

From: [Charles Sampson](#)
To: [NSFM Info](#)
Cc: ["Albert Maroun"](#); tim.houston@nspccaucus.ca; mayor@cbrm.ns.ca
Subject: FW: FEDERAL EQUALIZATION FUNDING AVAILABLE
Date: June 9, 2022 6:53:35 PM

From: Charles Sampson <charlessampson@eastlink.ca>
Sent: June 9, 2022 6:48 PM
To: 'mayor@cbrm.ns.ca' <mayor@cbrm.ns.ca>
Cc: 'Albert Maroun' <nsefgroupsydne@gmail.com>; 'tim.houston@nspccaucus.ca' <tim.houston@nspccaucus.ca>
Subject: FEDERAL EQUALIZATION FUNDING AVAILABLE

Dear Mayor Amanda McDougall:

As you can see, sufficient federal money is provided, yearly, to properly fund the municipalities in this province.

Why are you and this council continuing to avoid the obvious questioning of this inadequate provincial government's "equalization" Municipal Financial Capacity Grant when the federal Equalization funding is clearly provided for every year?

Given your tweet, I hope all is well with your son and family.

Sincerely,

FEDERAL EQUALIZATION AND MUNICIPAL GOV'T
UNDERFUNDING

The following paragraph (on p. 71) is taken from the April 2005 report, “A QUESTION OF BALANCE” – An assessment of the State of Local Government in Nova Scotia, prepared for the Nova Scotia Federation of Municipalities:

“Core Expenditures: The main problem with the standard expenditure estimate utilized in the formula as currently implemented is that it accounts for only 40% of the expenditures normally undertaken by Nova Scotia municipalities. Consequently, it should not be surprising to find that the equalization system utilized in Nova Scotia, which equalizes up to a standard that consists of 40% of normal municipal expenditures, does not enable Nova Scotia’s municipalities to provide reasonably comparable local expenditures at reasonably comparable tax rates. In other words, the equalization standard used in the Nova Scotia formula is too low to allow equalization-receiving municipalities to have the resources to ensure that their residents have access to comparable services at reasonable rates of taxation. That is, the core expenditures utilized in the Nova Scotia formula represent an incomplete share of annual costs incurred by municipalities in Nova Scotia.”

https://cbrm.ns.ca/images/stories/reports/A_Question_of_Balance-An_Assessment_of_the_State_of_Local_Government_in_NS.pdf

Since the amount of the provincial equalization grant has for some years remained unchanged - except for the provincial government's one time top up this year – this policy must still be in effect.

That is why this one category of the five in the federal equalization formula pertaining to the province's municipal deficiency in its tax capacity related to property taxes and miscellaneous revenues continues to send to this province an amount every year which *represents the approximately 60 percent shortfall mentioned in this report.*

In this way, the federal government continues to send enough funding in these federal equalization transfers, which appears to show it is complying with its commitment pursuant to s.36 of the Constitution Act. 1982.

Despite the federal funding, five towns have dissolved due to financial problems. Why are many other municipal units also struggling financially?

What is the provincial government's explanation for the whopping discrepancy between what the federal government, each year, provides in the equalization transfers (this year approximately 23% of \$2.458 billion = \$565 million) for the provincial municipal property tax capacity deficiency and the provincial government's equalization Municipal Financial

Capacity Grant of \$30 million?

Without an explanation, it appears the provincial government's policy and practice is evidence that it has exempted the government from having to comply with this federal program, which is enshrined in the supreme law of our constitution.

This appears to be the interpretation taken by the provincial government from the C.J. Michael MacDonald's "Conclusion" in his 2009 N.S, Appeal Court decision regarding the CBRM constitutional challenge. He legally ruled that only the two government parties which were privy to what is represented by s.36 can address this issue. Jurisprudentially, this overruled a prior 1950 *Supreme Court of Canada* constitutional decision, which ruled unequivocally that the constitution belongs to the country - and not government.

<https://www.canlii.org/en/ca/scc/doc/1950/1950canlii26/1950canlii26.html> (see p. 34)

And this is how justice keeps being denied to rural Nova Scotia and the CBRM!

Yours truly,

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