



**NOVA SCOTIA FEDERATION
OF MUNICIPALITIES**

December 9, 2019

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Town of Port Hawkesbury

The Honourable Chuck Porter
Minister, Municipal Affairs and Housing
P.O. Box 216
Halifax, NS B3J 2M6

Delivered via mail

Dear Minister Porter:

RE: STATEMENTS OF CONCERN

I trust things are busy and all is well in your department! This letter is simply to keep you updated as to NSFMs activities on our recent work on resolutions and statements of concern. As you know, the five resolutions that represent the top priorities of our collective membership have remained the same and were confirmed at our AGM on November 7th. We are looking forward to continuing the work on these priorities.

At the same time, we engaged our members to vote on the issues they would like NSFM to work on next. When one of our five resolutions is resolved, we now have a prioritized queue of issues ready take a priority position. There are six of these statements of concern, ranked in order as follows:

1. Sustainability and Infrastructure Support Funding
2. Climate Change
3. Policing
4. Municipal Responsibilities
5. Cannabis
6. Surplus Schools

A detailed explanation of the six statements is attached for your information. The explanations include an identification of each issue, the impact on municipalities, and suggested actions. These statements do not represent formal requests for the Province to undertake any action, but they do constitute a preview of what our next requests will be.

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We hope this information is helpful to you as you work in your respective portfolios. If you would like to have further discussions with us on these matters, please do not hesitate to contact me at president@nsfm.ca. I'm interested, as well, in hearing more about those issues you consider priorities that we can work on together, ensuring this relationship works both ways. Given the time of year, any chat can include candy cane hot chocolate!

Sincerely,

A handwritten signature in black ink, appearing to read "P Mood". The signature is fluid and cursive, with the first letter "P" being large and stylized.

Mayor Pam Mood
President, Nova Scotia Federation of Municipalities

CC: The Honourable Karen Casey, M.L.A., Minister of Finance and Treasury Board
The Honourable Gordon Wilson, M.L.A., Minister of Environment
The Honourable Lloyd Hines, M.L.A., Minister, Transportation and Infrastructure
Renewal
The Honourable Mark Furey, M.L.A., Minister of Justice
The Honourable Zach Churchill, M.L.A., Minister of Education
Tim Houston, M.L.A., Leader of the Opposition
Gary Burril, M.L.A., Halifax Chebucto
Dr. Thomas Trappenberg, Leader of the Green Party

NSFM Statements of Municipal Concern

1. SUSTAINABILITY & INFRASTRUCTURE FUNDING SUPPORT

Issue Identification: Numerous funding resources exist for municipalities to make their operations more efficient, strengthen their infrastructure planning initiatives and increase their resiliency to our changing climate. However, despite the availability of programs, a significant number of Nova Scotia's municipalities lack the capacity and/or time to access them.

As a provincial association, NSFM is well positioned to support municipalities in accessing available funding to foster the adoption of innovative and strategic approaches to managing their operations and infrastructure. NSFM could play a key role in identifying appropriate projects and sources of funding, and opportunities to partner with other municipalities on initiatives that are mutually beneficial.

Background Information: Over the next 10 years, Nova Scotia will receive \$828 million in federal infrastructure funding through the *Investing in Canada Plan*. This program will offer funding for green infrastructure, public transit infrastructure and community, culture and recreation infrastructure. To access the funding, municipalities will have the added requirement of applying a "climate lens" to applications for major infrastructure projects, where they will need to undertake an assessment of how projects will reduce carbon pollution and better withstand the impacts of climate change.

In addition to the *Investing in Canada Plan* opportunities, the Federation of Canadian Municipalities (FCM) has funding to support sustainability, infrastructure and climate change initiatives. Its main funding program is the *Green Municipal Fund*, which supports projects that improve air, water, soil and reduce greenhouse gas emissions.

Although these programs are available to communities across the country, Nova Scotia's municipalities are often underrepresented as funding recipients. To position our municipalities to take advantage of these opportunities, NSFM could support municipalities (which may otherwise not have to the in-house capacity) in securing funding for sustainable infrastructure planning, green innovation and climate change initiatives.

NSFM could create an in-house position, which would be funded from the Province and NSFM membership dues. NSFM would focus on helping municipalities identify and access funding to support initiatives designed to mitigate current and future climate risks as well as those that lead to the adoption of new and sustainable approaches to infrastructure planning. Through the development of resources, training opportunities and knowledge sharing events, NSFM could

help streamline the application process for municipalities and position them to be successful applicants. Recognizing that local leaders know what is best for their communities, NSFM could work with municipalities to identify innovative solutions to make their communities more sustainable that also fit within the program requirements. To make the most of available resources, NSFM would also look for opportunities for municipalities to partner in circumstances where they would benefit from regional or collaborative applications. This would not only ensure that funding programs are as impactful as possible, but also make limited resources go farther.

