential impacts

Municipalities could be losing revenues as a result of abandoned agricultural lands being exempt from municipal taxation. Abandoned agricultural land also means there could be fewer people working in the sector which provides much needed employment for rural communities. It could also result in less food grown locally. Taxing abandoned lands at, for example, a 20 per cent rate or at a residential rate where there is a house situated may encourage better economic use of the lands.

Proposed Solution:

That the UNSM work with PVSC and the Departments of Agriculture and Municipal Affairs to develop a comprehensive strategy that will quickly and efficiently reclassify land that is no longer being used for agricultural purposes. The strategy would also include clear definitions of fallow versus abandoned agricultural lands.

Other steps as appropriate to enhance the success of the resolution which could include engaging other stakeholder groups or further research.

a. Other Stakeholders

The UNSM may want to engage the NS Department of Agriculture, Department of Municipal Affairs, PVSC and the NS Federation of Agriculture for further input.

b. Further Research

Further research could include gathering information on the following:

- Percentage of land in NS assessed as agricultural and how this has changed over the last five years
- Percentage of agricultural land that has been reclassified over the last five years

- Current strategy PVSC has in place to identify agricultural land that is no longer in use
- How much Province allocates to municipalities as a grant in lieu over the last five years
- Are there other tax policy tools the Province should be looking at that encourages active farming?

BUILDING INSPECTORS

Issue Identification:

Municipalities are finding it increasingly difficult to attract qualified building inspectors.

Background Information:

This issue has been recognized for some time. In 2014 a report on the education and certification requirements was prepared by a provincial committee which reviewed the legislated and regulatory requirements. An interim report was released at that time. A final report was expected, but had not been distributed.

In July 2017, the Association of Municipal Administrators wrote to the Department of Municipal Affairs, pointing out the need for building official training to be sustainable and more responsive to the needs of municipalities across the province. They noted there needs to be a clear path towards certification for building officials from other jurisdictions, as well as improvements in the process of certification. This includes those with experience in the building trades, and those employed by municipalities who are in the process of training.

The Deputy Minister of Municipal Affairs indicated in her response to the AMA's letter that DMA is working to ensure that building inspectors from other jurisdictions can become qualified in our province. DMA is also working to establish a process whereby individuals with experience in the skilled trades can challenge the certification examinations.

Impact on Municipalities:

This issue appears to apply throughout the province, resulting in delays of various severity.

Proposed Solution:

It is recommended AMA continue to work on this issue with the Department of Municipal Affairs. Should no action result, or no solution developed, this issue should be revisited.

CAPPED ASSESSMENT PROGRAM (CAP)

Issue Identification:

Property values in the late 1990's and early 2000's were rising dramatically, especially waterfront properties. Concerns were being raised that long-standing property owners were no longer able to afford the property taxes. The CAP was legislated by the province ten years ago, as a means to protect these home owners. Since then, the program has resulted in variations in property taxes for similar houses on the same street. This breaks one of the principles of fair taxation. To raise the same level of revenue with the CAP, it is clear that for every dollar one taxpayer saves, another taxpayer pays more. We are hearing stories of young families not being able to afford the property tax when buying their first home, seniors not able to downsize without paying more in property taxes on the smaller home, economic development being stymied as people refrain from buying new homes, etc. It is not clear if the program is helping those who need it the most. A review of the program is needed to explore the issues and to find better solutions.

Background Information:

Property tax is the primary source of municipal revenues. Most academics point to a market based assessment as the fairest system. Market values reflect government services and amenities in the area. Those with higher valued homes pay more in property taxes than those with lower values. The CAP distorts the market based system.

It is not clear the current program is helping those who need it most. The program benefits those who stay in their homes for a longer period of time, and those whose assessments are rising more rapidly. Depending on market conditions, there is some analysis that suggests the ones with higher valued homes are benefitting more than those of lower value homes.

Public understanding of the issue is complicated. Many perceive they are benefitting but in actuality are paying more in taxes than they would without the CAP. There is general distrust in government, causing some to conclude the removal of the CAP is simply a means for municipalities to raise revenues.

