

HANSARD

NOVA SCOTIA HOUSE OF ASSEMBLY

COMMITTEE

ON

PUBLIC ACCOUNTS

Wednesday, February 7, 2024

COMMITTEE ROOM

Municipal Grant Funding and Strategic Initiatives

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Public Accounts Committee

Hon. Kelly Regan (Chair)
Nolan Young (Vice Chair)
Tom Taggart
John A. MacDonald
Melissa Sheehy-Richard
Danielle Barkhouse
Braedon Clark
Susan Leblanc
Lisa Lachance

[Nolan Young was replaced by Chris Palmer.]
[Braedon Clark was replaced by Lorelei Nicoll.]

In Attendance:

Adam Harding
Executive Director, Performance Audit Team

Kim Langille
Committee Clerk

James de Salis
Administrative Support Clerk

Gordon Hebb
Chief Legislative Counsel

WITNESSES

Department of Municipal Affairs and Housing

Byron Rafuse - Deputy Minister

Valerie Pottie Bunge - Associate Deputy Minister

Hardy Stuckless - Director, Municipal Infrastructure

Rebecca Doucett - Director of Municipal Finance

Department of Public Works

Peter Hackett - Deputy Minister

Diane Saurette - Chief Operating Officer

David Benoit - CEO, Build Nova Scotia

Joint Regional Transportation Agency

Mark Peck - CEO



HALIFAX, WEDNESDAY, FEBRUARY 7, 2024

STANDING COMMITTEE ON PUBLIC ACCOUNTS

9:00 A.M.

CHAIR

Hon. Kelly Regan

VICE CHAIR

Nolan Young

THE CHAIR: Order. I now call the Standing Committee on Public Accounts to order. My name is Kelly Regan. I'm the MLA for Bedford Basin and the Chair of this committee. A reminder to all in attendance today to please place your phones on silent. We'll introduce the committee now. To my left, Mr. Palmer.

[The committee members introduced themselves.]

THE CHAIR: I would note that officials from the Auditor General's Office, Legislative Counsel Office, and Legislative Committees Office are in attendance as well. On today's agenda, we have officials with us from the Department of Municipal Affairs and Housing, Department of Public Works, and the Joint Regional Transportation Agency with respect to Municipal Grant Funding and Strategic Initiatives.

I'm going to ask the witnesses to introduce themselves. I'll call on them, but we'll begin with the witness on my far right. First, Mr. Stuckless.

[The witnesses introduced themselves.]

THE CHAIR: I would invite Deputy Minister Rafuse to make opening remarks.

BYRON RAFUSE: Thank you for inviting us here to speak with you about Municipal Grant Funding and Strategic Initiatives. I can tell you, this is an incredibly busy time for my department, especially as it relates to infrastructure, housing, and municipal affairs, so I look forward to speaking with you about the work that we have under way.

You have met the team here from the department, so I won't repeat that, but we will do our best as a team to answer your questions today.

We are in a time of great growth and opportunity here in Nova Scotia. For the first time in decades, people are choosing Nova Scotia as their first place to live, study, raise their families, and build their businesses. We know that to really capitalize on this growth we need to overcome some big challenges - housing and infrastructure being two notable ones. We also know that our 49 municipalities are key partners when it comes to addressing these challenges and opportunities head-on, and we acknowledge that for our municipalities to be successful, they need our support.

We know there are gaps, and over the past two years we've been laser-focused on filling those gaps. We've done this by doubling the funding flow to municipalities earmarked for infrastructure upgrades. This was done with a one-time doubling of the Municipal Financial Capacity Grant in 2021 to the tune of \$62 million. We followed that investment with the introduction of two grant programs: the Sustainable Services Growth Fund in 2022, and the Municipal Capital Growth Program, which was announced in November. These programs aim to fill infrastructure gaps for things like water and sewer, and work to better position municipalities to address critical needs in their communities, especially as it relates to housing.

We know that people want to come to Nova Scotia, but it is imperative that they also want to stay. We know that in order for people to stay, they have to feel a sense of community. They need to feel safe, accepted, have access to services, and know that when an emergency hits, resources are there. We acknowledge this, and this is why we've increased our funding to our grant programs like the Emergency Services Provider Fund, which provides equipment and training to first responder groups to the tune of \$1.5 million for 80 projects this year. That is why we are investing in flood mitigation programs and increasing access to grants for beautification to make our communities whole.

I will leave it to my colleagues at the Department of Public Works to elaborate on the ICIP program - or the Investing in Canada Infrastructure Program, but my department takes great pride in administering that agreement across Nova Scotia, bringing 140 significant infrastructure projects to life for residents. These projects absolutely support housing development, but they also provide safe drinking water and wastewater treatment that builds strong and vibrant communities, and supports continued economic growth.

Before I conclude, I want to acknowledge our municipal financial reporting practices here in Nova Scotia. We are national leaders when it comes to the information that we give our municipalities and how we report on the health of their finances to the financial condition indicators. We have provided some of that information in advance on that reporting to this committee, and we'd be happy to answer your questions that you have. I would conclude it here, as I know my colleagues would like to say a few words. I look forward to the discussion.

THE CHAIR: Deputy Minister Hackett.

PETER HACKETT: Thank you, Chair, and thank you, committee, for having us here today, and for the opportunity to be here to speak with regard to municipal funding. My name is Peter Hackett, Deputy Minister of the Department of Public Works, and you've met my team here with me this morning. I'm pleased to be sitting here today beside our colleagues, the Department of Municipal Affairs and Housing, the Joint Regional Transportation Agency, and Build Nova Scotia.

The Department of Public Works is an important part of the provincial government, and our work has an impact on all Nova Scotians. We may be primarily known for building and maintaining our network of safe roads and bridges, but our staff do a lot more than just that type of infrastructure. We also make sure students have modern places to learn, and health care facilities are built to help health care providers give the best care possible. We see our projects through from start to finish. In some cases, that involves everything from land acquisitions to planning, design, construction, and maintenance.

We know how important these projects are to municipalities, and that's why we take our role very seriously. One of the main ways we support municipalities is by advocating on their behalf for funding. We do a lot of work with the Investment Canada Infrastructure Program, and the result is billions of dollars worth of investments in infrastructure throughout the province.

Municipalities have benefitted from projects like transit, active transit, energy efficiency, renewable electricity, water treatment, sport, recreation, and libraries. These are projects that make municipalities stronger and make people's lives better. They only happen when we work together, and I look forward to our continued collaboration with our municipal partners.

Thank you very much, and with that, we'd be happy to answer your questions.

THE CHAIR: The time is 9:08 a.m. We'll begin with the Liberal caucus. MLA Nicoll, your time will end at 9:28 a.m.

LORELEI NICOLL: It's nice to see you here this morning. Some of you I've met in my previous role on municipal council in Halifax, so of course, I'm going to start my questioning with Mr. Peck right away - to the Joint Regional Transportation Association.

Our roads currently can't keep up with the significant increase of congestion across the province. As you know, I'm from Cole Harbour, and on any day, just getting through Portland Street is a good day. Therefore, it's way over capacity. The government plans to double the population, and in some opinions, maybe triple - but with no plans to expand the infrastructure needed to support more Nova Scotians as we welcome them. What is the JRTA's plan to keep with the pace of immigration for our roads, and what geographical area will be priority number one? Please identify the pressure currently being focused on. What do you look at first?

MARK PECK: I'll attempt to respond to the question in several ways. The first is the JRTA - which is the Joint Regional Transportation Agency, which I have the fortunate ability and the fortunate opportunity to be the CEO for the JRTA. If everyone's okay, I'll refer to it as the JRTA instead of the Joint Regional Transportation Agency. I'm blessed with a professional team like no other.

We do recognize that government's goal is to double the population. Currently, we're over one million and aiming for two million by 2060, so we're seeing growth. It's not exponential, but we're seeing growth in Nova Scotia like no other time in history, and we recognize that the transportation is challenged because of that growth.

I'm a user of the transportation network in four ways: I take the bus, I run or walk, I take my car - I forget what the fourth one is. I bike. I'm used to all modes and the challenges with all modes, in particular vehicular. You're right - the transportation networks are challenged, and I think now is the perfect time for the JRTA to be doing the work that it's doing.

One of the things that we're tasked with is doing a joint regional transportation plan that involves 15 out of the 49 municipalities that will look at data . . .

THE CHAIR: MLA Nicoll.