Impact on Municipalities: NSFM could play a coordinating role in helping municipalities secure funding that they otherwise would not have the capacity to access. This support would help municipalities make the most of programs that mitigate current and future climate risks and enhance infrastructure planning and service delivery.

Proposed Action: To provide this support to municipalities, the suggested approach is to secure funds to cover the full cost of creating a Sustainability & Infrastructure Funding Support position within NSFM (funding for the position would cover salary, benefits, resource development, coordination of events, travel, etc.). Because this position would provide value to both municipalities and the Province, in terms of meeting shared goals relating to environmental and infrastructure sustainability, NSFM would seek half of the funding from the Province of Nova Scotia and the remaining half through membership dues. It should be noted that there has been some support for this plan expressed in the legislature.

The main services that could be provided through this position include:

- Coordinating knowledge sharing and educational opportunities about existing funding programs and resources
- Assisting municipalities in preparing to apply for eligible funding programs
- Supporting municipalities in seeking innovative project ideas and applications to facilitate strategic infrastructure and sustainability planning
- Facilitating networking opportunities to share best practices and successes among municipalities
- Facilitating collaboration among municipalities where it creates economies of scale and shared benefits to develop regional/collaborative applications
- Liaising with Infrastructure Canada, the Province of Nova Scotia, FCM and other organizations to remain current on existing resources and opportunities

Upon securing support for this work, NSFM would seek input from municipalities and the Province of Nova Scotia to identify and agree upon the key services that would be most beneficial to access funding resources. NSFM would seek to establish this position as an ongoing initiative; however, the work could be reviewed in 3 years to ensure it continues to provide maximum value to both municipalities and the Province.

Sustainability & Infrastructure Funding Support Resolution

WHEREAS the Province of Nova Scotia and NSFM recognize common goals relating to municipal sustainability to make municipal operations more efficient and increase climate resilience; and

WHEREAS the Province of Nova Scotia and NSFM are supportive of wise investments in infrastructure to support sustainable service delivery at the right level and cost to taxpayers; and

WHEREAS the Province of Nova Scotia and NSFM recognize the importance of regional cooperation since the impacts of climate change do not recognize boundaries and enhanced collaboration will support municipalities in making their communities healthier, safer and more prosperous; and

WHEREAS municipalities have direct or indirect influence of close to 50 percent of the nation's greenhouse gas emissions and are responsible for more than half of Canada's public infrastructure; and

WHEREAS NSFM recognizes that some municipalities lack the resources to access existing funding opportunities that would allow them to develop innovative and strategic initiatives to make their operations and infrastructure more sustainable; and

WHEREAS NSFM is uniquely positioned to support municipalities in making the most of existing funding opportunities and resources;

THEREFORE BE IT RESOLVED that the Province cost share the funding for a Sustainability & Infrastructure Funding Support position within NSFM.

2. CLIMATE CHANGE

Issue Identification: Nova Scotian municipalities have expressed increasing concerns about climate change over the past year. They need support in preparing for the impacts of climate

change, both through mitigation and adaptation efforts. A considerable deal of media attention has been given to storms like Hurricane Dorian, and many international and Canadian studies point to serious reasons for concern. Municipalities are struggling with this issue on several levels, including:

- understanding the needs and opportunities to address climate change impacts;
- capacity to integrate climate considerations into asset management planning;
- capacity to apply for funding;
- expertise to oversee implementation of plans and processes; and
- lack of experience and capacity to develop joint initiatives with neighbouring municipalities.

There are many processes in place or soon to be in place that will require municipalities to examine their issues through the lens of climate change. These include the requirement for municipalities to undertake an assessment of how projects will reduce carbon pollution and better withstand the impacts of climate change under the Investing in Canada Infrastructure Program, the development of provincial minimum planning standards, and the proposed legislation for coastal protection to help ensure that new construction happens in locations that are less likely to be impacted by rising sea levels, storm surges and coastal erosion.

Background Information: Although all municipalities completed Municipal Climate Change Action Plans (MCCAPs) in 2013, our members feel they lack capacity and resources to use them in a meaningful way to address this complex issue. We would also note that a municipal election has occurred since the plans were completed, resulting in significant change in council composition: many of our elected officials are unaware of the plans and the processes used in developing them. For these reasons, the plans have, for the most part, remained underutilized. Because our understanding of climate change has itself developed significantly since 2013 and the potential costs of not addressing this issue are too great to pay, it seems a matter of good judgment to call for a review and refresh of these plans.