Impact on Municipalities

Municipalities set their tax rates to raise revenues needed to provide services communities want. The difference between market assessed values and capped values varies depending on the market conditions in the municipality. The impact on new housing developments is not clear, but there are stories about new homes not being built. There are stories about people not moving into more suitable housing because the new property taxes are higher than what they are paying now. There are also stories about some municipalities not raising tax rates,

even though the revenues are needed, because they know the impact on some taxpayers will be harsher than it would be if there were no CAP.

Municipalities do not want to see people forced out of their homes from their inability to pay property taxes. To address this, there would need to be programs in place to ensure this does not happen should the CAP be phased out or eliminated.

As the duration of the program lengthens, the impacts increase and become more complicated to resolve. This needs to be dealt with now.

Proposed Solution:

UNSM has raised this issue with the province consistently over the last several years. Because the CAP was introduced by an all-party committee of the legislature, UNSM wrote to the province two years ago requesting an all-party committee review the program. The UNSM received a letter from the Minister at that time agreeing to the all-party committee. Further discussions with the province revealed challenges with this approach. UNSM's plea to the province was to at least form a working committee to review the program.

There are at least a few possible solutions that need to be explored:

- Complete phasing out over a period of 8-10 years (this was done successfully with the business occupancy tax), with a new tax relief program for low income property owners
- Applying the CAP only to situations where increases in property values are significant (e.g. over 15%), and allowing time for these higher property values to be phased in
- Providing municipalities with more tools to assist those struggling to pay property taxes, and letting municipalities choose how they want to handle it.

At this time, UNSM should not recommend one solution, but should encourage the review to explore and consult on the appropriate solution.

UNSM has recently written to the province once again requesting a review of the program. Should a positive answer not be received, a resolution would be appropriate.

Support for Solution:

UNSM is aware other groups are supportive of a removal of the CAP program. UNSM will be working with these groups to encourage them to publicly support a review.

DESIGNATED PROTECTED AREAS: LAND AND MARINE

Issue Identification:

The province does not adequately consult with affected municipalities when designating protected wilderness areas. In some cases, municipalities were developing economic opportunities, such as mining or tourism, which had to be halted once the province designated the area in question.

Similarly, the federal government designates marine protected areas without proper consultation with municipalities. Frustrated commercial fishers impacted by these designated areas have communicated their concerns to local councillors.

Background Information:

The provincial government has a goal to achieve 13% protected land across the province, provided there are not negative recreational or economic impacts. The province currently has 12.39% of its land protected, as wilderness areas or nature reserves.

The federal government has established a target to preserve 5% of Canada's oceans by the end of 2017, and 10% by the end of 2020. In the spring, the provincial government wrote to the federal Minister requesting a halt on designating any more waters off the Nova Scotia coast. Currently 30,000 square kms off Nova Scotia are designated for protection, the most marine areas under protection, and this may need to double if Canada is to achieve its goal. While designation does not automatically close an area to all activity, it impacts industry, in some cases this will have a detrimental impact. The federal government has responded publicly, indicating it is sensitive to Nova Scotia's concerns, but it is not changing its commitments.

Impact on Municipalities:

Provincial designations protecting land impact on potential economic activity within the municipality including forestry and mining operations. The locations of protected lands impact some municipalities more than others, and in some cases represent a significant portion of their land base.

Municipalities receive a grant-in-lieu from the Province for protected areas through The Conservation Property Tax Exemption which exempts the land owner from paying property taxes on a qualifying conservation property. Each year, Nova Scotia Environment, the Department of Municipal Affairs, the Property Valuation Services Corporation, and qualifying land trusts work together to identify properties that will become eligible for the Conservation Property Tax Exemption. Once identified, those properties will continue to receive the exemption year after year unless a change of use occurs. The grant allocation is equal to the

amount that would have been paid to the municipality if the property were not classified as tax exempt.