LORELEI NICOLL: The question was basically, I follow JRTA, I'm going on Zoom tomorrow night to see where you are and I encourage more people to do that. I just wanted you to actually say what your priority is going to be, because HRM has an Integrated Mobility Plan that was to be created, and there were priorities in that. Is that going to be the same priority? When the JRTA was created, the focus was very much HRM, but now it's expanded to an hour outside of HRM. I'm just funnelling it into what your priority is.

MARK PECK: I'll try to be a little more succinct. Our plan is to develop a regional transportation plan for HRM and 14 other municipalities that I would call the one-hour commutanship. Halifax or HRM to Truro and beyond, HRM to the Valley - Berwick - and HRM to Bridgewater. Our plan is due to be delivered to the government in November of 2024, which is this year. Our priorities are the movement of people and the movement of goods; when I say the movement of people, I mean it's multi-modal in nature. Vehicular and active transportation are two components associated with people. I referenced the movement of goods.

The priorities are that of a plan. It's to move the movement of people and the movement of goods in an efficient, safe, and responsible manner. It's not to dismiss any of the good work that's been done. You'd referenced the Integrated Mobility Plan that we're aware of. Look, municipalities are doing great work in the field of transportation. What we want to do is take that great work that they're doing and blend it with today's science and today's knowledge, and to look at the future needs of this province within this regional area. Those would be what I would capture as our priorities.

LORELEI NICOLL: I applaud you for using more than one mode of transportation, but that is not the norm in Nova Scotia. I know we hear all the time that people would use transit if it were more reliable and if there were more routes, especially from the suburbs. It's also better for the environment to move people and take public transit. HRM is talking about bus rapid transit, which would remove a lane coming down Portland Street, but yet there's no plan looking forward, perhaps, for how that's going to impact, because you can dream that people will say, The bus is moving by a lot faster than I am stuck in traffic, but I don't see that transferring into actual transit ridership improvement.

I just wonder, does the department or JRTA have a plan to increase funding or support to improve the infrastructure for the transit systems in HRM and CBRM and other municipalities that you're taking into your scope?

MARK PECK: Just to respond to the funding aspect, there currently exists funding to municipal governments in various capacities. There currently isn't a singular financial package with respect to the work of the JRTA. What I can say is that we're working closely with the federal government. I may look to my colleague Diane Saurette to expand a little bit more on this.

I think we're all familiar with the fact that the federal government has announced that \$3-billion transit fund. Some of the components associated with that transit fund, Nova Scotia is well aligned, and I'm really proud to say that we're ahead of the curve in terms of where we are in securing funding with the federal government.

This \$3 billion - uncertain in terms of what portion of that Nova Scotia will receive, but we have to complete a regional transportation plan, which will be a requirement of the federal government funding. We have to have a governance structure in place, which the

JRTA has already. We're ahead of the curve in terms of meeting the requirements, or the expected requirements, for the funding of the federal government.

[9:15 a.m.]

LORELEI NICOLL: It's all great. I was 12 years on council. Ahead of the curve does not sit with me, I'm sorry. We've been waiting for this for a long time. I remember the PTIF that was millions of dollars from the feds. A lot of it didn't materialize in improvements to transit with HRM.

Speaking of transit, we know the Dartmouth-to-Halifax ferry is essential for travelling in HRM. In 2021, the previous government announced a Bedford-Halifax ferry, which would have a huge impact on the congestion. We're hearing a lot about it in the news right now. I just wondered: What is the update for a new ferry, and can you tell us when we will have a new ferry in Bedford?

THE CHAIR: Mr. Peck, do you want to send that to Ms. Saurette?

MARK PECK: I do.

THE CHAIR: Ms. Saurette.

DIANE SAURETTE: I can't give you a lot of detail on the Mill Cove ferry, but what I can tell you is that the Province and the municipality have submitted a joint application. We are working diligently with the federal government around some of the requirements that are needed for the formal approval and announcements. I can't get ahead of that. That work is ongoing. I think that we'll be in a position with the three partners to give more information soon, but right now we can't really say too much. We're just at a place where we're still working with the federal government.

I can tell you that a lot of work is happening. We meet pretty much on a weekly basis with Infrastructure Canada and with our partner. Our partner is HRM. It's a pretty substantial project that would be moving forward in the municipality.

THE CHAIR: Ms. Nicoll.

LORELEI NICOLL: It's okay. I was just going to . . . (interruption)

THE CHAIR: Thank you. When the honourable member chairs a committee, he can chair it the way he wants. What we do find is that MLAs frequently have interjections, and I do that for both sides. MLA Nicoll.

LORELEI NICOLL: In the essence of time, I was just going to ask you to confirm that the \$3 billion fund that Mr. Peck referenced, the ferry will be part of that.

THE CHAIR: Ms. Saurette.

DIANE SAURETTE: It's not, actually. The funding for Mill Cove ferry terminal, there are two phases to it. What was announced previously would have been the design phase of it, and we haven't announced the construction phase. That's larger. That's actually coming out of the Investing in Canada Infrastructure Program.

I do want to go back to the question that you had asked Mr. Peck around funding and transit. A lot has happened in HRM, and a lot has happened around rapid transit. Through ICIP, we've invested - if we consider Mill Cove - almost \$500 million. The Province has contributed about \$140 million, and that's going to go over 10 or 11 years. There's a lot of work happening with the municipality around their transit.

Mr. Peck mentioned the next suite of funding, which is the permanent public transit. It's actually very exciting. It's a different type of program. We're going to see some allocation, which is ICIP, where there's dedicated funding to municipalities that have transit systems. There are going to be more dedicated programs or direct-apply programs like we've seen in the past. Then we've got this other pot of money, which is what they're calling regional planning. It's really putting provinces in a place where they are not thinking in silos.

We are looking at transit in Halifax, but we are looking at transit an hour outside of Halifax, because we know that's where people are. We have to think differently. What's traditionally maybe here - we're looking at other modes of transit as well.

I'm sorry, I'm excited about some of these programs that we've been involved in. It's not just around rapid transit. It's not around electrification. We also have AT. There's a lot of investment that has gone into AT as well in the province, in HRM. There's a lot of good stuff happening around transit.

THE CHAIR: MLA Nicoll, you have under eight minutes.

LORELEI NICOLL: Thank you. Yes, I've been watching the clock. I appreciate no interference in the conversation. Thank you for that. As someone who grew up in Cape Breton and took the Acadian Lines bus to Halifax on weekends to see my parents - it is encouraging to see that you're looking beyond that.

This is all about infrastructure, at the end of the day, so now I'm going to go into the housing question. I know from experience that houses where water and sewer are provided are where we're trying to densify, but there's only so much capacity in wastewater. Therefore, I just wondered if there was going to be some ability - we heard it from Bridgewater. They want to increase the housing, but there's only so much capacity for wastewater. I do believe that Halifax Water is approaching a very serious capacity issue

where water and sewer are provided, and then there are all the upgrades that have to be done to wastewater plants as well.

I just wondered if there was going to be some cohesive plan to sort of help with that infrastructure, and to help Bridgewater as well with regard to funding. Why is the government not consulting, per se, with municipalities when making big announcements with regard to “We’re doing a housing project here,” but we hear from residents saying, “But there’s no capacity for traffic. There’s no capacity for wastewater.” I’m just wanting to get an understanding of what the plan is going forward as we knock down the silos between municipalities and the province.

THE CHAIR: Deputy Minister Rafuse.

BYRON RAFUSE: The capacity concerns are not unnoticed. As I said in my opening remarks, we acknowledge that there are certain places in the province where there are issues. But as municipalities plan their growth, the capacity of their water and wastewater systems is a consideration that they include, and as planning strategies. When there are identified capacity risks - like has been identified in Bridgewater - there are ongoing conversations with them about what needs to happen to facilitate the growth.

Certainly, there is an ongoing application with Bridgewater on that, and with other areas. When we announced that we were doing a public housing initiative in Bridgewater, before we announced the exact location and commencing construction, we had a fulsome discussion with Bridgewater about their capacity and where should it be located in various sites within that town. We wouldn’t proceed until that assurance was provided.

Having said that, we are reaching out to municipalities and we are going to launch a more comprehensive assessment about the needs of each municipality. That will help them guide - they have done that on their own. We’re going to continue to coordinate and facilitate that with them.

From that, there are various grants and programs with us and with the federal government that allow municipalities to apply for those expansions. I mentioned a few of them in my opening remarks. Right now we’re actually in the process of evaluating the latest program call that was announced in the Fall. By the application side of things, there is a great demand out there. We’re seeing what we can do to address that demand.