Impact on Municipalities: Trying to estimate the cost of climate change is difficult. In late 2019, a study was released by the Federation of Canadian Municipalities (FCM) and the Insurance Bureau of Canada (IBC). The study generated climate change adaptation cost estimates for communities across Canada, and then looked at the local gross domestic product (GDP) values for those communities. Using this, they determined how much of local GDP would be needed to be invested in municipal infrastructure and local adaptation measures to reduce the impacts of climate change.

The study shows that approximately \$5.3 billion needs to be invested in municipal infrastructure across Canada each year. Expressed as a percentage of national GDP, the figure is 0.26 per cent. What should be startling to us here in Nova Scotia is that our own local requirements are more than ten times the national average: here at home, the study says that we will need to invest 3.2 per cent of our local GDP in municipal infrastructure and adaptation measures per

year, a figure a little north of \$1 billion per year. This ratio is the highest of any region in Canada covered in the report.

In our experience at NSFM, it is important to bring our members together to help them understand the issues and opportunities around sustainable infrastructure planning, green innovation and energy reduction initiatives; to share information on successful initiatives; to develop toolkits and resources; to provide information and assistance to access funding programs; and to facilitate regional approaches. NSFM is positioned and has in-house expertise to provide this type of support. However, with our staff time now allocated to other initiatives and priorities, we would not have the capacity to address these needs without making climate change a priority issue.

As an organization, we feel that providing municipalities with the ability to tackle climate change will not only help them save operating costs and make their infrastructure more resilient but will have many cascading benefits. Through their efforts, municipalities will make their communities more prosperous, livable, healthier and safer. As well, because climate change impacts do not recognize boundaries, developing adaptation and mitigation initiatives will encourage and enhance regional cooperation.

Proposed Action: NSFM believes the Province and municipalities have common goals relating to the sustainability of Nova Scotia's communities. We are confident that it will benefit both the Province and municipalities to work together and share knowledge and resources regarding mitigation and adaptation strategies. Together we can do a better job of ensuring the planning and operations of the Province as well as Nova Scotia's local governments are efficient and resilient to climate change.

NSFM recommends engaging supportively with the Province as allies in a shared effort to combat the negative effects of climate change. We recommend offering municipal support for any desire that the Province might have in considering a new Statement of Provincial Interest (SPI) on climate change. We also recommend engaging with the Province to update MCCAPs, and then to collaborate with the Province to secure and strategize the use of federal climate change adaptation and mitigation funds.

Climate Change Resolution

RECALLING that every local government in Nova Scotia has a Municipal Climate Change Action Plan; and

GUIDED by the fact that Nova Scotia's municipalities are expressing increasing concerns about climate change; and

APPLAUDING the Government of Nova Scotia's commitment to enhance their own capacity to incorporate climate change into their planning and operations; and

INFORMED by independent research commissioned by FCM showing municipal costs

related to climate change adaptation will be proportionately higher in the Maritimes than anywhere else in Canada; and

UNDERSTANDING that, in the absence of collaborative plans to leverage federal funding, the costs of climate change adaptation will be passed on directly to payers of residential and commercial property taxes; and

RECOGNIZING that municipal applications for federal climate change dollars depend on the willingness and ability of the Province to provide matching funds;

THEREFORE, BE IT RESOLVED that NSFM support any intention the Province might have to make climate change a Statement of Provincial Interest; and

FURTHER BE IT RESOLVED that the Province work with local government in Nova Scotia to update Municipal Climate Change Action Plans and work together to secure and strategically utilize federal funding for action items identified in those plans.

3. POLICING COSTS

Issue Identification: The rising cost of policing is one of the greatest concerns faced by Nova Scotian municipalities. In 2005, Nova Scotian municipalities spent \$1.31 billion on policing. By 2015, this total had increased to \$2.16 billion. This equates to a 64.8 per cent increase, which exceeds the 19.5 per cent increase in the overall cost of living during the same period measured by the consumer price index (CPI), as well as the 18 per cent growth in GDP in Nova Scotia over the same years.¹

	2005	2015	% Change
Policing Costs - Towns	\$ 24,384,285	\$ 37,460,629	53.63%
Policing Costs - Rurals	\$ 25,505,833	\$ 40,491,931	58.76%
Policing Costs - Regionals	\$ 81,727,890	\$ 138,932,779	69.99%
Policing Costs - Total	\$ 131,618,008	\$ 216,932,779	64.82%
CPI - Canada, All-items (2002 = 100)	107	126.6	18.32%
CPI - Nova Scotia, All-items (2002 = 100)	108.2	129.3	19.50%

Background Information: Nova Scotian municipalities provide policing services under three models: municipal police forces; RCMP service through a direct contract; or RCMP through the provincial RCMP contract. NSFM currently shares municipal concerns about policing services with the Nova Scotia Department of Justice (NS DOJ) through two committees. One is a committee that discusses municipal experiences under the RCMP contract.

