

August 30, 2023

The Honourable John Lohr
Minister of Municipal Affairs and Housing
1505 Barrington Street, Halifax, NS
B3J 2M4
Email: dmamin@novascotia.ca

Dear Minister Lohr:

RE: Feedback on Service Exchange Agreement Proposals

Thank you for the opportunity to comment on the proposed changes to the Provincial-Municipal Service Exchange Agreement. I along with other elected officials and staff from Antigonish County have attended multiple online consultation sessions. I'd also like to express my thanks to your departmental staff and NSFMR representatives who have worked diligently over the past two years to bring these proposals forward for discussion with the larger municipal community.

While Antigonish County Council will meet and formally discuss the proposed Service Exchange changes on Tuesday, September 12, I feel that based on previous discussions with Council I can provide the following feedback now on behalf of the County. Should my Council's position deviate from the feedback herein, I will be sure to share it with you.

The removal of mandatory contributions for corrections and public housing is a welcomed change. As stated in the engagement materials, these are provincial responsibilities. Municipalities have limited means to raise revenue and they should not be burdened with the funding of provincial responsibilities.

I also applaud the creation of a new application-based infrastructure program. In the development of that program, I encourage the province to time project calls and funding decisions so that municipalities can issue tenders early in the calendar year. We have repeatedly found that tender calls that are delayed into the summer by funding decisions or announcements result in higher pricing from contractors. Early funding decisions will make limited public funding go much further.

While most of the proposed Service Exchange changes will create a net-benefit for municipalities, Antigonish County does not support the Roads Program B proposal. I can appreciate the support offered to my town colleagues with Program A. However, I believe Program B, though described as being optional, is problematic.

There are almost 700 kms of G, H, I & J-Class Roads in Antigonish County – this is small compared to some of our rural neighbors. These roads vary widely in use, character, and condition. To categorize them collectively as “local roads” and devise uniform approach to their future capitalization and ownership is problematic to begin with. Some have a local purpose; many clearly have a regional or provincial purpose. To be sure, they are not uniformly comparable to town or subdivision streets.

It remains unclear if the \$10M provincial committed to this program is new money or simply reprofiled existing capital funding within NSDPW. We know that the J-Class Road program is proposed to be cancelled with the enacting of Program B, which means if this is new money it is \$8M rather than \$10M. If Program B is funded by re-profiling existing provincial capital funding and adding a requirement for matched municipal funding & ongoing maintenance, it would be a remarkable example of downloading and hardly balanced by reduction in mandatory costs for corrections and public housing, particularly for the seven rural municipalities that do not receive any form of operating grants.

Program B is being described as “optional” or “voluntary” and it has also been stated that the NSDPW will continue to maintain G, H, I, & J-Class Roads as they always have if Program B is enacted. However, we hear from local NSDPW officials that maintenance / operational budgets have not changed in over 10 years. We see the result of this effective reduction in funding in the state these roads. Brush cutting, culvert clearing, ditching, maintenance patching, regular grading and dust control is not being done today. Frustrated residents turn to their municipal councillors for answers and help today - upward of 75% of the calls we receive relate to these roads.

Given the current experience we fully expect that the public will immediately turn to municipalities to take on under-capitalized and poorly maintained provincial roads. Further, we expect local NSDPW officials to direct the public to the County because they do today even without a formal program. While technically optional, the pressure from the public and the province will mount on municipalities. It is hardly an environment conducive to partnership and contrary to the proposal relating to corrections and public housing, where the province acknowledged and bore the cost of provincial responsibilities.

Regardless of whether you agree with the concerns I've raised above, I think my sentiment and the comments I've heard from my rural municipal colleagues from across the province is clear. Program B is problematic for many reasons and requires further discussion with rural municipalities. I respectfully request that you defer consideration of Program B and develop a process to have direct discussions with rural municipalities relating to the future of rural roads.

Sincerely,



Warden Owen McCarron

Cc: Honourable Michelle Thompson, MLA for Antigonish
Honourable Greg Morrow, MLA for Guysborough-Tracadie
Paul LaFleche, Deputy Minister, DMAH
Valerie Pottie Bunge, Associate Deputy Minister, DMAH
Andrew Atherton, Executive Director of Municipal Affairs
Mayor Brenda Chisholm-Beaton, NSFM President
Juanita Spencer, NSFM CEO