LORELEI NICOLL: Where to go from that? I know you referenced municipal finance grants. I don’t think HRM is involved with that. You also mentioned the ICIP, but in your opening - what we have printed - it said you would be bringing 222 significant infrastructure projects to life, but in your speaking notes just now, you said 140, not 222. I just wondered why the discrepancy.

THE CHAIR: Deputy Minister Rafuse.

BYRON RAFUSE: ICIP programs, that program is fully allocated, and that's the number of programs being launched through that. The others I referenced were additional grant programs that we have ourselves as a Province.

LORELEI NICOLL: Is the government going to fund upgrading the desperately needed infrastructure, such as wastewater? I don't believe I heard you say that. You're going to work in partnership, but are you going to actually help individual municipalities, including HRM?

BYRON RAFUSE: The recent program we announced, the Municipal Capital Growth Program, which was announced in the Fall, we participated in that up to 50 per cent of the cost of those projects. We do participate in all those things. We have allocations as well that have different ratios, but when we do these things, we always participate.

LORELEI NICOLL: I'm going to switch to Build Nova Scotia, because he looks like he wants to speak. Like I said, I travel all over the province, and the internet service is not great. I just wondered: Before Build Nova Scotia was created, Develop Nova Scotia was tasked with improving the internet service across the province. Where is that now?

THE CHAIR: CEO Benoit.

DAVID BENOIT: I'll try to keep this succinct but also manage my facial expression so that we don't look like we have any confusion. This is a very exciting program. The internet program is crucial and essential to the livelihood of every single Nova Scotian. You're quite right - Develop Nova Scotia prior to Build Nova Scotia, took on that role of being the organization that would oversee, monitor, and mentor, and Build Nova Scotia has assumed those responsibilities since its creation on the December 1, 2022.

Like Mr. Peck, I'm blessed with an amazing team within the Build community, within the Build Nova Scotia Crown corporation, and so very fortunate to have these very skilled people working on behalf of Nova Scotians every single day. The internet program started with 103,000 underserved areas, civic addresses, and we have moved to 10,000 remaining in 2024. The program initially had a goal of 95 per cent coverage. We are currently at 97 per cent coverage, with 99 per cent if you include the Satellite Internet Service Rebate Program. It is really important that we get the word out that those who are waiting for the fibre solution are eligible for a satellite rebate . . .

THE CHAIR: Order. Time for questioning by the Liberal caucus has elapsed. We'll now move on to the NDP caucus. Time is 9:28 a.m. You have until 9:48 a.m. MLA Lachance.

LISA LACHANCE: I have a number of questions, but I actually want to start with late-breaking news. Today, HRM issued a notice that they will be giving notice to vacate information and notices to folks living rough in tent encampments in a number of spots

with the guarantee that there will be an equivalent amount of appropriate shelter available to folks, that there's something to offer folks, that there will be transportation and supports offered.

I know this is not all in your department. I'm wondering, Deputy Minister Rafuse, if you could tell us a little bit about how your department is going to be working with the Department of Community Services and with HRM in the medium- and long-term addressing of the real housing needs that people have in the city.

THE CHAIR: Deputy Minister Rafuse.

BYRON RAFUSE: You are correct that we're not the primary lead on this file. It is the Department of Community Services from the provincial perspective, but we do work with our partners and DCS, helping those who are homeless or are living rough. Our role in that regard is two-fold. On the shelter side of the response, we do participate with the ability to purchase the tiny homes, the Pallet homes. We do participate in that. The Department of Community Services leads on the location, the wraparound services, and the supports provided to the individuals so that we don't involve ourselves in that aspect of it.

Moreover, the department does have a role in providing or incentivizing affordable housing. In providing, obviously we have public housing. As I said, public housing is probably the most deeply affordable housing that there is, although we do have a wait-list for that area. We do have priority access, and homeless individuals are part of that priority. To be clear on that, though, public housing is not a good option for someone going directly from living rough to public housing. There's an intermediary step through a structured shelter process where services are provided to those individuals which may make them better candidates to then be more successful in public housing.

On the affordable side of the house, we work with private developers to provide them an incentive to allow partial units, if they're multi-unit buildings, to make them affordable. We do have a program called the Affordable Housing Development Program, which will provide a forgivable loan to the developers to maintain units at an affordable rate for a defined period of time.

In the not-for-profit sector where we're probably more active, we do have our relationships with a number of not-for-profit organizations, not only to allow them to build the capacity to become something they previously probably were not - property managers and the like. We have some funding that allows them to develop that capacity. They can also participate in a program, which would defray the costs through a forgivable loan process that would make units affordable.

We have a minimum amount that needs to be affordable, and that is really geared to the average market rent in the area in which it's being built. But when we were working

with those organizations, they tended to be - I would call it more on the deeply affordable aspect of things because there's no profit motivation that we have to deal with.

LISA LACHANCE: What I'm trying to do is understand the walk-through from the folks we know are in tent encampments right now in HRM. I've always said that I'm concerned by both the lack of resources and the type of dialogue that sometimes happens around folks who are living rough. There are lots more people who are unsafely housed, who are staying in unsafe situations because they understand that there are few other options. We know we've heard this from a lot of transition houses across Nova Scotia - that they know that people are staying in the situations of domestic violence.

I think there's the point in time count that we know we hear from service providers - and so the walk-through from who we know needs appropriate shelter to the tiny homes and Pallets. Perhaps you can give an update on the timing of those? On February 26th - the date that HRM is giving people to vacate - will tiny homes and Pallets be available for folks? What numbers are you working with from living in tent encampments and living in tents to tiny homes and Pallets? You've made the very good point that there needs to be supportive and transitional housing, so what numbers are we working with in this province? What do we have? What do we need? What is your role in providing those? Then we can get onto the affordable housing in a minute.

BYRON RAFUSE: Those numbers are best answered by the Department of Community Services. We help them provide structured units. We are not the ones who contracts those service providers. They're the ones who supply supportive services. They're dealing with those individuals through those agencies.

I wouldn't have for you a number to deal with. They'll come to us when there's a need. They'll say, Listen, could you do this? or Could you help us out with this shelter? There's a possibility to hold some people in a public housing unit. That's where we get involved. But if you want to understand the actual need and what goes on, what happens from a tent to a shelter, I think it would be best to ask the Department of Community Services that.

LISA LACHANCE: Just for clarity's sake, how many tiny homes or Pallet homes is your department involved in providing in the province this year?

BYRON RAFUSE: We provided the funding for the purchase of the Pallet homes, and we provided the funding for the development of the tiny home development that's currently slated for Sackville. We funded those.

THE CHAIR: I didn't hear an answer about the number.

BYRON RAFUSE: Sorry, I didn't bring my housing numbers with me, but I can certainly get that for you. The number of Pallet homes is public. I didn't bring it with me.

The tiny home development in Sackville is in the 60-unit range, but I forget how many individuals it will house. I do know that I've seen the design, and they are attempting to configure it. Once they're allowed to start construction, they'll try to configure it to put as many units as possible in there. That will be single and double units, along with a unit to provide services to the clients who are there.

LISA LACHANCE: Maybe just a little bit further down the continuum around housing, in terms of the incentives with private developers for access to a forgivable loan for building affordable units, how many affordable units, by your definition, have been created through that program to date in Nova Scotia?

BYRON RAFUSE: I will get back to you on that. I will get back to you with the numbers that have been developed to date. My more recent figures are around how many we've committed to. I'll also provide you that number. The construction process takes longer. When we enter into an agreement for that next phase of construction, we'll provide these many dollars with a commitment to maintain a certain percentage of those. That's really the number we're looking - we kind of measure, knowing that it goes toward the goals of having affordable units.

I'm sorry. I did not bring that number with me.

THE CHAIR: MLA Leblanc.

SUSAN LEBLANC: I'm going to switch gears here and talk about the Municipal Financial Capacity Grant funding. With the change that happened in the last legislative session around the funding formula, I'm wondering - notwithstanding the five-year top-up to municipalities, how many municipalities will be receiving less in Municipal Financial Capacity Grant funding under the new formula? If someone can provide us with a list of which municipalities and how much less they'll be receiving.

BYRON RAFUSE: I'm going to defer that question. That level of detail, I'm just wondering, sorry. Still getting to know my department.

THE CHAIR: Director Doucett.

REBECCA DOUCETT: There are 17 municipalities that would be receiving less funding than originally through the original formula, to the total of \$3.069 million. We can provide you with a list.

SUSAN LEBLANC: That would be great. Thank you.