¹ These data are collected from Statistics Canada and the 2005 and 2015 Annual Reports of Municipal Statistics published by Service Nova Scotia and Municipal Relations (2005) and the Nova Scotia Department of Municipal Affairs (2015).

The other is advisory committee to the department on general policing matters.

Impact on Municipalities: Policing is an essential service necessary in providing safety and security to citizens. The rising cost of policing services, however, constitutes a tremendous pressure on municipal elected officials, who often feel powerless to counteract these cost increases. This is because wages make up the bulk of policing costs, and wages are typically set by arbitrators. When arbitrators decide on wages, they usually duplicate police wage deals from other communities, with little or no consideration for the fiscal situation of the community in question. As a result, many municipalities see continually rising policing costs as proof that the arbitration process is broken.

Proposed Action: Not only does the arbitration process need to work, but it also needs to be seen to work. Change must be collaborative, and workers and employers must both work towards their goals in good faith. Arbitration should respect the interests of both employers and employees; help to provide value to citizens receiving police services; and be seen to do both these things. To these ends a few possible solutions might be explored:

- Arbitrators should be required to consider a community's ability to pay as well as agreements negotiated with other local municipal employee unions when ruling on raises for police workers, as well as all other unionized workers in the broader public sector, including fire, public works, and other unions. Furthermore, the specific ability to pay to be considered must be that of the tax burden for residential ratepayers, and not the theoretic ability of a municipality to continuously increase residential tax rates.
- Municipalities and the Province could consider a centralized arbitration service that is openly made available to employers but voluntary in terms of participation. When individual units negotiate separately with individual police unions, leapfrogging occurs, with one employer being picked off for a concession or increase that will then be replicated. At arbitration, these become the comparators and the spiral continues.
- Police services could be carefully examined to identify opportunities for alternative resources, including civilians, technology and outsourcing. The focus should be on program outcomes and budgets, and not on arbitrary limits on the size of the police force. There should be no ideological or other bias towards or away from civilian delivery of services. We need the flexibility to use civilians for some duties that don't require a uniformed and armed officer.
- Advocacy work could be done at the provincial and federal levels for sharing those costs that are related directly to responsibilities downloaded by them, such as cannabis, mental health, policing of international waters and national security.

At this time, a resolution around arbitration is suggested. Asking arbitrators to consider a community's capacity to pay is a specific and attainable request that will help to mitigate the sharp increases in policing costs experienced by Nova Scotian Municipalities. This solution is also likely to go a long way towards restoring municipal faith in the arbitration process

Adding an ability-to-pay consideration to arbitration is not likely to be a long-term solution for

policing costs. Such temporary wage controls will be effective in meeting short-term fiscal targets, but longer-term action will require co-operative approaches that can drive institutional and system-level change. To this end NSFM continues to work collaboratively with the NS DOJ and the Nova Scotia Association of Police Governance boards to identify opportunities for service delivery opportunities and cost containment on the Joint Police Services and Community Safety Advisory Committee. Further solutions may emerge from this committee work, and at that time, additional resolutions would be appropriate.

POLICING RESOLUTION

WHEREAS policing is an essential service; and

WHEREAS municipal governments pay the bulk of policing costs in Nova Scotia; and

WHEREAS the cost of policing services continues to rise at a rate exceeding CPI and GDP growth; and

WHEREAS these changes have constituted a great increase in the tax burden of residential property owners; and

THEREFORE be it resolved that NSFM advocate for the inclusion of ability-to-pay considerations in arbitrations for all employees in municipal services, including, without limitation, police services, fire services, and public works, and that the ability-to-pay be based on a consideration of the average homeowner's tax burden; and

THEREFORE be it resolved that the Department of Justice ensure the joint provincial-municipal advisory committees currently established lead to positive initiatives and changes that will make our police forces more effective and sustainable.

4. MUNICIPAL RESPONSIBILITIES

Issue Identification: Municipalities have been granted few revenue sources, and property taxes remain the primary source to pay for municipal services. As municipal responsibilities have grown, revenue sources have not. If municipalities are to continue to meet the needs and expectations of their citizens, the property tax burden will become unbearable for many.

Background Information: At Confederation the provinces were given the responsibility for municipalities, and property tax was established as the primary source of taxation. Since that time, the responsibilities of municipalities have grown, some through downloading, others through a willingness to better serve their citizens. The ability of property taxes to continue to remain the primary source of revenue for municipalities needs to be examined.