Restricting commercial fishing in prime ocean locations impacts municipalities through reducing economic activity. The province wants other provinces to contribute to the federal goal before additional areas of the ocean off Nova Scotia are designated.

Proposed Solution:

There is little municipalities can do to prevent either level of government from protecting more land or ocean. Municipalities could argue for more consultation from the provincial and federal governments when negotiating protected areas.

DOCTOR SHORTAGE AND RECRUITMENT

Issue Identification:

Without family doctors, communities are less attractive as places to live, work and play, and may result in out-migration of residents. In many areas of the province there is a shortage of both family doctors and specialists. As doctors leave communities, replacements are not automatically found.

Background Information:

The issue of too few doctors has been a challenge over the last number of years, beginning before the province moved to consolidate regional health districts into two. The challenge of attracting and keeping doctors is not unique to Nova Scotia, and the province recently announced changes in how it will work to establish more doctors in communities.

Health care is a primary provincial responsibility and is accountable for their results. The Province has recognized it does not have the right mix of family doctors and specialists, and believes the geographic distribution is uneven and does not align with population need. They have been attempting to address this, but problems remain.

Municipalities do not have expertise in the health care system, and determining the best action to attract and retain doctors is complicated. Physicians are looking for work/life balance and need realistic healthy call schedules, access to their peers and to specialists. A presentation by the NS Health Authority at the UNSM Spring Workshop identified a number of steps being taken. The province has a strategy being refined, including incentive programs such as site visits, relocation allowances, tuition relief, bursaries, debt assistance programs, etc. Work is underway with Dalhousie, Quebec, UK, Ireland, along with other marketing initiatives.

The NSHA presentation also provided a number of suggestions as to how municipalities could support doctor recruitment and retention such as promoting the reasons to live and work here; providing community mentorships; and assisting spouses and children in feeling welcome.

Some municipalities have been actively recruiting doctors for their areas; some have established clinics for them to work in.

Impact on Municipalities:

This is a major issue for many municipalities, if not all, and for some it is the most critical issue. Without access to adequate health care, people will not remain in communities. Full service health care in every community is not a practical goal, a balance will need to be struck.

Proposed Solution:

The prime responsibility for this remains with the province. However, municipalities should explore how best to support recruitment and retention, and work on solutions with the province to ensure access to health care is sufficient.

A Statement of Municipal Concern could be developed, pointing out to the province the great significance of this issue. It would be helpful if municipalities could write a supporting document indicating the situation and concern in their municipality being expressed by their citizens.

UNSM could also hold a one-day workshop, inviting experts in health care and physician recruitment to identify what municipalities could do to support recruitment efforts. UNSM would seek to partner with organizations such as Doctors Nova Scotia, and individuals who have been speaking in the media to address our members.

FORESTRY TAXATION, SUSTAINABLE PRACTICES

Issue Identification:

Taxation of forestry land is being questioned as to whether it is encouraging and supporting economic activity, and whether it can or should be used to encourage sustainable forestry practices.

Clear cutting has also been raised as an issue, with concerns about clear cutting on crown lands as well as private lands.

Background Information:

Forestry land is taxed at a rate set by the province. This rate has not changed in decades, and a review of the property tax system in Nova Scotia recommended the rate be reviewed. This has not yet happened. The Department of Natural Resources is willing to participate in a review of the tax.

Forestry land is determined under PVSC on the basis of property owner statements confirming the land is being forested. In some jurisdictions there are clearly defined characteristics and criteria to define land eligible for the forestry classification.

With respect to taxation, in many cases, the cost of billing the property owner outweighs the property tax revenue being generated. There are concerns that lands are designated as forestry that are not actually being intended to be harvested. In some cases, land is being inherited by family members who are not intending to harvest the forest but who do not want to lose the forestry designation. If the forestry tax were to be raised, they may sell their lands to large companies. Others feel the tax should be tied to sustainable forestry practices, which may impact private land owners who want to clear cut. Still others feel the tax should be used as an incentive to promote economic activity. And others feel the rate is too low, and raising it will not impact on economic activity.

