

From: Amanda M. McDougall

Sent: Monday, August 14, 2023 3:45 PM

To: keithbainmla@bellaliant.com; Comer, Brian <brian3@novascotia.ca>; JohnWhiteMLA@outlook.com

Cc: Carmichael-MacMullin, Ken <Ken.Carmichael-MacMullin@novascotia.ca>; All Council <AllCouncillors@cbrm.ns.ca>; Marie J. Walsh <mjwalsh@cbrm.ns.ca>; John F. MacKinnon <jfmackinnon@cbrm.ns.ca>; Wayne H. Macdonald - Eng <whmacdonald@cbrm.ns.ca>; Michael E. Ruus <meruus@cbrm.ns.ca>; Jennifer L. Campbell <jlcampbell@cbrm.ns.ca>

Subject: Meeting follow-up – Proposed Provincial/Municipal MOU

Good Afternoon, Colleagues:

I want to again express my gratitude on behalf of CBRM Council and staff for making the time to sit down with us and discuss the proposed Provincial/Municipal MOU. As promised, see below for suggested changes put forward by Cape Breton Regional Municipality regarding the proposed Provincial/Municipal MOU:

- The proposed Provincial/Municipal MOU eliminates Housing and Corrections tax collection as a municipal responsibility. **We are asking that Education taxation be removed as well.**
- We request that the Provincial Government **honour the doubling of the Municipal Capacity Grant** that was allocated to CBRM.
- Studies such as the CBRM Viability Report (2019) and Dalhousie Review (2000) have indicated that CBRM possesses a unique set of challenges around infrastructure, growth, and demographics. **We ask that CBRM be offered the same opportunity as HRM to negotiate an agreement outside of the general MOU process that reflects these exceptionalities.**

Included to this correspondence are the requested studies and supplementary information that was cited in our discussions this morning. We also ask that you advise when this information will be brought forward to the PC Caucus and when we might expect a response to our suggested changes.

In kindness,

Mayor McDougall-Merrill

Amanda McDougall-Merrill

Mayor

Cape Breton Regional Municipality



**Municipal Affairs and Housing
Office of the Minister**

PO Box 216, Halifax, Nova Scotia, Canada B3J 2M4 • Telephone 902-424-5550 Fax 902-424-0581 • novascotia.ca

September 21, 2023

Her Worship Amanda McDougall-Merrill
Mayor
Cape Breton Regional Municipality
VIA EMAIL: mayor@cbrm.ns.ca

Dear Mayor McDougall-Merrill:

Further to your conversations with Deputy LaFleche from earlier this morning, and our previous letter dated September 15, 2023, there are two options available to CBRM regarding Service Exchange.

OPTION 1 – Participate in the proposal currently being discussed for Service Exchange. Through the recent consultations, and as outlined in our CBRM one page summary sent on July 31, 2023, CBRM would see savings of approximately \$4.5 million upon implementation of the new Service Exchange Agreement, including the following:

- 1) **MFCG** – Under the new formula, CBRM will receive \$13,647,641. The Province will top that amount up with an additional \$1,688,197 for the next 5 years.
- 2) **Corrections** – The Province will stop collecting this amount from CBRM annually. The most recent figure for this was from the 2022/2023 fiscal year and showed CBRM would save \$1,054,547. This amount may fluctuate slightly annually but will generally increase in small amounts.
- 3) **Housing Net Operating Losses** – The Province will stop collecting this from CBRM annually. The exact annual amount is determined annually but is expected to continue to increase as additional funding and attention are paid to our extensive public housing properties in CBRM. The current estimate for the 2023/2024 figure is \$3,535,675.
- 4) In addition, if you are part of this proposed agreement, you will be eligible to participate in a new \$15 million annual infrastructure program and the Roads Part A program worth \$6.1 million annually.
- 5) Finally, the Province will take responsibility for any obsolete schools which are closed following the approval of this agreement.

OPTION 2 - Proceed with a separate negotiation. Should CBRM proceed in this way, it is important to be clear on two points:

- 1) The above savings of approximately \$4.6 million will not occur, at least until a separate agreement is reached.
- 2) The financial parameters outlined in the existing Service Exchange proposal will guide any separate negotiation with CBRM. That means the above annual savings of approximately \$4.6 million will be considered a cap within our negotiations.

If your preference is to pursue a separate agreement, the Province is willing to commit to maintaining funding to match your previous Municipal Financial Capacity Grant for the next five years. Also, within the process of negotiating, the Province is willing to work with you to develop a separate CBRM Charter.

As I requested on September 15, 2023, we request a motion of council clearly stating whether you:

- 1) want to be included in the Service Exchange Agreement and receive the immediate additional financial support for CBRM totalling \$4.5 million (current estimate), or
- 2) delay these potential additional savings while a separate agreement is negotiated with you.

Once we have that clarity, we can schedule future meetings with my office.