Already many Nova Scotians are paying more than 5% of their household incomes on property taxes. Municipalities are being challenged to replace aging infrastructure, build new

infrastructure, respond to increasing regulations, and accept new responsibilities for traditional provincial services such as doctor recruitment. Revenue potential is decreasing as the population ages and declines, and as global forces change the economy. Demand for commercial property could well decline as retail space gives way to online shopping and as artificial intelligence impacts the need for workers in offices. The exact impact of these changes on property tax is not known, but chances are it will reduce property tax revenues while demands for services continue to rise.

Municipalities need to begin work now with the Province to develop a long-term path to sustainable communities. This means revisiting the relative roles and responsibilities between the Province and municipalities and revisiting the revenue sources available to municipalities. The problem is not going to solve itself, and municipalities should not expect the problem to be solved in the short run.

Impact on Municipalities: The ability of municipalities to address the infrastructure needs in their communities varies, most often on town vs. rural lines. Towns provide more services (typically) than rural municipalities, although there are often pockets within rural municipalities where services are like those of towns (indeed some encompass former towns). Development patterns are changing the responsibilities of rural municipalities, and this has a distinct and measurable impact on towns. The lines between urban and rural, or towns and rural municipalities, is blurring. Boundaries established 150 years ago, when services were delivered based on how far one could travel in a day by horse and buggy, may no longer be serving us well.

The need for new infrastructure and for replacement of existing infrastructure is understood, but the size of the infrastructure gap in Nova Scotia is not. Applications under new funding programs from the federal and provincial government generally suggest the demand could be ten times the available funding, recognizing that applications typically only represent the top priorities. Although the strain of funding infrastructure is shared by all three levels of government, municipal governments across Canada spend, on average, a little under 50 per cent of each infrastructure dollar in the nation. Furthermore, it is municipalities that are most typically the last recourse for funding: if sewer pipes are failing, and people are leaving communities that lack community and recreation opportunities, it is the municipality that is expected to solve the problem—and no one wants to pay more taxes.

An analysis of the municipal financial condition indices provided by the Department of Municipal Affairs indicates the financial tax burden is higher in towns, and that the ability to put funds away in capital reserves is a struggle. While work is being done with the Province on several of the larger issues (roads, housing, physician recruitment) and a review of the Province's operation grant is being undertaken, there needs to be work done on understanding the future of property taxes and the extent to which this form of taxation can reasonably be expected to cover local services.

The Service Exchange Agreement has not been reviewed in the 30-plus years since it was introduced. In the meantime, municipal costs in policing, fire services, solid waste, water and wastewater have been increasing faster than the consumer price index, with municipalities

having little control over those costs. Shared infrastructure is an opportunity to reduce the cost burden, and while there are many examples where municipalities are working together, more of these instances need to be encouraged and/or facilitated. This can be supported through incentives and expertise to facilitate intermunicipal agreements.

While it is understood the Province also levies high income taxes, and has high demands on its services, it should be equally understood that local services are just as important. If local services can't be paid for through property tax, everyone loses, the Province included. It is time now to look at what the infrastructure gap means, what responsibilities municipalities have, and how we can continue to provide the local services communities expect.

Proposed Action: The problem of what should, and what should not, properly be understood as a municipal responsibility is large and complex and will take time to understand. Before a review of municipal responsibilities is undertaken, the ability of property taxes to pay for the status quo into the future needs to be understood. Once the capacity of property taxes is better defined, the gap can be identified. To begin the work, a resolution is proposed to request funding to commission research on the future trend for property taxes, and what can be expected to the average homeowner's tax bill in future years given the current set of municipal responsibilities.

MUNICIPAL RESPONSIBILITIES RESOLUTION

WHEREAS municipalities are expected to provide a package of services to residents; and

WHEREAS the cost of these services has often grown at a rate outpacing increases to the cost of living, as measured by the consumer price index; and

WHEREAS municipalities rely primarily on property tax to fund the provision of these services; and

WHEREAS continually rising service costs result in an increasing tax burden on homeowners; and

WHEREAS a large percentage of property taxes collected at the local government level are transferred to the Province;

THEREFORE be it resolved that NSFM request funding from the provincial government to commission research on future trends for property taxes, the impact of these trends for average Nova Scotian homeowners, and to explore possible alternative revenue sources for municipalities.

5. CANNABIS FUNDING

Issue Identification: The federal government mandated the legalization of cannabis, effective October 2018, and the Province determined a regime for the legalization of cannabis in Nova

Scotia. But municipalities have been left to implement the legislation and respond to community concerns without any additional funding.

Background Information: The Province of Nova Scotia has established a regime where cannabis is sold through the NSLC, although this may change over time and as edibles become legal. Municipalities have been left to deal with illegal cannabis retail operations. Consumption of cannabis is restricted in a few areas, and Municipalities have been provided with the ability to limit smoking in their communities. Police enforcement will receive some financial support for training and equipment.

