



NOVA SCOTIA FEDERATION  
OF MUNICIPALITIES

June 08, 2020

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Town of Port Hawkesbury

The Honourable Stephen McNeil  
Premier, Province of Nova Scotia  
P.O. Box 726, Halifax, NS B3J 1X5

Dear Premier McNeil

Delivered via email

**RE: \$14-Billion 'Safe Restart Agreement'**

Last week, Prime Minister Trudeau announced that up to \$14 billion in federal transfers will be made available to provinces and territories through what is being reported as a 'safe restart agreement.' It is our understanding that the federal government will require some manner of a spending plan before these funds can be accessed.

NSFM has worked with our members to collect detailed net revenue loss numbers from nearly all of Nova Scotia's municipalities. Living with COVID-19 means that municipalities are losing revenues in areas like transit, recreation, parking, development permits, and more. With 44 of 49 municipalities reporting—and representing more than 95% of Nova Scotia's population—the total expected shortfall is between \$64 and \$68 million. Within this, transit losses amount to between \$23 and \$25 million.

The lost revenues that we have tracked are separate from property taxes. They are based largely on user fees. Without additional support, these unrecoverable costs will be carried forward into next year's budgeting processes, where they will have to be picked up by the taxpayer.

CMHC has forecast a decrease in average home sale prices in Nova Scotia over the coming two years of between 9 and 15 per cent. We also anticipate some level of decrease in assessment rolls, which will force tax rates to increase, even before we add in the burden of 2020's shortfalls.

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With limited avenues to generate revenue and an inability to run deficits, which are difficult to get out and add to future financial pressures, NSFM is requesting this unrecoverable shortfall be addressed through grant money from the Province.

We acknowledge the Province has backstopped municipalities through the previously announced \$380 million loan program. That support was welcome news in addressing the liquidity concerns of our members, a result of an anticipated delay in the collection of property taxes. This current ask is not a timing issue. It represents the funding needed to prevent long lasting deep cuts to needed programs and services delivered by municipalities and a spike in tax rates.

NSFM is ready and waiting to stand beside the Province in an ask to the Federal government to help support municipalities and every single Nova Scotian they represent.

We are looking forward to meeting to discuss this opportunity with your government. We are available at any time over the weeks to come.

Sincerely,



Mayor Pam Mood

President, Nova Scotia Federation of Municipalities

CC: The Honourable Chuck Porter, M.L.A., Minister of Municipal Affairs and Housing

The Honourable Jaime Battiste, M.P.

The Honourable Kody Blois, M.P.

The Honourable Chris d'Entremont, M.P.

The Honourable Andy Fillmore, M.P.

The Honourable Darren Fisher, M.P.

The Honourable Sean Fraser, M.P.

The Honourable Bernadette Jordan, P.C., M.P., Minister of Fisheries, Oceans, and the Canadian Coast Guard

The Honourable Mike Kelloway, M.P.

The Honourable Geoff Regan, M.P.

The Honourable Darrell Samson, M.P.

The Honourable Lenore Zann, M.P.