With respect to clear cutting, the province has indicated it is not prepared to prevent clear cutting on private land, and that it has processes in place to ensure any clear cutting on public land is appropriate. The province has announced a review of their policies and forest practices, with a goal of improving forestry, balancing long term environmental, social and economic interests in managing Nova Scotia forests. Professor William Lahey has been retained to lead an examination of the legislation, policies and guidelines; the science based tools that determine whether and where harvesting occurs, as well as the harvesting methods (including clear cutting). He will evaluate market access for private forest owners, particularly in the western region. His work will build on previous consultations, but will also provide additional opportunities for input. He is expected to complete his preparatory phase by December,

identify issues with input from stakeholders and the public in December and January; and complete his analysis and report by end of February.

There are also different opinions about what constitutes sustainable practices, and related concerns about the spraying of pesticides.

Discussions at the regional and caucus meetings did not lead to a consensus on what needs to be changed with respect to forestry.

Impact on Municipalities

Municipalities recognize the economic value of forestry activity and want to ensure forestry remains a viable, sustainable industry. It is critical component of rural life and the issues are complicated.

The property tax system is the primary tool for municipalities to raise revenue, and it needs to be fair. There are questions raised about the treatment of forestry land, compared to the treatment of agricultural land and whether they are taxed appropriately.

Proposed Solution:

There needs to be more research undertaken on the implications of forestry taxation. More consultation is also required to identify the concerns, and to discuss possible solutions. This will require work on the part of elected and staff at the municipal level, and engagement with the forestry sector and the province.

Options moving forward include:

- A joint municipal/provincial committee to explore the issues around taxation
- A joint municipal/industry committee to explore the issues around taxation and growth of the industry
- Development of a municipal response to the provincial review of forestry.

LIBRARY FUNDING

Issue Identification:

Lack of provincial funding is impacting the ability of libraries across the province to maintain existing service levels.

Background Information:

With no sustainable funding in place from the Provincial Government, all library regions are struggling to maintain current levels of services. This fiscal year the Province allocated a one-time grant to all library regions. This funding was welcomed but does not address the ever-increasing funding pressures faced by public libraries. A sustainable funding commitment for the long-term viability of library services is required.

Impact on Municipalities:

Reduced provincial library funding places more pressure on municipalities to fund libraries. Strong public libraries serve as an important factor in resident attraction to our communities.

Proposed Solution:

The Library Boards Association of Nova Scotia (LBANS) Board of Directors and CORL, (Library Regions Executive Directors) had a joint meeting with Community Culture and Heritage (CCH) Deputy Minister Tracey Taweel, and her senior staff. Upon conclusion of the meeting it was agreed that CCH staff and Corel members would form a joint committee to determine the core services that libraries should provide. Once this base data is compiled, the goal would be to work towards a sustainable funding model.

CCH is also establishing, through its Culture Action Plan, funds where libraries can apply. This program is aimed at projected base funding. While it does not address operational concerns, it is welcome news that these funds will be available. More information on the base funding will be made available at a further update.

MUNICIPAL FUNDING FORMULA

Issue Identification:

The Fiscal Review report pointed out the current provincial operating grant was questionable in terms of helping those who need it the most, who are struggling to provide core services with a reasonable tax burden. This issue has not been resolved, and the operating grant has been frozen for a number of years.

Background Information:

This is a complex issue. There is evidence to suggest the current formula is unfair and the funding level for the program is insufficient. The Fiscal Review committee explored a number of alternative formulas, but recognized that any change in the formula would create “winners and losers”. The formula also needs to be looked at in the context of other means of increasing the viability of municipalities, including structural change, infrastructure funding, shared service delivery. As well it needs to be looked at in the context of declining and/or aging populations, economic growth, varying levels of service, and public expectations.