I'm just wondering - so now, withstanding the five-year top-up, what is the plan for - is it correct to say that those 17 municipalities, they're all getting some kind of top-up help? For them, what is the plan for after the five years? Or what is the planning process?

THE CHAIR: Deputy Minister Rafuse. I will always go to the deputy minister. I will be looking for you. If you want to point to someone else, that's where I'll go.

BYRON RAFUSE: The answer is that they've been given the top-up for a number of years to allow them to plan and adjust to the new reality. That's what they'll have to do.

SUSAN LEBLANC: So they are responsible for figuring out their finances for after that time, after the transition to the lesser amount of money, but is there any support being provided to help with that planning? Is there any relationship between the Province and the municipalities in that planning process?

BYRON RAFUSE: That's why there is a top-up, to allow that time, to allow them to plan. Certainly, we have ongoing discussions with the municipalities through their administrators and through the Nova Scotia Federation of Municipalities about the state of their finances, and that will be a continuing dialogue and a continued conversation. The top-up over a number of years was to allow them to adjust. It wasn't a sudden amount that would have shocked them a bit; it was to allow them time to plan.

SUSAN LEBLANC: What was the impact on municipal finances - obviously probably a positive impact, and the well-being of the one-time top-up to the grants in 2021? How was the doubling amount determined for that particular year? What was the thinking that went into that?

BYRON RAFUSE: I'm going to ask my associate to answer that, because I wasn't here at the time.

THE CHAIR: Ms. Pottie Bunge.

VALERIE POTTIE BUNGE: I wasn't there at the time either, but my understanding is the formula that is applied to the Municipal Financial Capacity Grant program is the same that was used in 2021 to double, so the distribution was based on that formula.

SUSAN LEBLANC: Can you make any comments about the impact of that one-time doubling?

VALERIE POTTIE BUNGE: My understanding is it was the most significant investment that's been made since 1995, so it was quite a significant investment in each of those municipalities for that period of time.

SUSAN LEBLANC: That's what I'm saying. That's my point. I'm wondering about when you double - when there's that kind of money provided on a one-time basis, and then not, obviously there's a recognition that the municipalities needed that significant investment. Was it earmarked for particular infrastructure that was just a one-time spend,

or is it to help with operating costs? Without that massive investment, how are municipalities able to move forward with going back to the status quo, as it were? Any thoughts on that?

VALERIE POTTIE BUNGE: I would say that after the initial doubling, the next year there was a grant program that was launched, which was the Sustainable Services Growth Fund, which contributed money toward infrastructure development for municipalities. This year, we've launched the Municipal Capital Growth Program, which again is a doubling. It's \$32.4 million, and it's a matched fund, so it's 50-50. That equates to over \$60 million in funding for infrastructure projects across the province.

SUSAN LEBLANC: One of the criticisms of the new funding agreement is that while granting amounts were redistributed, there wasn't any increase to the overall fund. One of the recommendations presented to the Province from the municipalities was a \$15 million increase. Was that considered? Was it crunched down to see if it was possible? Why was the recommendation not accepted?

THE CHAIR: ADM Pottie Bunge.

VALERIE POTTIE BUNGE: I think you're talking about the new Service Exchange Agreement. There are six elements to that. There are the contributions to Corrections that the Province is going to take over, there are the contributions to public housing that the Province is taking over, there are also the obsolete schools prior to 1981, those will come back to the Province with the municipalities having the first right of refusal. All of those will contribute dollars to the municipalities.

There's also \$15 million in infrastructure funding, they're looking at that grant. That's part of the service exchange, as well as a program for roads.

SUSAN LEBLANC: Does the exchange agreement account for inflation as we move forward?

THE CHAIR: Deputy Minister Rafuse.

BYRON RAFUSE: Certainly, if you look at the cost that the Province is picking up, those are costs that will continue to grow. If exchange hadn't happened, those costs would have grown for the municipality, so in fact, you can say that inflation has built it. It'll be just more money they'll say than otherwise would have.

SUSAN LEBLANC: Great. Can someone provide an update on similar discussions taking place within the HRM - specifically, the changes to the corrections and housing costs? Will they see the same tax savings for residents of the HRM on the April 1st timeline as the rest of the province?

[9:45 a.m.]

BYRON RAFUSE: As you realize, HRM was not included in the service exchange that was announced in the Fall. There are ongoing discussions with the municipality about how that could look. There's no final decision on that. There's been clarity about where HRM would like us to go, and we work through that in conjunction with a number of different conversations we're having with them.

SUSAN LEBLANC: I guess I'll just switch gears again really quickly. The HRM right now is having discussions about reworking the Centre Plan, with mixed opinions from all over the HRM, about building density. I'm wondering, with the change that happened last year giving the minister more control over development, if the HRM staff recommends the re-do of the Centre Plan or the additional density. Is that something that the minister will approve de facto, or is that something the minister could have influence on changing? How will he relate to those changes or those proposed changes?

BYRON RAFUSE: Certainly, obviously well aware of the changes that HRM has out for consultation. We were in conversation with them on those things about things that the Province would like for them to consider - density being the number one thing. The legislation does allow the minister to approve those. It's not that he must approve those things. He'll take that into consideration, plus anything else that may come out from the panel, which maybe could work in conjunction with the recommendations that HRM has out there. As I say, he's aware of those changes - what's out for consultation.

THE CHAIR: Order. Time for NDP questioning has elapsed. We'll now move on to the PC caucus. It's 9:48 a.m. You have until 10:08 a.m.

MLA Palmer.

CHRIS PALMER: It's a great conversation, and it's always fun when we can talk about growth, for sure. I'm going to maybe switch gears to the Department of Public Works, and a couple questions around collaboration. We talked a little bit about the work with federal partners and municipal partners that work together for different projects and large projects.

I was working with the Cambridge Interchange with Ms. Saurette and the deputy minister over the last few years on that project. I got a chance to understand the workings between yourselves and the federal government, and how we try to leverage the dollars from the federal government. Could you talk a little bit - not about the process directly about funding every bit of the application, but maybe just talk in general about what the department is doing to get the most they can from the federal government?

PETER HACKETT: I'll start, and then I'll pass it along to Ms. Saurette. With regard to all infrastructure programming, it doesn't matter if it's highways or municipal or

whatever the federal government's able to give out, our staff - mostly Public Works - look at all the programs that are submitted or put on the table by the federal government for whatever years they are. What we try to do is work with our municipal partners, work with our other government departments, and try to leverage those programs as much as we can. We ask for projects to be put forward based on the program that comes out. Then from there, we evaluate them and try to put them forward to the federal government.

There's a variety of different programs that are available. Some are small, some are larger, but what we try to do is look at the program individually and see where it best fits for both the municipalities and for the other government departments. I'll let Ms. Saurette

THE CHAIR: Ms. Saurette.

DIANE SAURETTE: Wonderful question, thank you so much. I can talk for the rest of the time here on the work. I think the first thing I'd like to say is that there are a lot of programs out there. We hone in on the infrastructure programs. The federal government, they provide a lot of funding to provinces and territories. Our team - it's quite a collaborative - it's not just the Department of Public Works; it's the Department of Municipal Affairs and Housing, the Department of Natural Resources and Renewables. We work closely with the Department of Communities, Culture, Tourism and Heritage and other government departments.

The programs come at a cost. We leverage the money, and that means government has to be committed. We've been very fortunate over the last few years again with this government that part of the mandate is to leverage as much as we can for Nova Scotians. We've been very successful at it. There are different types of programs out there. There are allocation-based programs, there are direct-apply programs. Allocation-based programs we administer, we understand the priorities, we get to pick the projects, and the direct-apply programs are competitive, merit-based. Municipalities can apply, the Province can apply.

There's a variety of different programs out there. We have an inventory and we're constantly looking to see what's there. We understand the priorities of government. We understand the priorities of our colleagues, our municipalities, other jurisdictions. The programs are vast. The funding - how do I want to say this? We have projects that are still ongoing from New Building Canada Fund. They're multi-year projects, significant projects. We're dealing with New Building Canada, Investing in Canada Infrastructure Program, the member had mentioned Cambridge Interchange, that came from the National Trade Corridors Fund. We have projects under the Disaster Mitigation and Adaptation Fund, Rural Transit Solutions Fund. I can go on.

I want to give some numbers because again, it comes down to government and its commitment. For us to leverage, we have to come forward with funding. It's not free money. It means that we can get federal funding, but 9 times out of 10, a provincial

contribution has to come to the table to be able to leverage that, as well as our partners, whether it's a municipality or a non-profit.

