



**NOVA SCOTIA
FEDERATION OF
MUNICIPALITIES**

29 March, 2022

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Cape Breton Regional
Municipality

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Town of Port Hawkesbury

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RURAL CAUCUS CHAIR:

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Municipality of the District of
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Town of Westville

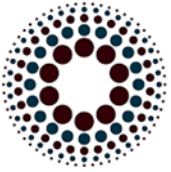
Deputy Minister Lafleche
Department of Municipal Affairs and Housing
Maritime Centre, 1505 Barrington Street
14th Floor (North)
Halifax, Nova Scotia B3J 3K5
(Sent Via Email)

Deputy Minister Lafleche,

We recently received a submission from Mr. Jeff Gushue, CAO, Town of Yarmouth, concerning regional housing authority net operating loss amounts billed to municipalities. As you know, municipalities are required to cover a percentage of the net operating losses (NOL) of housing authorities. Revenues and expenses are attributed to each property with a share percentage assigned to the municipality as per the property's handover agreement.

Yarmouth's housing agreements indicate the Town is responsible only for the net operating losses of properties that are still under agreement (mortgages). Housing Nova Scotia has supplied the Town of Yarmouth with a detailed list of properties, and a detailed list of infrastructure improvements. However, the list of infrastructure improvements includes improvements to properties no longer under agreement.

This has resulted in significant financial discrepancies. For example, the amount of municipal taxes attributed as an expense to properties still under agreement is \$100,000 higher than the amount billed by the Town of Yarmouth. Mr. Gushue, suspects that similar discrepancies may also exist in the allocation of other operating costs and sent a letter to Housing NS requesting additional detail in June of 2021. To date, he has not received a response from Housing NS.



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Both the AMANS and NSFM Boards are concerned that significant financial discrepancies may be present in the NOL amounts billed to other municipalities. While we understand that there are complex legal issues surrounding NOL amounts, but that does not negate municipal concerns with respect to the legality of housing authorities continuing to bill municipalities for NOL amounts after a property's mortgage is retired.

On behalf of the NSFM and AMANS Board of Directors, we respectively request that the Department investigate the concerns raised by Mr. Gushue and provide a response.

Yours truly,

Mayor Amanda McDougall, President NSFM

John F. MacKinnon, Eng. President, AMANS