Impact on Municipalities:

The current formula leads to some municipalities experiencing further and further deterioration in the ability to provide the services necessary to their residents. It means some are not able to upgrade, replace or add new infrastructure. It means some will find it difficult to meet new regulations. It means some taxpayers are paying a larger proportion of their incomes on municipal services. It means some taxpayers could be paying less than they should for municipal services. It means some municipalities may be spending more on services than they would if they were not receiving provincial funding. Should the formula change, and reduce the amount going to a municipality, the municipality would have to recoup the monies elsewhere, find new efficiencies or decrease services.

There are also questions about municipal structure. For some services, economies of scale can be realized, which would reduce the tax burden on property owners. These economies of scale could be achieved through structural change or shared service delivery. Any funding program should not serve as a disincentive to achieving these economies of scale.

Proposed Solution:

The Fiscal Review recommended further consultation with municipalities on the provincial operating grants program. The consultations should be undertaken with focus on the purpose of the program, and the options for achieving the purpose.

PUBLIC TRANSIT – INTERMUNICIPAL

Issue Identification:

The benefits of municipalities working together on community transit solutions is hindered by having to go through the Utility and Review Board for approval to cross municipal boundaries. This process is expensive and lengthy. The process to create an inter-municipal service is costly and time-consuming.

Background Information:

In conversations with the Department of Seniors, this issue has been identified with respect to finding transportation solutions for seniors. The SHIFT strategy includes supporting community transportation and calls for a ministerial committee to develop a community-based transportation strategy, working with the insurance sector to protect volunteer drivers. The Department has been looking at opportunities to provide transportation to hospitals and medical appointments, having drivers pick up passengers along the way to these locations, and have identified the same issue with regards to intermunicipal transportation and the UARB.

The Department of Seniors has stated the following:

As worded in Shift: “Deliver a community-based transportation strategy and solution for Nova Scotia”. Transportation is a key issue we heard during consultations in the development of the action plan. It is clearly an important enabler in meeting the goals of the plan. We have been tasked with developing a solution and recommendations for government in the fall 2017.

To this end, we have established management and inter-departmental committees as well as engaging on a regular basis with the joint task group made of representatives from Community Transportation Nova Scotia and the Rural Transportation Association of Nova Scotia. We have been exploring a range of barriers and opportunities that include awareness/promotion, insurance for volunteer drivers, innovative approaches to transportation, UARB regulations related to “tagging” (picking up passengers along the way) and crossing municipal boundaries, etc.

In relation to the issue of crossing of boundaries that you have raised, we have been in discussion with representatives from the Department of Transportation and Infrastructure Renewal. They have been quite understanding of the issue and are open to looking at possible regulatory changes. To be clear, we will not have a solution in place for the Fall but are confident we will have a clear direction and plan in this regard.

In addition, Bill Greenlaw (Executive Director, Communities Culture & Heritage) who is co-chairing this work with me are planning to meet with you (and your executive) as part of our engagement efforts to support the development of a solution and recommendations for the Fall. We will be in touch shortly to set up a meeting.

Impact on Municipalities:

Community transportation options is important to a variety of groups of people, not just seniors. Community transportation benefits are significant. Efforts to increase the amount and availability of transportation options in rural and urban communities is essential given Nova Scotia's aging population.

Proposed Solution:

Given the interest and work of the Department of Seniors on this issue, UNSM can include this issue in the proposed MOU with the Department, and monitor progress in resolving the issue.

PVSC GOVERNANCE CHANGES

Issue Identification:

Challenges have emerged around the governance of the Property Valuation Services Corporation (PVSC). The legislation establishing the PVSC lays out requirements for Board composition that have created problems for the organization. In particular, the legislation requires elected and staff membership from each of the three municipal caucuses, and despite a number of requests, the ability to recruit members has been difficult and time consuming. The election cycle has further exacerbated the issue. More flexibility in appointing board members is required.

Since these changes require legislative changes, a full review of the PVSC governance model was undertaken, which has identified additional changes that would enhance PVSC's ability to provide services to municipalities.

Background Information:

The PVSC was previously a department within the provincial government. When the province decided to have municipalities pay for assessment services, the PVSC was established as a not-for-profit entity to provide assessment and related property information services for municipalities and the province. It is responsible for the assessment of all properties that are required under the Assessment Act to be assessed. Having assessments undertaken independent from municipal councils, in a consistent and fair manner across the province, ensures the integrity of the municipal property tax system.