Under ICIP, we're able to leverage all of the funding. It was \$840 million. It was almost \$2 billion of infrastructure in our province. The Province was close to \$800 million of that, and the rest came from municipalities or non-profits. We've got the Disaster Mitigation and Adaptation Fund; we've leveraged \$85 million of that. National Trade Corridors Fund, we've leveraged almost \$200 million there. The Green and Inclusive Community Buildings program, we've leveraged just over \$50 million. The Rural Transit Solutions Fund, which really goes to support community transit in 22 areas of our province, almost \$12 million.

They're exciting, but a lot of work, and we deal with many partners. I think it's also important to understand although the Province is a proponent, we're a small proponent. We're more of a funder to be able to leverage. Most of these programs are in our communities and in our municipalities. They're community assets. The Province doesn't own the assets. It doesn't mean that we're not a proponent for some of these programs that we apply to when we understand our priorities, but a good lion's share of the money in these programs go out into our communities. We're having a good time.

CHRIS PALMER: You're having a good time. That's good to hear. You answered one of my next questions about directing the amount of money. You answered a lot of that with your answer to me there.

I'll shift back quickly to the Department of Municipal Affairs and Housing. In the 2022-23 departmental accountability report, it states that Municipal Affairs and Housing commits to the delivery of federal funding and provincial programs. The business plan update states that the department continues to deliver programming and grants to municipalities.

Can you tell us about how you're doing this, and this is the Public Accounts Committee, so how you provide accountability measures for that? If you could, please. The deputy minister, I guess.

THE CHAIR: Deputy Minister Rafuse.

BYRON RAFUSE: I'm going to ask Mr. Stuckless to answer that question.

THE CHAIR: Mr. Stuckless.

HARDY STUCKLESS: That's a great question. We are the municipal infrastructure team at Municipal Affairs and Housing, so this is what we do. This has been around since before I started 15 years ago, and will continue after I'm gone.

I'm proud to say that our team administers a lot of funding from a lot of areas. Some are provincial, some are federal-provincial, some are federal. We have six annual programs directed to infrastructure from the provincial government: the Provincial Capital Assistance Program, the Municipal Innovation Program, the Flood Risk Infrastructure Investment Program, the Beautification and Streetscaping Program, the Community Works Program, the Sustainable Services Growth Fund, and now the Municipal Capital Growth Program as well. Those, all told - quite a bit of money every year. At last count, we currently have 500 active projects right now in communities across Nova Scotia.

Combine that with the federal-provincial programming - we have the Investing in Canada Infrastructure Program, as Ms. Saurette so aptly described that program. We're a key partner in the delivery of those programs, as well as the Canada Community-Building Fund, which is \$60 million, approximately, per year from the federal government - transfer based, that goes out via an allocation formula to our municipalities.

With that context, the accountability - it's a lot of programs. It's a lot of projects. Having our fingers in all those pies - we take it very seriously. We have a team of engineering staff coordinators, financial staff. All of those programs have differing requirements. Some are reporting requirements - what they spent the money on. In all cases, there's a contribution agreement that we have to make sure they adhere to.

I know it's nice to have the announcements, but that's when the real work starts at the community level. We have to ensure that the municipalities and third-party entities are meeting the requirements of the agreements. That is done through, first off, communication, making sure that we have kickoff meetings and program announcements, making sure we have project-level meetings with the teams to make sure that they understand the requirements and what we can do to support them. We utilize our email for communications, just so that they don't have one person waiting on a call back. The whole team gets all questions, so we can respond accordingly.

We have claims adjudication. Claims come in. We need to have the financial team review it to make sure it's in line with the scope of work that's being done. The engineering team does a second set of checks, and then it will come up to senior to release the funding. We're involved in audits. Some of the programs have annual audits. Some of them have midstream audits, if they're five- to ten-year programs. We're accountable to all of those.

We ensure progress updates. We do that three times a year, as well as cashflow updates. We have to keep our provincial government and our federal partners informed of progress in all things. We're also there to support municipalities and any questions or concerns that they have. In today's climate, costs are escalating. Part of our role is to help right-size projects, to help mitigate the risk to get them through, to make sure that the projects, once they're announced, make it all the way to the finish line and we actually see the good work in Nova Scotia.

[10:00 a.m.]

CHRIS PALMER: Thanks for that. I will defer to my colleague, MLA Barkhouse.

THE CHAIR: MLA Barkhouse.

DANIELLE BARKHOUSE: To my understanding - this one is for the Department of Public Works - the first twinning project, which is Highway No. 104, was completed both on time and on budget. As we continue to have these twinning projects, to both make it safer for our travellers but also access to municipalities, I'm wondering if there are any lessons learned that we could carry through to other twinning projects.

THE CHAIR: Just over eight minutes. Deputy Minister Hackett.

PETER HACKETT: There are lots of lessons from the past that we've learned from our projects. We've done a lot of twinning over the last number of years - probably the last 25 years since I've been here. Certainly the way that the government is progressing, and previous governments progressed, in twinning, by taking the action of continuously twinning the highways to those destinations, like going to Bridgewater on Highway No. 103. We're trying to finish off on Highway No. 101, and then Highway No. 104 going off to the causeway, as well as Highway No. 107 here in the city. Those are the bigger priorities that the Province is looking at right now, and those were announced in the Five Year Plan in 2022-23. They'll be starting in the next couple of years to get going.

On the lessons learned part, there are a couple of things, I guess, which we didn't realize we'd come up against here in the last little while. That's why we haven't quite finished Highway No. 103. We're probably about 500 metres short, and we'll hopefully get that done here this Spring. The labour shortage that we have, the material issues that we have - we put these projects out all at once in 2017, which was a good idea at the time, but the big problem is we didn't realize we were going to run into the staffing shortage/material shortage.

At the same time, they're needed. It's a safety issue to get these done, so staggering them a bit better, coming out the door a little bit differently, and trying to get them - the completion dates not all in the same year is a good idea. As for the Highway No. 104 project, which was, as you said, completed on time and on budget - it was a P3 project. If governments decide they want to do those types of projects, they're big. They take a little shorter time and they put risk onto the proponent. They're a little more expensive in some ways in doing that, but it is one way to complete projects - to get them done a little faster if they want to look at that.

Unfortunately, I think in this current financial environment, P3s are probably not the most lucrative way to go, for both the Province and the proponents. They're not quite

as attractive as they were at one point, but hopefully the interest rates come down and the inflation becomes more sustained. Maybe that's some way we can look toward the future.

I think the big learning thing right now is trying to stagger these projects out and look at all the opportunities that we have. We did P3s, we've done design builds, we did design big builds - and just look at each one of them as we put them out the door to make sure we get the quickest way to get them done, the best way to get them done, and the most efficient and economic way to get them done. There's quite a bit we've learned over the last seven years.

DANIELLE BARKHOUSE: I bet there is. My next question is for the Department of Municipal Affairs and Housing. I'm interested in the reporting that the department provides about the municipalities. We like to call it the house, but it's actually financial condition indicators. I'm wondering: Can you tell me more about these indicators and what they use it for?

BYRON RAFUSE: That's a great question. I'm going to start off and then maybe hand it off to Ms. Doucett, but I'd like to say the house is a good analogy. The graphical representation of these indicators are a great way to see in a snapshot about how a municipality is doing. It's a robust analysis of 12 indicators of which you can look at and say whether or not there's an issue that a municipality should be dealing with.

I'm going to leave it to Ms. Doucett to go through those for you so you can get a sense about what the 12 are, and where they are in the house. It's great information, not only for ourselves, but for the municipalities to use comparisons, and to indicate borrowing eligibility or other kinds of stability issues.

REBECCA DOUCETT: Good financial management is one of the cornerstones to the success and continuity of any municipality. Ongoing performance evaluation and monitoring is really important to assess whether the municipality is improving, maintaining its stability, or is facing some challenges. To assist municipalities in evaluating their performance and to provide a general overview of the municipal financial condition, the financial condition indicators - or as we like to call it, FCIs - were developed jointly between the department, the Nova Scotia Federation of Municipalities, and the Association of Municipal Administrators Nova Scotia.

As the deputy minister mentioned, the FCIs are a collection of 12 indicators that measure the potential risks to a municipality's financial sustainability. The FCIs are really an early indicator of risks that allow the municipalities the opportunity to start discussions about how to address challenges before they develop into issues.

FCIs are, as the deputy minister had mentioned, graphically represented in the form of a house, and the house is organized into three dimensions. The first dimension is the base. The base has three indicators that provide a foundational analysis that focus on the

stability of municipal revenues and where the municipality receives their revenues from. For example, how dependent is a municipality on a single business or institution for its tax revenue? Is the municipality's tax base able to cover the cost of municipal programs and services? These indicators are influenced by external factors that municipalities may have little or no control over.