The NSFM Municipal Working group has identified multiple municipal services that could be impacted by the legalization of cannabis. This will be largely driven by decisions councils make around further restrictions to the consumption and locations of cannabis-related facilities. Meeting expectations around enforcement is of concern – councils may pass bylaws in response to community concerns, but enforcement is both difficult and costly.

Staff from the FCM have held discussions with the federal government on municipal concerns regarding the legalization of cannabis. The FCM has communicated that the federal government clearly recognizes the impacts of marijuana legalization on municipalities, and that the federal government expects provinces to share in the new revenues generated.

Meanwhile, the Province is incurring its own costs related to marijuana legalization, and has indicated they believe, at least in the short run, that new revenues will not exceed costs. There seems to be a perception that current municipal resources being used to deal with illegal cannabis will be freed up and reallocated to address cannabis-related activity. In recent years, some police forces have not been as aggressive in pursuing illegal cannabis activity, but their time is simply being devoted to other, more pressing police matters – there is no free time.

The Province has indicated it is willing to continue discussions with municipalities on the implications of cannabis legalization and is asking for concrete numbers around the impacts. Concrete numbers are not presently available, yet municipalities are now incurring costs in relation to policing, reviews of bylaws, changes to bylaws, hiring of enforcement officers, and so forth. Unlike provinces, municipalities are not permitted to incur deficits, so these costs will need to be recovered either through cuts in other areas or increases in property taxes.

All of this is being done in the context of other increasing demands on municipalities such as responding to provincial regulations around accessibility, as well as expectations that municipalities will support investments in high speed internet, doctor recruitment, surplus schools – cumulatively the impact is significant.

Impact on Municipalities: The NFSM Municipal Cannabis working group has identified the following areas for potential impact:

- Administration:
 - Time spent by senior municipal departmental staff, city senior leadership teams,

and staff in corporate support departments such as Finance, Legal and Communications to implement, administer, coordinate and support all cannabis legalization work. This could include FTE hours for both start-up and ongoing administration in positions such as policy coordination, project management, business licensing administration, legal, communications and IT. These positions could be spread across several existing departments or centralized in a new department/secretariat specifically for cannabis legalization. It may also be necessary to track programs and bylaws that are amended because of cannabis legalization. Specific tasks may include, without limitation: prosecution lawyers reviewing the enforceability of by-laws, a legal team providing ongoing support for enforcement of by-laws, intergovernmental staff to engage with other orders of government on this complex, multi-layered file, and development of a communications plan to help citizens understand by-law changes.

- There are also material costs such as public consultations, advertising public notices and communications products for specific local rules.
- Enforcement: This includes personnel and capital costs required to monitor and enforce the additional activities associated with cannabis legalization as predicated on municipal by-laws and services. This includes the costs associated with additional staffing requirements for bylaw management and enforcement in the following areas:
 - Property use inspection – to investigate cannabis business license complaints
 - Zoning enforcement – to ensure cannabis retail and other cannabis related establishments are in adherence with local zoning by-laws; and the need to deal with illegal operations.
 - Property standards enforcement – to address issues/complaints related to potential degradation/danger to property such as smoke dispersion in multi-residential units or issues related to home cultivation.
 - Training – time and capital is required to develop and undertake learning exercises related to the roles and responsibilities of municipal staff tasked with administering and enforcing municipal aspects of the cannabis framework such as business licensing.
 - There will also be costs for Community Standards, Public Spaces and Smoke-Free or Second-Hand Smoke Bylaw enforcement, and a predicted increase in service demand with new by-laws such as smoke-free by-laws and municipal rules for vaping lounges, restaurants and cafés (where applicable) and public consumption.
 - Other Enforcement – service changes such as increased transit authority time spent addressing consumption and odour issues on public transit; costs associated with training transit workers about the rules around cannabis consumption (i.e. length of time before transit worker must abstain from consuming cannabis before arriving for work).
- Planning/Zoning:
 - Personnel and capital cost to conduct by-law reviews and updates, as well as the ongoing management of zoning bylaws. In addition to both in-house and consultant contracting, this also includes the cost to undertake required public

consultation processes and public education related to adding new criteria to zoning by-laws, business licensing and building code permits and inspections.