Sincerely,



Honourable John A. Lohr
Minister of Municipal Affairs and Housing

Attached

- c: Honourable Tim Houston, Premier
Honourable Brian Comer, MLA
Marie Walsh, CAO, CBRM
All Councillors, CBRM
Valerie Pottie Bunge, Acting Deputy Minister, DMAH



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September 28, 2023

Her Worship Amanda McDougall
Mayor
Cape Breton Regional Municipality
320 Esplanade - Suite 400
Sydney, NS B1P 7B9

Via Email: mayor@cbrm.ns.ca

Dear Mayor Amanda McDougall:

In furtherance to my letter of September 21st outlining your options regarding CBRM's participation in the proposed Service Exchange agreement, I wanted to provide some clarity around timing. In that letter I requested a motion of council confirming your desire to participate in the proposed new service exchange agreement. I want to clarify that we need a response by noon Tuesday, October 4, 2023.

If we do not receive a response by that time, I will go forward with a proposal for a new service exchange agreement that includes CBRM.

Respecting the observance of Truth and Reconciliation Day on Monday, we are happy to receive your response through a scanned version sent via email directly to me at Dmamin@novascotia.ca or via fax at 902 424 0581.

Sincerely,

A handwritten signature in black ink, appearing to read 'John A. Lohr'.

Honourable John A. Lohr
Minister of Municipal Affairs and Housing

Amanda M. McDougall-Merrill

MAYOR, CAPE BRETON REGIONAL MUNICIPALITY

October 3, 2023

Hon. John Lohr, Minister
Department of Municipal Affairs and Housing
14th Floor North, Maritime Centre - 1505 Barrington Street
P.O. Box 216 Halifax, NS B3J 2M4
Email: dmamin@novascotia.ca

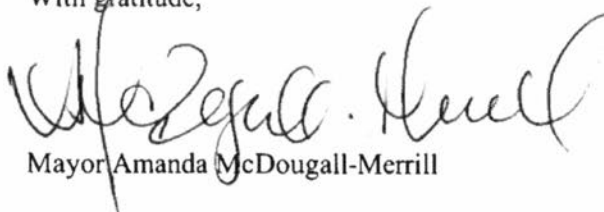
Dear Minister Lohr:

While I am grateful the Department recognizes the importance of moving forward with the proposed Municipal/Provincial MOU your deadline of providing a council motion to enter into this agreement by noon today is logistically impossible.

A motion of council requires a public meeting and debate - I welcome you and your staff to attend an upcoming meeting of CBRM Council to provide the necessary detail and policy associated with the proposed MOU for Council to decide upon. As you can appreciate, voting on something as important as the MOU requires significant thought and preparation – and answers to the many questions staff and Council continue to have regarding the proposal DMAH has put forward to all municipalities, and additionally the suggestion of a possible separate agreement specific to CBRM.

CBRM has two Regional Council meetings scheduled for the month – **October 10th at 6:00 pm** and **October 24th at 9:30 am**. Should neither of these meetings work within your schedule, we can call an Emergency Meeting of Council on a date that is more accommodating.

With gratitude,



Mayor Amanda McDougall-Merrill

Cc: Paul LeFleche, Deputy Minister DMAH
Marie Walsh, CAO CBRM
CBRM Council

320 Esplanade - Suite 400
Sydney, NS, B1P 7B9
mayor@cbrm.ns.ca

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September 28, 2023

Her Worship Amanda McDougall
Mayor
Cape Breton Regional Municipality
320 Esplanade - Suite 400
Sydney, NS B1P 7B9

Via Email: mayor@cbrm.ns.ca

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Sincerely,

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Honourable John A. Lohr
Minister of Municipal Affairs and Housing



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October 6, 2023

Your Worship Amanda M. McDougall-Merrill
Mayor, Cape Breton Regional Municipality
320 Esplanade – Suite 400
Sydney, NS B1P 7B9
VIA Email: mayor@cbrm.ns.ca

Dear Mayor McDougall-Merrill:

Thank you for your letter dated October 3, 2023, in which you invited myself and Department staff to attend a CBRM Council meeting regarding the proposed Municipal/Provincial Memorandum of Understanding.

Staff in the Department have worked hard over the summer to gather feedback from Municipalities regarding the proposed Memorandum of Understanding. As you are aware we conducted extensive consultations, including two meetings dedicated to hearing from CBRM. The timing of this process was done at the request of the SERMGAR committee in an effort to get a proposal in front of the legislature this fall.

In my most recent letter provided to you on September 28, 2023, I explained our position on this matter and provided a deadline for your response. I realize the final request to you included a short timeline, but my staff met with your staff on August 31 making the same request verbally and I followed up with letters on September 15 and 21 again asking for clarification. We needed clarity on council's position as we did not want to take the benefits of this deal away from CBRM unless council was explicit with us as to that being their preference. None of those requests were addressed by CBRM council.

Given time restrictions to move the proposed Memorandum of Understanding forward, I have to maintain the direction from my September 28, 2023, letter. Accordingly, I will be recommending CBRM remain in the proposed Memorandum of Understanding on service exchange.

With respect to my attending a council meeting, as noted above, the Department, both through meetings with my staff and formal correspondence from myself, has given you ample opportunity to clarify your preference. That, combined with my responsibilities with the Legislature sitting next week mean I will be unable to attend a council meeting at this time.

Sincerely,

A handwritten signature in cursive script, appearing to read "John A. Lohr".

Honourable John A. Lohr
Minister of Municipal Affairs & Housing

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