The second dimension is the structure, and that focuses on the management of the municipality. These five indicators focus on how the municipality spends its money and manages its finances. For example, how well is the municipality collecting its taxes? How much is the municipality saving for future unexpected events? How old are the municipality's assets? These indicators are influenced by municipal decisions and operations.

The third dimension is the roof. These four indicators focus on the ability of the municipality to meet its current and future needs in a balanced and independent manner. An example of these would be: Is the municipality incurring deficits? How reliant is the municipality on other levels of government? Is the municipality saving for future unexpected events or capital projects? These indicators highlight the outcome of both municipal management as well as external factors.

All indicators are measured against risk thresholds ranging from low-risk to moderate-risk to high-risk. These thresholds were developed based on jurisdictional scans, literature reviews, and municipal consultations. I'd like to mention as well that this coming year, the department will be collaborating with our municipal partners to begin a methodical review of the financial condition indicators to explore potential refinements and to try to contribute to an even more robust and insightful framework. We're really looking forward to beginning those activities in this coming fiscal year.

THE CHAIR: Thirty seconds. MLA Barkhouse.

DANIELLE BARKHOUSE: I know that's something. When I was a councillor for the Municipality of the District of Chester, something we paid close attention to and maybe on the next round - I'm wondering if you guys weigh one indicator more than the other. I know you don't have the time.

THE CHAIR: We'll now move on to our second round of questioning. Each caucus will have 12 minutes.

MLA Nicoll.

LORELEI NICOLL: Are you, with regard to housing, like you say - at the end of the day we hear from residents, and often when it comes to those living rough, they often wonder if they were living rough on provincial lands, whether it would be moving a lot quicker. At the end of the day, the municipalities are being tasked with this, and residents

really don't understand or see the great work. I want to preface it - from my time as an elected official, I know the great work that goes on behind the scenes. A lot of times it's the politicians who have to answer to the questions that may be informed, may not be informed.

I want to thank you for the information you're sharing here today but I would like to know if you're working with funding the municipalities for more affordable housing units like the Housing Accelerator Fund. I know that's going forward right now and I think that is specifically being led between the feds and HRM. I just wanted to see whether you could elaborate on that. It has helped groups for affordable housing in Nova Scotia, but going forward, what is the plan?

THE CHAIR: Deputy Minister Rafuse.

BYRON RAFUSE: Just for clarification, the Housing Accelerator Fund is not just the federal government and HRM. There are other municipalities in Nova Scotia that were eligible for that and will be announced soon where they'll have access to the applications that they put forward on those.

I think we participate in a number of ways that address the affordable housing needs. First and foremost is that as we've been talking about, we provide funding for municipal infrastructure, not just water and wastewater. When we participated in funding these other - jointly with the federal government or with our own programs with the inclusion of the municipalities, that allows the municipalities to either help increase density where they wish to increase density, or to increase their footprint, which allows for more development.

If you recall, in the housing strategy, the focus of the government is to find means to increase supply. That's one way in which we can help supply. There are many ways in which we provide incentive or encourage the supply. It is one way where we allow municipalities funding to move forward, and therefore housing developments can proceed.

Within the municipalities, not only are we helping with their infrastructure funding but we're also helping them to streamline the processes to accelerate the approval process. You see that predominantly in HRM, but you also see it elsewhere within the province, where we'll take steps, knowing that there is a need, that we will help them pass some hurdles. Additionally, there are programs, as I mentioned, that are not only available to private developers but are available to the not-for-profits.

In some municipalities, they are working together on joint initiatives, where through an extension of infrastructure and some funding through our Affordable Housing Development Program, housing units can be made available. You'll see that not only for health care workers but generally for affordable units for individuals.

Lastly, we do participate as a landlord in one of the most affordable housing aspects of the province, and that's the Nova Scotia Provincial Housing Agency. We have currently over 11,000 units. We have recently announced a build of 222 new units across the province, and possibly more through some innovative projects in certain locations. We will endeavour, as things allow, to maybe increase our footprint in that area through modular housing and the like.

Those are the ways in which we help municipalities address their affordable housing needs.

LORELEI NICOLL: The immediacy of all of that - I'm hoping it's called the Housing Accelerator Fund for a reason. The whole thing needs to be accelerated to therefore move quickly on it. There are a lot of moving pieces, and at the end of the day, there is one taxpayer. They want everybody to get their act together and work together to address the immediate need for housing in HRM and in Nova Scotia.

Earlier it was mentioned, in reference to the Municipal Capital Growth Program about having seen the biggest intake since 1995. Well, I know what happened in 1995. It was the amalgamation of HRM and CBRM, hence the need to have that money provided. In that regard, there is a new memorandum of understanding for the Service Exchange Agreement, with HRM having their own charter. We know that they weren't included in the latest update of the MOU in Fall 2023.

We had heard from the government that they will be in separate talks with HRM and that they were going to do it soon. What's the status between the provincial government and municipal government on that MOU for HRM?

BYRON RAFUSE: I think I heard two questions in there. Before I go to the Department of Municipal Affairs and Housing, certainly a lot of the funding around the Housing Accelerator Fund is to incent municipalities to expedite their process. I think that's great.

The development of an area - as you've been a former councillor and know - is a very complicated process. I've asked for a one-pager that shows what it takes. Really, when you're talking to individuals about how many steps have to happen before a unit is available, it's quite complex. I reference that because I asked for a one-pager, and I think it came back to me in 21 pages. There are a lot of steps in that. I can appreciate the complexities of that.

With the Service Exchange, I said at the time those conversations with HRM are ongoing. Valerie and I are actually conducting those conversations with HRM with the CAO. We will continue to have those conversations. It's in conjunction with a number of initiatives. We're looking forward to moving on with that.

[10:15 a.m.]

LORELEI NICOLL: Again - accelerated; MOU; 30 years. Still, that is the Memorandum of Understanding, so that the municipality itself understands the role they have to play, whether it's public works, whether it's internet, whether it's housing with that going forward. I just wanted to ask Mr. Stuckless: The 500 projects you referred to in communities across Nova Scotia, is that available or could it be made available to us? Give us an idea of what one that excites you might be.

THE CHAIR: Mr. Stuckless.

HARDY STUCKLESS: They all excite me, to be honest. I love driving through Nova Scotia and just being able to point to my family that we've got a role in this one, we've got a role in that, libraries, rec centres. They don't care about the wastewater so much, but they should, absolutely. (Interruptions)

THE CHAIR: Order. Mr. Stuckless.

HARDY STUCKLESS: The question on the 500, the list is not readily available for one main reason: 280-odd of those - I'd say 285 - are projects we would have to list. They're ongoing from those annual programs, like through the Investing in Canada Infrastructure Program. The second half of that list - about 230-odd projects - are under the Canada Community-Building Fund. That's the federal transfer program from the federal government. The last 10 years they've given \$680 million to Nova Scotia municipalities via the Province.

The reason that's not a readily available list - it's a plan list. Every year they tell us what they plan on doing with their allocation, but it's such a flexible program that they can pivot. When I checked before this committee meeting, I got a snapshot of how many they're planning on doing, but because they can pivot, it's not a publicly available list. I'd hate to have an expectation that they're going to do something, and as the municipality can do, they could pivot and go to another priority project at any given time. We could certainly circle back in that first half of the list, if that's something . . .

THE CHAIR: Thank you, that would be most appreciated.

LORELEI NICOLL: How much time do I have?

THE CHAIR: You have two and a half minutes.

LORELEI NICOLL: I'm going to go back to the internet, because as we are trying to grow our population - I was on the Halifax Partnership Board for eight years and realized the province of Nova Scotia is a wonderful place to live, but a lot of the time it's the internet that's required. People are now working from home, so it's very critical that the internet

gets upped, and whether we do actually have the bandwidth that can do that. I wanted you to expand on the comments that you made earlier, and when might somebody in Meat Cove be able to work from home?

THE CHAIR: Mr. Benoit.

DAVID BENOIT: I will just pick up where I left off, just to get the knowledge of the Satellite Internet Service Rebate Program out into the public. Anyone who is waiting for the fibre solution is eligible. It's very easy to apply. All they need is to do is go to our website, and the Province will cover the one-time installation cost for that. Then they have the option when the fibre shows up - they can remain on satellite or they can move to the fibre in their area.

