



**Service Nova Scotia and Municipal Relations
Office of the Minister**

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March 28, 2013

Councillor Russell Walker
UNSM President
Union of Nova Scotia Municipalities
1809 Barrington St., Suite 1106
Halifax, NS B3J 3K8

Dear Councillor Walker:

Under the provisions of the Municipal Government Act the Minister of Service Nova Scotia and Municipal Relations must provide to the Union of Nova Scotia Municipalities 12 month notice of any legislation, regulation or administrative actions that could have the effect of decreasing revenues or increasing the required expenditures of municipalities.

This letter is intended to provide notice of such changes for fiscal year 2014-15.

Department of Natural Resources

One action in the natural resources strategy, which was released in August 2011, was a review of laws related to the development and conservation of Nova Scotia's natural resources. As part of the review, a number of Acts have been identified for possible repeal in 2013. We are still at a relatively early stage in the review process, and no final decision has been made at this time which, if any, of the Acts will be repealed in 2013. However the repeal of one of the Acts being considered will, if it proceeds, result in a revenue loss of slightly over \$100,000 annually for one municipality. The department intends to consult with the affected municipality prior to any final decision being made.

Department of Environment (DOE)

DOE is currently consulting with municipalities on a new provincial wastewater standard. If approved, this standard will be used to update approvals for municipal wastewater plants throughout the 2014-2015 fiscal year. For facilities with current up to date approvals, this should represent a reduction in sampling costs. For facilities

with older approvals with very limited or no sampling requirements, this will represent an increase in sampling costs.

In addition to the wastewater initiatives, municipalities are required to have System Assessment Reports completed by April 1, 2013, for their drinking water systems. The outcome of these assessment reports may result in the need for future expenditures required to meet the Municipal Drinking Water Treatment Standard. Municipalities have been aware of this for some time.

Department of Justice

The Biological Casework Analysis Agreement which provides DNA analysis to municipal police forces through federal government (RCMP) laboratories has had a static costing model since 2004 with no cost increases passed on through the cost share ratio of 54:46 (PT: federal). Currently, the RCMP charges NS \$219,000 a year which is allocated to municipalities based on Uniform Assessment.

The current agreement has been extended many times and will currently expire on March 31, 2014. The federal government has indicated its intention to have a new agreement in place for the 2014-2015 fiscal year. A new agreement would maintain the current cost share ratio but would be applied against a total cost model reflecting cost and case volume increases over the past 10 years. The proposed changes would result in a cost to Nova Scotia municipalities of approximately \$1.1 million per year.

Provincial and Territorial representatives are negotiating with the federal government on this issued to limit the increase and allow for a transition period to the new model.

Service Nova Scotia and Municipal Relations (SNSMR)

SNSMR is currently engaged in a collaborative review with UNSM, AMA, and municipalities of all municipal programs and services. One of the goals of this review is a new suite of municipal programs that better meets the needs of municipalities. This review is being conducted under the guideline of "no new funds", so any recommended program changes could result in some municipalities netting less funding overall, and some netting more.

Yours truly,



John MacDonell
Minister