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March 6, 2020

Mayor Pam Mood
President
Nova Scotia Federation of Municipalities
Suite 1304, 1809 Barrington St.
Halifax, NS B3J 3K8

Dear Pam,

I am writing on behalf of the AMANS Board of Directors with respect to an e-mail which was sent to municipalities on February 25th from the Deputy Minister of the Department of Communities Culture and Heritage (CCH) concerning a new library funding model. While AMA agrees that libraries are underfunded, we continue to have some fundamental issues with respect to the process of developing this new funding formula, the outcome and the communication to municipalities on February 25th.

In January of 2019, the Deputy Minister of CCH attended an AMA Board meeting to talk about a proposed new funding formula for libraries. AMA subsequently wrote to the NSFM expressing concerns with the formula and the process. In late January of 2019 CCH held some information sessions across the Province on the issue, however, the communication to municipalities only noted that the sessions were about libraries with no reference to a proposed new funding model. Attendance was very low.

On March 5th, 2019, the NSFM wrote to The Hon. Leo Glavine, Minister of Communities, Culture and Heritage outlining the AMA and NSFM's concerns with the proposed new funding model. The fact that the current model was developed without municipal participation was of particular concern, given the impact the proposal would have on municipal units, some of which would see as much as a 46 percent increase in annual contributions.

In his response, Minister Glavine indicated that his department would arrange a meeting with the NSFM Board of Directors to discuss the concerns raised in your letter. Your CEO, Juanita Spencer has confirmed that the Communities, Culture and Heritage office did not reach out to meet with the NSFM Board.

On May 5, 2019, the Minister of Municipal Affairs' one-year notice letter informed members that the Province would be investing an additional \$2,000,000 in libraries which could, in turn, increase municipal funding. The letter noted that final recommendations, which would include input from municipalities, were still being developed and government had not yet made a final decision on changes.

Nothing further was communicated to municipalities until the e-mail from the Deputy Minister of Communities, Culture and Heritage on February 25th. The Deputy states: "Although the one-year notice was provided to municipalities, as per the Municipal Government Act (MGA), municipal funding will remain at current levels for the 2020-21 fiscal year. We will use this time to collect data from the

municipalities to determine their total operating contribution to libraries. That said, municipalities can opt to start paying the increases beginning in 2020-21. This is a local municipal decision, that would be agreed upon by the municipality and the regional library board.” No changes had been made to the funding formula that the NSFM and AMA rejected back in the spring of 2019.

As you know, involving stakeholders at the beginning of any process ensures the outcomes reflect real needs and priorities. It allows the voices of stakeholders to be heard early so that any political and operational issues can be identified and resolved up front. Making stakeholders part of the process builds trust and accountability. Not only did the Province not engage AMA and NSFM early on in their process as a key stakeholder, they did not address our concerns when we voiced them in the spring of 2019.

Furthermore, municipalities have the same year end as the Province and therefore start their budget process well before the Province’s budget is announced. In fact, many municipalities have already passed their budgets and set their rates, so to say that municipalities can opt to start paying the increases beginning in 2020/21 puts municipalities in a challenging position. Some municipalities who have not completed their budget process may choose to start paying, while others will have to pull from reserves or not contribute at all. This will cause inconsistencies within library regions.

Municipalities pay for 26 percent of the annual cost of libraries in this Province. Municipalities are a significant funding partner and we should be treated as such. As AMA President, I would be pleased to sign a joint letter with NSFM to the Province expressing our disappointment with the whole of this process.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike Dolter". The signature is stylized and cursive.

Mike Dolter, CD, MBA, CPA, CMA
President

Cc: Juanita Spencer, CEO, NSFM