As I was saying, there are 10,000 homes and businesses that remain underserved in 2024, and the plan is to aggressively tackle those. It's not surprising that these are the hardest ones to get to in a lot of cases. It does take extra time and effort in order to make sure that the project is viable, and that they can get it out to each underserved area. We are working very closely with all of the partners. It isn't just the telecommunications. It's Nova Scotia Power, the telecommunications companies, Build Nova Scotia that are working very closely and collaboratively together, to make sure that we keep these projects on track and that we deliver them.

You asked about a specific location. (Interruption) Bandwidth? Thank you for the reminder.

THE CHAIR: Order. Time for Liberal questioning has elapsed. We will now move on to MLA Lachance.

LISA LACHANCE: I'm switching gears, I think, from my colleague to my left, but I wanted to touch base on negotiations and discussions with CBRM. We know last Fall, the municipality wasn't pleased with the new funding formula. We certainly had a lot of discussions about that in the House. Have discussions with CBRM about a possible charter continued? What are the timelines on that?

BYRON RAFUSE: Yes, CBRM wasn't pleased with it. We're still a little perplexed by that because they do benefit from this initiative. The conversation about a charter with them has not advanced since that time. I don't even think that CBRM has come back in to us to say, We want to have that conversation at this point.

LISA LACHANCE: I would hope that those discussions would continue. You commented on being a little bit perplexed by their reaction, but I think they had some clear ideas of where they wanted improvements and where they felt the proposal wasn't going to meet their needs. Do you think that there's room to move? Will CBRM see a better deal and more capacity to respond to its municipal pressures?

BYRON RAFUSE: There's always been a commitment, and ongoing conversations will happen with all municipalities as we go further down the road on service exchange. This is what was able to be accomplished to this point in time. There is a list of items of which all municipalities have put forward that they wish to have a conversation about, and we've agreed that those - what that list will look like. Those conversations will unfold with all municipalities, not just CBRM.

LISA LACHANCE: I'd also like to switch gears a little bit again. We are still in the midst of cleaning up from a major snow storm this past weekend, and we've heard and seen what's coming out of CBRM, but this morning and yesterday, the warden for Pictou County was quite vocal about needing more support. This morning on CBC really placed it in the context of where, perhaps, he had seen a lack of infrastructure, a lack of equipment, and that equipment was aging.

Between Pictou County, Cumberland County's in a similar situation, CBRM - are you looking into how the Province can better support municipalities to respond to climate crises?

BYRON RAFUSE: Certainly within our programming, we do have funding to look at the resilience to climate change. I mentioned the flood line mapping, but other aspects. We work with our colleagues at the Department of Environment and Climate Change as to how to advance that. They actually provide us some funding in that regard that goes to municipalities. There is that ability for them to do the appropriate planning as they go forward to make more resilient municipal infrastructure and the works.

When you mentioned aging equipment, I'm not sure which type of equipment you're referring to: municipally owned or provincially owned? If it's provincially, I think I'm going to defer that to Mr. Hackett.

LISA LACHANCE: Maybe I'll just offer a clarification. Yes, the warden of Pictou County was talking about the fact that most of the roads are provincial, and in his view, there's not adequate snow removal equipment, for instance, available now in the county, and this has been a building crisis, and it doesn't want to go away. I guess I would invite Deputy Minister Hackett to comment on that.

PETER HACKETT: The provincial fleet in our bases across the province is laid out in such a way that they accommodate the number of kilometres of road per area. There are so many pieces of gear in Pictou, there are so many pieces of gear in Annapolis, so many pieces of gear in Lunenburg - based on the number of roads, and also based on the amount of average snowfalls, to be able to get the roads clear within our level of service. We have prescribed levels of service that we post, for 100-series highways to be cleared in - I think we have four hours or so after a storm, and then trunks and routes and secondary, and then gravel roads.

The gear is laid out that way and made up for average snowfall amounts to get the roads cleared in that period of time. This is a way-above-average snowfall amount. This is something that's not – I don't think we have ever seen Cape Breton with this much snow - 150 centimetres in some areas. We maybe got up as high as 90 centimetres before, maybe 100 centimetres in White Juan, but I don't recall anything of this nature.

I think the gear is appropriately allocated, but in these situations - we've done a very good job with our department. We've reached out to the private sector. We've reached out to our partners in New Brunswick and the private sector in P.E.I., and we started to bring gear in. I think that's what you have to do in situations like this. You don't get into a situation where you load up all your gear with the intent of one big snowfall. You load it up for your normal snowfalls or slightly worse than normal snowfalls, and then bring in gear as you require it. This is a unique situation that we have that we're working on. Our staff have been going since Friday night - in certain parts of the province, 24 hours. That's operators and mechanics and supervisors and managers. It's a unique situation.

As far as the age of the gear, we keep working on bringing that age down. It is old, but it works well. We obviously have gear meant for snow removal, so it does break down, but we do try to go through a process. We get extra money from the government every so many years to advance our fleet, to buy more fleet, to upgrade our fleet. We could always use more, there's no doubt, but I think what we have right now does a good job on our normal, average Winters.

This is a unique situation that we're in. We're working hard to bring more gear into those areas like Pictou and Antigonish and certainly Cape Breton County that need it the most to get those roads open ASAP.

LISA LACHANCE: I certainly want to recognize that we're a province that relies so much on the work of the plow operators and mechanics. I know that people are constantly tracking where plows are and when they're coming back and crowdsourcing information and sharing that online with people to help people know what's been cleared, what might need to be cleared next, that sort of thing. I know friends who haven't seen their partners since last week and don't expect to see them any time soon because they're out working and clearing.

You did say that it's old, and you did say that it will break down, because snow removal is hard work, especially this time around in lots of areas where people are talking about it being like cement - it's an additional challenge. Was a budget request made from the department this year for additional snow removal equipment?

PETER HACKETT: I think we did ask for some additional funding. Normally I think we're running around somewhere between \$8 million to \$10 million in our fleet. We just take the oldest piece of gear out and put a new piece of gear in, so it's kind of a rotational thing that goes around to each area.

[10:30 a.m.]

What we have been very fortunate on in the last number of years - and Ms. Saurette has been involved with this quite heavily - throughout the year, when there's any funding that comes available on a capital side, as this is capital equipment, we've asked the Department of Finance and Treasury Board for additional funding for our fleet. Over the last number of years, Finance and Treasury Board has come through and advanced some of that work - some of the capital assets. We've got extra graders, we've got extra plows, and we've got extra loaders from that additional funding. We have a fund built into our capital program, but over the last few years, we've gotten additional funding from Finance and Treasury Board as we asked throughout the year, and able to purchase it before the end of the fiscal year. So we are getting ahead of where our fleet was at one point. Our fleet - the average age is becoming newer. The government has given additional funding for that over the years.

LISA LACHANCE: I'll ask this question quickly. The 911 fee that's collected on behalf of municipalities by the Province, how is that managed? Is the total filtered back to municipalities? If not, where does the rest go?

THE CHAIR: Deputy Minister Rafuse.

BYRON RAFUSE: I'm going to have to get back to you on that. I understand it defrays costs to run the 911 system, but a flow-back to a municipality? I'm not aware of that, sorry.

LISA LACHANCE: This is based on a question that we had when we had a chance to meet on these issues earlier, and just understanding how that 911 fee is allocated. If you can follow up, that would be great.

Similarly, and we may not have time to cover this: The calculation of Nova Scotia Power's grant in lieu. Does the Province distribute the full amount collected back to municipalities? Is the amount increasing each year?

BYRON RAFUSE: I'll ask Ms. Doucett to answer that.

THE CHAIR: Ms. Doucett - 30 seconds.

REBECCA DOUCETT: Yes, NSPI is provided to the province every year as a grant in lieu, and the Province distributes that funding back to municipalities fully through three programs. If memory serves, it's about \$43 million this year, and it escalates by CPI every year.

THE CHAIR: We will now move on to the PC caucus for their final 12 minutes. Back to MLA Barkhouse.

DANIELLE BARKHOUSE: I just want to ask Director Doucett - because I know with the Municipality of The District of Chester, we used all the indicators. Of course, foreign power, and reserves were high and whatnot. Do you weigh one indicator more than the other? If so, which ones?

THE CHAIR: Who was that directed to?

DANIELLE BARKHOUSE: Director Doucett, and then I'm going to pass it over to MLA Taggart.

THE CHAIR: Ms. Doucett.

REBECCA DOUCET: No, actually, we don't weigh one indicator more than another. The financial condition indicators are really intended to be looked at on a holistic basis. They provide a picture of the overall financial health of a municipality. It's really important that the indicators be looked at collectively.

