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Suite 1106, 1809 Barrington Street Halifax, NS B3J 3K8

Tel: (902) 423-8331 Fax: (902) 425-5592 E-mail: <u>info@unsm.ca</u> Web Site: <u>www.unsm.ca</u> July 30th, 2015

The Honourable Mark Furey Minister Department of Municipal Affairs P. O. Box 216 Halifax, NS B3J 2M4

Minister Furey:

Thank you for copying me on your letter addressed to Mayor David Corkum regarding the topic of binding arbitration. I placed this letter on the agenda for the Union of Nova Scotia Municipalities (UNSM) Board meeting for June 26. The Board discussed the letter and the recommendations of the Towns Task Force which were supported by the majority of our members in 2012.

The Towns Task Force strongly encouraged the use of shared services to enable municipalities to become more efficient, effective and viable. The original recommendations from the Towns Task Force identified the goal of creating less confrontational ways to resolve service issue, and recommended a binding arbitration process only where a voluntary process was not successful and where the issue was "significant". We know there are a few situations in the province where there are serious issues, where all parties are not willing to sit down and find a solution, in part because there is no consequence to them for not doing so. The underlying belief of the Task Force was people should pay a fair amount for the services they are using.

A sub-committee was established to explore how the recommendations around dispute resolution and arbitration might be implemented. The sub-committee included representation from all three caucuses, both elected and officials, an external participant, and staff from Municipal Affairs. The issues giving rise to the original recommendations were examined again, and a mediation/arbitration expert was brought in to explain both processes.

The sub-committee reaffirmed the need to facilitate less confrontation and more cooperation between municipalities in dispute resolution. They proposed a Municipal Alternative Dispute Resolution Process that focuses first and foremost on a voluntary mediation process. This is the desired course. However, the group recognized there would be limited instances where some form of binding arbitration should be available in the event that mediation is attempted but unsuccessful, when residents represents over 30% of the users of a facility in another municipality and the cost of the host facility exceeds 5% of the host's total budget. Should this happen, the process recommended includes very narrow conditions and long timelines before you, as Minister, would be asked to step in to help. The long term consequence of not developing a solution could lead to the closure of the facility for all, or place a large burden on the residents of the host community. No one wins in these situations.

The group did not come to this conclusion lightly. This is not a "town" issue, it could also impact a rural or regional municipality. It is unfortunate these situations arise. Unlike the private sector, there appears to be no recourse for a municipality to take. However, it is the hope of the Board that having a process in place will encourage municipalities to work together to find a "win/win" solution. If you have other ideas, we would appreciate knowing about them.

In the meantime, at the June 26th meeting, the Board unanimously supported all the recommendations of the Towns Task Force.

Sincerely,

Warden Keith Hunter President, UNSM

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