

LAW AMENDMENTS BILL 340

Councillor Pam Lovelace, Halifax Regional Municipality

October 30, 2023

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Kwe, Good morning, Bonjour mes collègues, thank you for the opportunity to speak and be heard today. My name is Pam Lovelace, Councillor for Hammonds Plains-St. Margarets in Halifax Regional Municipality. Happy to be here once again to offer subject matter advice to the Province of Nova Scotia.

As a local government representative elected in 2020, I've had the pleasure to sit on the Board of Nova Scotia Federation of Municipalities (NSFM) as a Regional Representative for the past three years. NSFM is the legislated voice of all 49 municipalities in Nova Scotia, as determined by provincial legislation, of course.

What is Local Government? It is: "a provider of services based on local needs and desires; a forum for local citizens to make decisions on the way they want to live; a forum for the resolution of conflicting views within local communities; and representative of the community to lobby on its behalf. All of the above fall under an umbrella principle of Democratic Local Self Government." (Hayward Report)

With my 25 years' experience in communications and public engagement, it's been a noteworthy experience observing the intentional lack of involvement of those most impacted by Bill 340: Nova Scotians.

During the early stages of consultation, I raised my concerns about the voices of those most impacted by this provincial reform, and was informed by Deputy Minister Paul LaFleche, that notice to the public was not the provincial government's concern.

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The unfortunate approach of the province not being concerned with engaging, informing, or involving the end-user in this Reform Mandate, will result in confusion, frustration and a breakdown of trust of those who carry the burden to pay for the outcomes of this reform. I would argue that confusion and mistrust is already a byproduct of this process as seen in recent media.

Colleagues, please indulge me while I share some history with you. It's important to know your history and from what I've heard in the Legislature the last few weeks, it seems provincial legislators may not know how we actually got here.

I've often heard politicians point to former Premier John Savage for municipal reform when in fact, it started long before he took the Premier's office. In 1990, then Housing Minister, Roger Bacon, who became the Interim Premier in 1991, started down the road of Municipal Reform. There were 66 municipalities and at a time when local governments financed housing, income support, child welfare, social services, senior homes with special care, community planning, education, policing, corrections, and so on, and so on.

Then Progressive Conservative Premier Don Cameron's government initiated the "Task Force on Local Government" in December 1991 with the support of the Union of Nova Scotia Municipalities, known as NSFM today.

The Task Force delivered their findings to government in 1992, known as the Hayward Report, named after Facilitator William Hayward. It stated: "Using municipalities as bill-payers for services over which they have no control is an infringement on their autonomy."

Have you read the Hayward report on local government in Nova Scotia? Well, you still have time to read it before Committee of Whole House and Third Reading.

If you have read the 1992 report, you would know that the service exchange was **costed**. It was clear to municipalities, to the public, and to the province, who paid for what and what the new model would cost each order of government.

Here's another quote from the 1992 Hayward Report:

"The fact that both urban and rural ratepayers pay provincial taxes to finance police and roads in rural areas, while the urban ratepayer (but not the rural) has to pay extra for local police and roads, is **one of the great inequities in the present system**. It can be argued that rural residents tend to pay more in gas taxes, but urban residents pay more income tax."

Sound familiar? This is the same system we have today. The tax system remains inequitable 30 years later.

We are one province and there is one taxpayer. The service delivery model and division of tasks must be fair, equitable, effective, modernized, and benefit all stakeholders. Unfortunately, we continue to uphold a tax scheme that still places a heavy burden on property taxpayers.

Here's another quote from the 1992 Hayward report:

"The structure of municipal government in Nova Scotia has remained essentially unchanged since the establishment of the rural municipalities in 1879."

Unchanged. It is 2023. 144 years later, Nova Scotia continues to maintain an inequitable tax scheme.

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The reality for municipalities is that they have the burden of maintaining upwards of 60% of all infrastructure and services with the legislated **restriction** to only collect 10% of all taxes.

This fiscal framework remains unsustainable. Bill 340 does not contemplate the significant fiscal burden on growing municipalities.

Upon introducing Bill 340 for Second Reading in the Legislature, Minister John Lohr said, "A new service exchange agreement will mean more support for Nova Scotian municipalities, and that will help build safer, more vibrant communities with more opportunities for housing, better roads, and infrastructure improvements."

I applaud this government for hearing the call of Nova Scotia's 49 municipalities to modernize the Memorandum of Understanding (MOU). However, the Minister's claims of more housing, better roads and infrastructure improvements are not based on any sound financial evidence available to municipalities or the public.

Bill 340 remains uncoded. Or, perhaps, Finance Minister Allan MacMaster has coded the Service Exchange, but the Cape Breton MLA decided not to release the numbers?

As you know, members of the Service Exchange Renegotiation & Municipal Government Act Review (SERMGAR) Advisory Committee were under strict orders by the province not to provide details to their councils on the MOU discussions. The use of Non-Disclosure Agreements, known as NDAs, ensured that the contents of this Bill, Bill 340 The Municipal Reform Act 2023, would not be released prematurely or debated by councils. Local Government was not even permitted to debate SERMGAR In Camera.

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The February 2023 SERMGAR recommendation report does not mention the 1992 Hayward report. **Perhaps provincial government did not provide committee members with this foundational report?**

The SERMGAR recommendations suggest that “mandatory municipal contributions (housing, corrections, and education) remain a top priority for the NSFM. These contributions account for one-fifth of all municipal expenditures and occur in areas of **Provincial responsibility**. Last year, municipalities collected \$293,985,347 on behalf of the provincial government. Municipalities do not have input on how the contribution amount is determined, nor do they have control over how they are spent. Municipal expenditures are continuing to rise faster than the CPI and mandatory contributions add undue pressure on municipalities.”

While the intent of this new Bill 340 is to create a piece of legislation that includes amendments to four existing pieces of legislation: the Corrections Act, the Education Act, the Housing Supply and Services Act, and the Municipal Grants Act, **the financial consequences of these amendments are missing.**

Unfortunately, with the accelerating provincial Education area rate still on the property tax bills, this continues to be an infringement on municipal autonomy.

Bill 340 implies millions in savings for municipalities, yet, those savings have not been demonstrated. After all, the taxpayer will still need to pay the provincial government for those services.

It is my recommendation, that the Minister of Finance provide reliable and accurate costing for Bill 340. Thank you, Merci beaucoup, Wela'lioq.