As I had mentioned before, the indicators are divided into three dimensions. The first is the base, which focuses on stability of municipal revenues. The second is the structure that focuses on how a municipality spends its money and manages its finances. The third is the roof where it holistically measures the ability of the municipality to meet its current and future needs in a balanced and independent manner.

Again, the FCIs are not intended to be looked at in isolation, but really, they're a starting point for municipal decision-makers to identify potential risks to a municipality's financial stability and to identify opportunities for improvement.

THE CHAIR: MLA Taggart.

TOM TAGGART: I just want to begin with a comment. Deputy Minister Hackett is very well aware that I'm not shy to make my opinion known at the Department of Public Works. In this particular case, I have got to say that they are doing an extremely great job. I absolutely know what's going on in Colchester North. The member across mentioned Cumberland and Pictou, which border both sides of Colchester North. I can understand the frustration of people. I certainly answered emails last night and then since 6 o'clock this morning. The challenge that they have with this weather - it doesn't matter how new the equipment is - and the job they're doing, I can't say enough good about them. I just need to get that on the record.

Then I want to move, if you don't mind - Mr. Benoit commented earlier about the 10,000 people who still don't have broadband. Apparently, that's 2 per cent. I wonder if you could table those documents - and maybe what speeds they're receiving - because I think those 10,000 people all live in Colchester North. I was actually part of a committee that negotiated one of those contracts. I know very well what was in the contract and what's

been done. I'm not sure that everybody is giving you proper information, sir, so I'd love to have that. I think our committee is allowed to ask for that, is that correct?

THE CHAIR: Absolutely.

TOM TAGGART: I'd love to have that, please.

What I've really got to get to here is Mr. Peck and rural. I promise I won't interrupt you, sir. I know that the Joint Regional Transportation Agency - I got it, the 100 miles within HRM and all that kind of thing. I understand that but again, as we go forward and as the population of our province increases - when I was still with Colchester, we were talking about - it sort of got me on the wrong side of them initially. It was about density, and you had to have density to reduce carbon, and all this kind of stuff. I have come to agree with the density, even in rural Nova Scotia in certain locations.

I guess where I'm going with that is what is the government doing - or what is your group doing - to support any transportation in rural Nova Scotia? I know, you're only reaching out 100 km. When you make these investment decisions, are they reflective of the different needs of the urban and the rural settings? I just wonder how far down that road you've gone.

MARK PECK: Thanks for the question. It's a difficult question to respond to, so just bear with me. You'd referenced net zero. Net zero is one of the pillars or foundations of the plan that we're developing. I'd referenced in my prior comments that the plan is due to government in November of 2024.

In terms of rural versus urban, here's what we've done. We've hired two consultants to help us develop this plan. The first company is a company out of Toronto - it's called HDR. They will develop and deliver this plan, and it's also in concert with another consultant group called WSP, and WSP are looking at what I would call the science or, to quote Matt Neville: the quantitative data that is analyzed to determine the movement of people and the movement of goods. You have to balance that between the rural component within this area and the urban component within this area.

What we'll receive, MLA Taggart, is a plan that is within that one-hour radius that will look at the movement of people and the movement of goods, and we'll have a plan that will then be a plan. Then, what's really important once you receive the plan is the implementation associated with that plan, and, as I referenced, the funding requirements that will be needed and the balance between rural and urban.

Perhaps I'll get my colleague, Ms. Saurette, to comment a little more on this, but we also have the Community Transportation Network that's led by Greg Sewell. There are 22 providers in Nova Scotia. Municipalities look after - I believe it's the door-to-door - or

the fixed roofs, and the Community Transportation Network looks after primarily rural Nova Scotia, look after the door-to-door.

What's really important in this plan is that we take in all of those components and create a system or network that benefits Nova Scotians within the study area. While there may not be a direct association with transit, as an example, in Middle Musquodoboit on the Barren Road, what it will provide is access to a particular point for residents of rural Nova Scotia, be it through active transportation, be it through vehicular, to a particular point where they could then access transit, as an example. There is - there will be a direct benefit to rural Nova Scotians within this study area.

TOM TAGGART: I guess I have to maybe confess that many years ago, early on in my council years, we actually had a study done in Colchester and Truro, and I was one of the councillors who turned thumbs down on it. You know, there's no way that we're going to invest that kind of money. I've since come to realize that it's really a community investment, so I think you'll have me as a supporter when you bring that out. I'm sorry to the Department of Municipal Affairs and Housing, what role does the Province play in federal-provincial-municipal infrastructure programming such as the Investing in Canada Infrastructure Program? I think I want to throw a tidbit in there about how you can help the smaller municipalities that don't have the capacity to write grants all the time. How can you help them? I think they're desperately in need of that support, because often - anyway. What's your role there? Thanks.

THE CHAIR: Deputy Minister Rafuse, three and a half minutes.

BYRON RAFUSE: Certainly on these federal programs, we work with our colleagues primarily with Diane Saurette on these large infrastructure programs through Infrastructure Canada. We are constantly in contact with officials - primarily for us would be on the housing and municipal infrastructure components of those agreements. Obviously, there's a broader mandate in a lot of those federal programs, of which Ms. Saurette would take the lead. We work in conjunction with them.

You can rest assured that when we meet with them, we are constantly advocating for more funding for the Province, more flexibility for our needs - more flexibility to allow them to achieve their goals as well as our goals. I guess that's the best way to describe it.

Recently, when the Atlantic ministers of housing met with their federal counterpart, every conversation was around what more can the federal government do to support housing infrastructure in the province and all provinces. There was a commitment from the federal government to move forward. There are some conversations to make some advancements within their existing programming.

For municipalities that need help with their applications, we've heard that before. There are some resources available at the NSFPM that would allow them to navigate through

that process. We also have resources within the department that we can help them do that. If there's a reach out, we will help. I understand a lot of them may be unfamiliar to them, or more applicably, the underlying requirements to do an application might not be there yet.

A lot of the new housing infrastructure money that's being spoken about will have to be including a transportation and a housing needs assessment. One of the reasons we did a housing needs assessment was not only to fulfill our understanding about what the need is in the province, but that report is broken down at the municipal level and allows them to see what the projections are for the housing needs in their area, and they can use that report in conjunction with their application for federal programming. So that's another one. But we will continue to help them.

THE CHAIR: MLA MacDonald.

JOHN A. MACDONALD: Opposite of MLA Taggart, my Department of Public Works always does a great job. I want to thank all of the ones who are doing their work. Some roads took 72 hours because this snow was unbelievable. The mechanics, the operators, the call centres - they're doing great. Thanks for all the work you're doing.

Thank you, Chair.

THE CHAIR: Thank you, MLA MacDonald. Order. Time for PC questioning has elapsed.

Would any of the deputy ministers like to make some closing remarks?

Deputy Minister Hackett.

PETER HACKETT: No, I just want to say thank you to the committee, and thank you, Chair, for having us here today to talk about this topic.

THE CHAIR: I think this is probably the first committee where all the witnesses got to say something. It's a red-letter day.

Thank you so much. You're free to leave and go out into the world. We're going to continue on with our committee business here right now.

We just have to approve the Record of Decision from the January 31st subcommittee, which all committee members should have. You were provided with the record of decision.

MLA MacDonald.

JOHN A. MACDONALD: I move to confirm the record of decision for January 31, 2024, as presented.

THE CHAIR: Any discussion?

All those in favour? Contrary minded? Thank you.

The motion is carried.

[10:45 a.m.]

I should note that I take my instructions from the committee. If an MLA is questioning witnesses and they indicate they've heard enough, that's when I intercede. I don't do it because I want to be mean, I do it because I'm taking my instructions from the MLAs who are speaking. In some cases, they've heard enough. In other cases, I think they're concerned that the witness is waxing poetic and eating up time.

This committee knows that we have seen situations like that where I have had to intercede, even without an MLA speaking, because an opening statement went for over 10 minutes.

Let me just say that if we have any more interruptions like this of committee members interrupting another committee member's questioning and eating up their time, I will be adding time to the MLA who has been interrupted. I just want everyone to understand where we are with this. I want to be fair to people, and we can't have these interruptions. It's not fair.

With that, our next meeting date is on Valentine's Day where we'll have a love-in in camera. February 14, 2024, Office of the Auditor General, the 2024 Report of the Auditor General: Value for Money, Development of Transitional Care Facilities.

Any further business? The meeting is adjourned.

[The committee adjourned at 10:46 a.m.]