Under the current Act, municipalities are identified as members of the Corporation, but there is no further wording in the Act as to the role of municipalities nor the accountability of PVSC to municipalities, other than a requirement to submit an annual report at the UNSM annual meeting. The UNSM is required to appoint members to the Board, specifically two elected members and one administrative person from each of the rural, regional and town caucuses, Following the last municipal election, four PVSC Board members needed to be replaced; in the interim, the ability for the PVSC Board to reach quorum was difficult. To avoid this issue in the future, a review of the PVSC governance was undertaken and a number of recommendations requiring legislative change have been identified.

The province is open to making legislative changes, but wants to ensure majority of municipalities are supportive of the proposed changes. A resolution at the UNSM annual meeting would demonstrate this support.

Impact on Municipalities

The recommended changes to the PVSC governance model will clarify and protect the municipal interests in ensuring quality, independent assessment services, and provide the necessary flexibility to ensure the PVSC Board is able to function appropriately. An MOU between PVSC and UNSM will spell out responsibilities and accountabilities in ensuring municipal needs are addressed by the PVSC. In addition, PVSC would work with each municipality to formalize an agreement regarding PVSC services to the municipality.

Proposed Solution:

The recommended governance changes are being proposed:

- All Board members would be appointed by an independent recruitment and appointment committee comprised of the chair/president and vice-chair/vice president of UNSM, AMANS and PVSC. Recruitment would be based on competencies and municipal experience (could be current or past elected or administrative), not on current municipal caucus structure. Should an elected board member or a current municipal administrator cease to be so, they could remain on the Board for a period up to six months while a replacement was recruited.
- The Board would include 9-11 members; likely 5-6 directors with municipal experience, and 4-5 independent members. Consideration would be given to diversity, gender, and geography. Competencies would align with the PVSC strategic plan.
- The CEO of PVSC and the Executive Director of UNSM would both be ex-officio, non-voting members.
- Length of term of any director would be 4 years, with the possibility of re-appointment. The maximum length of time one could serve on the Board would be 8 consecutive years.

An accountability framework would be established through an MOU between PVSC, UNSM and AMANS, plus service level agreements with each municipality to:

- Define the relationship between PVSC and municipalities
- Create more awareness and confidence about maintaining high service levels
- Recognize the UNSM and municipalities as a significant stakeholder group
- Formalize communication and reporting, and
- Provide a mechanism through which municipalities could express concerns.

REGIONAL ENTERPRISE NETWORKS (RENS)

Issue Identification:

There are concerns the REN model is not as effective as it could be, and does not appear to be the answer for all municipalities.

Background Information:

Economic development is essential for viable, sustainable communities. Municipalities and the other levels of government share in their responsibilities to support and encourage economic activity.

The REN model is expanding in Nova Scotia and the majority of municipalities are onboard to being part of a REN. The province is working to support the REN model and has recently undertaken a review of the model. Some changes to enhance the REN model may be forthcoming.

The experiences of those with a REN appears to be varied, and lessons are being learned about how to enhance the success of the RENS.

Sharing these successes will be part of a REN conference being held September 8th in Baddeck. More will be learned from this session which may point to actions which should be taken.

Impact on Municipalities:

Municipalities are cost-sharing with the province to fund the RENS, and as such, need to be accountable for the expenditures. Municipalities need to be clear on the work of the RENS.

Proposed Solution:

Pending the REN conference and further discussion.

REGIONAL PLANNING

Issue Identification:

Currently there are no provincial incentive programs to encourage regional planning between or among municipalities. Traditional municipal boundaries which have been in place for many years may serve to stifle the ability of municipalities coming together to provide regional planning services. Encouraging municipalities to work together to provide planning services benefits all residents while reducing duplication of effort.

Background Information:

The Towns Task Force Report adopted by the membership in 2011 outlined recommendations to encourage regional planning. These were never acted upon by the Province.