- Fire Services: Cost increases directly or indirectly incurred by the municipal department responsible for fire safety, prevention and submission. This includes the following positions and activities:
 - Process Changes - amendments to the fire inspection component of business licensing approval process, protocol for one-time and ongoing inspections
 - Training – for fire department staff regarding revisions to the Fire Code, and on immersing hazardous home cultivation processes such as for the extraction of cannabis oils and the use of flammable hydrocarbons
 - Public education – Education campaigns informing the public about the dangers related to oil extraction processes and flammable hydrocarbons; development and printing of fire safety messaging;
 - Fire investigation costs – costs primarily due to overtime pay for fire safety officers investigating code and safety issues (e.g. hazards in retail establishments); and to a small extent for manufacturing/processing establishments / responding to fires associated with legal/illegal home cultivation.
 - There are also public education, communications and citizen services costs to properly engage with the public and provide preventative public education campaigns.
 - HAZMAT Response - for both licenced and illegal producers
- Human Resources:
 - Internal and external staff time committed to ensuring municipal drug policies are up to date/adequately address non-medical cannabis and that municipal employees are well informed of the new policies. This could include substance use policy, substance use guidelines, workplace smoking policies and hosting social event guidelines. There may be additional FTE time spent engaging and negotiating with municipal staff unions over the drug policy changes.
 - Staff resources and capital costs may also be incurred to ensure there is capacity in place for testing municipal employees if necessary, new staff training to address safety related to cannabis in the workplace and additional adjustments to safety integrate HR policies related to cannabis edibles when they are regulated federally.
- Possible non-policing costs that have been identified by municipal partners include:
 - Provincial Offenses Act (POA) Court Costs - Moving cannabis regulation and enforcement from criminal courts to POA courts will add a considerable workload to municipally funded courts, and this needs to be further explored for its relevance to Nova Scotia.
 - Environmental Health and Safety - Amendments to workplace safety related policies, air quality testing and complaints related to production and consumption of cannabis (indoor and outdoor), food inspection concerns when edibles get introduced.
 - Social Housing – In some jurisdictions where municipalities have responsibilities over social housing there will be costs associated with writing provisions in

tenancy agreements which prohibit smoking cannabis in social housing units; additional FTEs to enforce the new provisions; and an O&M budget to address violations

- Public Health – In some jurisdictions, municipalities address varying areas of public health not covered by provincial or territorial budgets. Anticipated municipal costs related to public health include public education initiatives (consumption, health, harm reduction, prevention, rules for restaurants and festival organizers)
- Additional social workers
- Municipal signage and advertisements
- Developing and undertaking health outcome assessments
- Data collection
- 311 Services – Increased staff time, particularly during implementation, to handle citizen inquiries regarding cannabis legalization. This could also include time and resources to train 311 staff on the new changes and which municipal departments address the principle areas of concern.
- Waste Management - The development of municipal policies and procedures that address the proper disposal of refuse from cannabis cultivation, concerns around humidity in composting.
- Emergency Services - Increase in calls related to overconsumption of Cannabis. This may be particularly prevalent when cannabis edibles are made legal.
- Policing costs
 - SFST Training for drug impaired driving
 - Drug Recognition Expert (DRE) Training
 - Facilities to store cannabis seizures
 - General training on Bill C-45/46
 - Roadside screening equipment and supplies
 - Costs to close illegal dispensaries/growth operations
 - Youth education and prevention in schools, community engagement
 - Increase in forensic laboratory capacity: blood draws, testing equipment, forensic analysis
 - Additional officers/work: drug seizures, RIDE spot checks, drug related criminal investigation, drug complaints, cannabis specific violations, motor vehicle collisions, cannabis related demands for services, DRE testing, SFST training.

These cost areas have been identified to assist municipalities in understanding the possible implications of the legalization of cannabis. The federal government has provided a new revenue stream to provinces to assist in their initiatives related to the legalization of cannabis, without requiring them to justify or document their costs. With a new revenue stream from an area involving both the province and municipalities, it is only fair that municipalities receive a share. The federal government decreased their share of these revenues specifically recognizing the need for provinces to share this revenue with municipalities. Municipalities already deliver a large component of citizen services with a disproportionately small share of the tax pie.

Proposed Action:

The legalization of cannabis involves the delegation of a considerable number of responsibilities to municipal governments in Nova Scotia. However, many municipal governments in Nova Scotia already struggle to make ends meet. The Province should not expect municipalities to be able to assume these additional responsibilities without better financial and material resources.

Municipalities need a new revenue source.

CANNABIS RESOLUTION

WHEREAS the Government of Canada decided to legalize cannabis; and

WHEREAS the Government of Nova Scotia decided how cannabis would be dealt with within the province; and

WHEREAS the legalization of cannabis is creating a new revenue source for both the federal government and the province, and there are no new revenues accruing to municipalities

THEREFORE, be it resolved that NSFM request the Province to provide a share of the revenues being generated through the sale of cannabis to municipalities.

6. SURPLUS SCHOOLS

Issue Identification: The cost of demolishing schools declared surplus has become a significant burden for several municipalities. In a few cases, the burden is simply unmanageable.

Background Information: Prior to 1982, municipalities were responsible for school board operations and were therefore responsible for the construction and maintenance of schools. When the responsibility for school boards was transferred to the Province, legislation granted school boards control of the school assets. Schools built after 1982 are provincial assets.

