



NOVA SCOTIA FEDERATION
OF MUNICIPALITIES

N.S. Municipalities Facing \$66.5M Shortfall

FOR RELEASE JUNE 18 - Nova Scotia's municipalities are in dire financial straits with a collective shortfall this year totalling \$66.5M, reveals a new report released today by **Nova Scotia Federation of Municipalities (NSFM)**.

The province's State of Emergency has required so many Nova Scotians to stay at home that it's caused municipalities' normal non-tax revenue streams to almost entirely dry up.

Living with COVID-19 means municipalities are losing revenues in areas like transit, recreation, parking, development permits and more, according to the detailed net revenue losses in the report, written by NSFM Policy Advisor Will Brooke.

With 47 of 49 municipalities reporting -- and representing more than 99% of Nova Scotia's population -- the total expected shortfall for fiscal 2020-21 is \$66.5 million. Transit losses alone amount to \$23 million.

"Nova Scotia's municipalities have scrambled to make cuts over these past months, axing programs, laying off hundreds of staff and drawing down on reserves," says NSFM President Pam Mood.

"But it's not enough to keep the frontline services running and protect the economic recovery of the cities, towns and rural areas of this province."

COVID-19 has also forced unexpected additional expenses for municipalities, including \$3.31 million to supply personal protective equipment (PPE) and Plexiglas service kiosks, and other health and safety measures.

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

That would mean an average 7.1% hike to residential tax rates in next year's budgets.

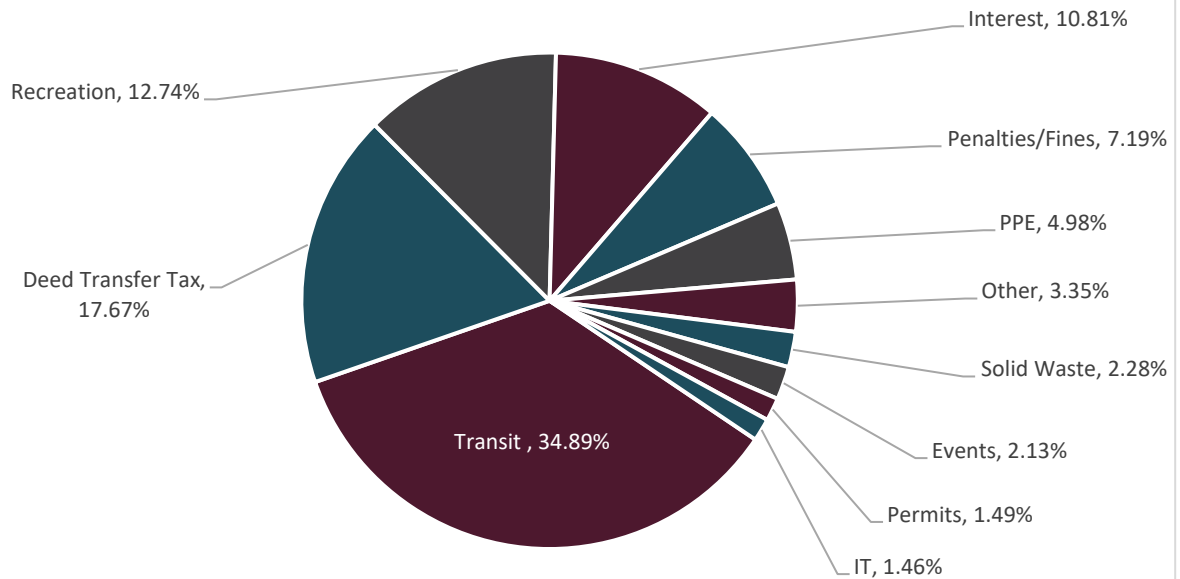
"That's not practical or fair given residents and businesses are already facing significant cost pressures due to COVID-19," says President Mood.

With limited avenues to generate revenue and an inability to run deficits, NSFM is requesting this unrecoverable shortfall be addressed through grant money from the Provincial and Federal Governments.

Prime Minister Trudeau announced last week that up to \$14 billion in federal transfers will be made available to provinces and territories through a 'Safe Restart Agreement.'

"Now more than ever, all orders of government must collaborate on a coordinated response to address this national crisis," says President Mood.

Projected COVID-19 Municipal Shortfall (all Units)



Transit	\$23,184,740	Solid Waste	\$1,516,200
Deed Transfer Tax	\$11,743,732	Events	\$1,416,567
Recreation	\$8,464,679	Permits	\$990,622
Interest	\$7,183,438	IT/Comms	\$968,786
Penalties/Fines	\$4,775,640	Did not categorize	\$578,500
PPE	\$3,311,403	Did not report (est.)	\$101,570
Other	\$2,223,806	Total	\$66,459,684

Note: NSFM President Pam Mood is available for interviews, for information contact:

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Nova Scotia Federation of Municipalities is the collective voice of municipalities in the province. Members include all 49 of Nova Scotia's municipalities, and the 376 mayors, wardens and councillors that represent them.