Impact on Municipalities:

Strategies to encourage more regional planning among municipalities will benefit residents, reduce duplication and encourage inter-municipal cooperation.

Proposed Solution:

Request the Province adopt the recommendations from Towns Task Force Report which are as follows:

1. Amend the MGA to require that municipalities developing or reviewing municipal planning strategies consult with adjacent municipalities on land just outside municipal boundaries. Suggested amendments to Section 204(3) of the MGA could read as follows: *The content of a public participation program is at the discretion of the council, but shall identify opportunities and establish ways and means of seeking the opinions of the public **and adjacent municipalities** concerning the proposed planning documents.*
2. That a joint provincial/municipal review of financial incentives and/or legislation be undertaken to encourage more holistic regional planning models. A provincial funding program could be developed to reward municipalities that voluntarily work together on regional planning initiatives. The program would provide funding to municipalities on a cost-shared basis towards regional planning studies. A precedent has already been set for such a funding initiative. The Province, in 2011, provided \$50,000 towards Kings 2050, a partnership among the four municipalities in Kings County aimed at guiding the long term sustainable development of Kings County.

RURAL HIGH-SPEED INTERNET

Issue Identification:

Access to fast internet speeds in rural Nova Scotia is problematic and inconsistent across the Nova Scotia. In today's world instant communication via Internet connectivity is essential to promote business development, tourism, and education. It is also an essential service required to attract and retain residents and businesses to rural communities.

Background Information:

Rural high-speed internet was identified by the UNSM membership as a top priority over the past year. In 2016 the UNSM by resolution requested that *the Province continue to work with the UNSM and municipalities to ensure high quality and affordable rural broadband across the province and to support innovative projects with municipalities and community groups.*

While the Province is in the process of developing a strategy to address this issue, municipalities need access to better broadband speeds now. Although broadband is not a municipal responsibility, a number of municipalities have recognized their communities' concerns and are working together to provide their own broadband solutions. While many of these strategies may prove successful, in the absence of a provincial strategy, it may result in different and inconsistent networks across the province.

Other municipalities, also sensitive to the needs of their communities, have considered the issue and are deliberately choosing not to become involved.

Impact on Municipalities:

Rural municipalities with weak Internet connectivity will be unable to attract or retain residents and businesses to their local communities. This should be considered an essential service necessary in promoting vibrant and prosperous communities. However, the implications of municipalities becoming involved in the solution needs to be clearly understood. The province has indicated it is taking a leadership role in this issue and is developing a strategy.

Proposed Solution:

it is recommended that UNSM organize a one-day municipal workshop on rural broadband to discuss the role municipalities could or should play in providing internet service, the various municipal strategies already taking place and the challenges in providing consistent and high-quality Internet access across the province. The session should include municipalities who have chosen not to participate in the solution, to share their concerns. Representatives from the Province would also be invited to provide an update on their strategy. Other expertise may be asked to present.

ROADS

Issue Identification:

The Department of Transportation and Infrastructure Renewal is approaching rural municipalities to cost-share in roads, as it struggles to maintain road infrastructure throughout the province. At the same time, towns are struggling to maintain their roads, for which they pay the full cost.

Background Information:

Service Exchange specified “J” Class roads, suburban subdivision roads would be transferred to rural municipalities, and that rural municipalities would pay a fee per km of local road, to be adjusted by CPI each year. The amount of the fee in 2014 paid by rural municipalities was \$3.7 million, and does not go to TIR directly. The number of kms used to calculate the fee was fixed. Local roads constructed pre-April 1, 1995 are maintained by the province. The amount TIR spent to maintain local roads in rural municipalities that year was \$86 million. Those built after this date are maintained by the rural municipality.

Service Exchange also noted the province should contribute to arterial and collector roads in urban areas, recognizing they are dual purpose roads for local access and through traffic.

Fiscal Review raised the road issue, explored some options and posed a solution that saw rural municipalities increase the amount they were paying to the province for rural roads. Reaction was mixed, and depended on other aspects of Fiscal Review being implemented.