There exist some 400 schools throughout Nova Scotia, and about half are owned by municipalities. The Province's position has been that when these schools are declared surplus, they revert to the municipality. In the former school boards in Halifax, South Shore and Tri-County, more than half of the schools are municipal. In Annapolis Valley and Chignecto-Central, less than a third are municipally owned. The implications of surplus schools are not equal throughout Nova Scotia.

Section 93 (1) of the Education Act states that where land and buildings (previously owned by a municipality and that have been vested in a school board) are declared surplus, the municipality shall have the option of having the surplus land and buildings re-conveyed to it. In several cases, municipalities have willingly agreed to resume responsibility and have been able to transform the schools for other purposes. In other cases, the location of the school, the state of disrepair,

and the financial circumstances of the municipality hinders the opportunity to make use of these facilities and the only course of action is to demolish the school. Vacant schools are a liability to municipalities and there are concerns about public safety should they remain vacant.

The Department of Education has expressed a view that where municipalities have owned surplus school properties before it vested them in the school board, the municipality must re-acquire (and, in turn, assume responsibility for) the property following the school's closure. By contrast, NSFM and our members think that a municipality should simply hold an option in this regard, which it is free to exercise or not, and that a municipality cannot be required to assume responsibility for a surplus school property. NSFM has obtained a legal opinion on this matter that supports our interpretation instead of the position advanced by the Department of Education.

NSFM holds that the Province needs to abide by the Education Act and offer municipalities the right to refuse to assume a surplus school, with enough time provided to allow municipalities to conduct a thorough analysis of the options. For those municipalities that are not interested in taking ownership of the surplus school, the province should be responsible for demolishing it and for ensuring the site is environmentally safe.

Municipalities did not have control over these sites, so they should not be responsible for the environmental remediation of these sites. As well, given the municipalities did not have control over the maintenance of the school, the Province should provide compensation to the municipality to make the school usable for other purposes.

Impact on Municipalities: For those who face a school closure, the cost implications can be significant. Many of these schools have not been maintained to a level that renders them usable for other purposes, and may have mold, mercury switches, or other hazardous features. Building codes were not always followed, and schools being handed over often lack any plans or drawings, or any information about services or utilities. Some locations have environmental issues due to buses being parked, serviced, and maintained on the lands, and some contain asbestos products and lead paint.

Examples of recent estimates to demolish a surplus school are as follows:

- CBRM: 7 surplus schools since 2015, with costs to demolish ranging from \$40,000 – \$250,000 and a total cost for the 7 schools of \$1.3 million.
- Town of Pictou: estimated cost \$500,000 for one school.
- Annapolis County - \$700,000 - \$1 million estimate for one school
- District of Lunenburg – current cost to date for three schools is \$497,775.88 and counting, with \$2.5 to \$3.0 million in additional expenses expected for two large schools yet to be demolished.
- Mulgrave \$350,000 – \$500,000 for one school.
- Municipality of Pictou – over \$500,000 for one school.

In some cases, the value of the land is such that it can be sold to other interests, and revenues may offset the cost of demolition. In other cases, the municipality can find funding and/or partners who are willing to share in the investment required to repurpose the property. Since these lands and facilities were built with taxpayers' monies, the municipality should be able to decide the best future for these lands. And in cases where the municipality refuses the offer for the surplus school, the facility should be demolished by the Province and the land returned to the municipality. The decision to not maintain or close the school was not the decision of the municipality.

It should also be noted property taxpayers contribute over \$250 million annually to the Province for education. This amount is collected by municipal governments and transferred to the Province. It is estimated these payments represent close to 20% of the Province's education costs. It is unfair to ask property owners for more.

Proposed Action: At this time, a resolution requesting that the Province recognize the municipal right to exercise an option is suggested, with an additional request being suggested that compensation from the Province be provided to municipalities for environmental remediation of surplus school sites.

SURPLUS SCHOOLS RESOLUTION

WHEREAS the Education Act says municipalities have the option to assume a surplus school, and municipalities are being told they have no choice but to assume responsibility for it; and

WHEREAS municipalities have had no control over the school lands and buildings and may be faced with significant costs to address environmental concerns and to demolish the buildings; and

WHEREAS many of the schools have not been maintained nor do they meet building codes; and

WHEREAS NSFM has obtained a legal opinion stating that municipalities should have the choice – but not the obligation – to acquire surplus schools,

THEREFORE be it resolved that the Department of Education provide all municipalities the option to not have schools conveyed to the municipality; and

FURTHER BE IT RESOLVED that the Province pay for any environmental clean-up and to cost share in any renovations required to make school buildings usable for other purposes.