The issue is complicated, as the current situation was negotiated under Service Exchange many years ago. Many aspects of Service Exchange have changed since then.

Impact on Municipalities:

Roads are essential to ensure the flow of people and goods, and the current state of the roads is placing increasing pressure on the province and municipalities.

Proposed Solution:

There is a need for discussion between TIR, Municipal Affairs and municipalities on the issue of roads. It is clear the current arrangement is presenting challenges to all, and finding a solution without increased funding is a challenge.

SAFETY OF SENIORS PROGRAM

Issue Identification:

The provincial senior safety program does not currently operate in all areas of the province, and funding is short term. Municipalities would like to see the program extended, and funded for five years.

Background Information:

The province currently has a Senior Safety Program that is community based. In some cases, the program works with municipalities, and in other cases it works with other partners in the community. Not every area of the province currently has a Senior Safety program in place.

The province's SHIFT program commits the province to expanding the Senior Safety Program. The Department of Seniors in the lead agency responsibility for fulfilling this commitment. The Department has provided the following statements to UNSM:

As worded in Shift: "Help older adults stay safe by expanding the Senior Safety Program to more communities in Nova Scotia."

We are not only looking to expand the program such that all counties will have coverage but also exploring a restructuring of the program to support multi-year funding and improved accountability.

At present, the counties without programs are: Colchester, Guysborough, Inverness and Victoria.

We are currently revamping the program to an outcomes measurement model and once we have that completed with existing programs we will host meetings in the counties without programs to talk about the development of programs in their area. Municipal units will be invited (and encouraged) to attend along with community, police, health and seniors organizations. We want to ensure these programs get off to a strong start with the right partners who bring a range of resources (local knowledge, money, space, supervision, etc.) to the table.

In terms of a timeline for going to new regions, it will not be until the fall 2017. We will not have the work completed with new programs until sometime in September. Municipalities can start talking to their partners earlier so they are ready when we are in the fall.

Furthermore, the Department has indicated it is working with existing senior safety programs to improve the accountability with their contracts, but remain committed to have communities lead the delivery of the program and to identify their own safety priorities.

Impact on Municipalities:

Municipalities recognize the challenges of an aging population and those with senior safety programs have seen positive results in their communities.

Proposed Solution:

As the province has publicly stated their support for expanding the program to ensure all areas benefit, at this time we should allow them to implement their plan. In the meantime, municipalities should monitor the implementation, and should there not be action in the next year or so, this could be brought back for a potential resolution.

TOURISM STRATEGY: NORTHUMBERLAND SHORE

Issue:

At the UNSM Colchester-Cumberland-Pictou-East Hants regional meeting held on March 24, 2017, the group requested that a tourism strategy for the Northumberland Shore be developed in conjunction with the Regional Enterprise Networks.

Background:

Some movement has already begun on this file. In May 2017, the Federal Government announced the formation of a Bay of Fundy Caucus involving eight Maritime MPs who are looking at ways to double tourism numbers in the Bay of Fundy. This project is also endorsed by the Nova Scotia and New Brunswick provincial governments. The project is in its preliminary stages, but the group plans to launch a feedback-gathering mission among Bay of Fundy communities to identify the region's hot spots. Following this, the caucus will start work on a plan to attract more tourists. The Seven Wonders website puts the Bay of Fundy second on a list of North America's seven natural wonders, just after the Grand Canyon. Along with the highest tides in the world, the bay offers tourists a chance to visit some of the oldest communities in Canada, discover Hopewell Rocks and UNESCO world heritage sites and look at unique fossil finds, he said.

Impact on Municipalities:

A tourism strategy for the Northumberland Shore in addition to the Bay of Fundy work being done at the federal and provincial levels will enhance tourism in these communities.

Proposed Solution:

The UNSM recommends that this issue not be a resolution or a statement of interest. It is recommended that UNSM facilitate a one-day workshop with the various municipalities along the Northumberland Shore. Provincial Tourism staff may also be invited to participate.