

Resolution 3

Road Funding (passed in 2018, retained in 2019)

WHEREAS Towns are responsible for the cost of maintenance and capital improvements with respect to all roads within their municipal boundaries, including roads of joint benefit to the Province and towns, such as arterial and collector roads, for which the Province does not share costs; and

WHEREAS Rural municipalities make financial contributions to the Province for the maintenance of J-Class roads, and there is insufficient provincial funding to maintain these roads; and

WHEREAS a strong road network is essential to the Province and its residents for economic, social, educational, and health reasons, and increased investment in roads is required;

THEREFORE, BE IT RESOLVED the Province provide equitable funding to Towns and Municipalities containing former towns for shared arterial and collector roads in the 2019 Budget or before; and

FURTHER BE IT RESOLVED the Province increase its transportation budget for J-Class roads in the 2019 Budget or before; and

FURTHER BE IT RESOLVED the Joint Provincial-Municipal Committee on Roads develop a proposed new funding agreement and plan by the end of June 2019.

Issue Identification:

The health of Nova Scotia's road network is vital, as it supports the safety, economic development, and continued viability of our communities. Given this importance, the topic of roads is of concern to many of our municipalities. Rural municipalities have repeatedly taken issue with funding for their J-class roads. Meanwhile, towns (and municipalities containing former towns) have repeatedly taken issue with the lack of funding for arterial and collector roads (trunks and routes) within their boundaries. Towns cite this lack of funding as the most significant fiscal inequality between towns and rural municipalities.

Background:

The Province of Nova Scotia and municipalities are both responsible for roads in Nova Scotia. As part of the Service Exchange Agreement in 1994, the Province agreed to assume responsibility for local roads in rural municipalities. However, as part of the agreement, certain rural municipalities agreed to pay a per-kilometre annual charge for a pre-determined number of J-class type roads. The annual charge per kilometre was initially set at \$3,500 to balance out the deficit in the overall service exchange agreement. This per-kilometre charge was then to increase annually by the Consumer Price Index (CPI) from the previous year.

Since that time, numerous arrangements have been made between the Province and municipalities to address specific road situations. Some of these arrangements concern J-class roads, some pertain to responsibilities for arterial and collector roads within urban areas, drainage plans, curbs, gutters, and sidewalks. There is a lack of clarity regarding these responsibilities, as well as numerous challenges in maintaining roads and road-related infrastructure. And indeed, the difference in these levels of responsibilities is one of the most significant points of fiscal inequality between towns and rural municipalities.

Joint work on this topic was undertaken several years ago under the Municipal-Provincial Fiscal Review process. While recommendations were made, there was no overall agreement made to implement those recommendations. Road-related issues vary across towns, rural municipalities and regional municipalities. Broadly speaking, funding was identified as an issue in relation to need and public expectations. The current arrangements are not satisfactory to towns and there is a need to better understand the issues, the challenges and the opportunities. The Province and municipalities recognize the importance of our transportation network; working together to find solutions is key.

The Partnership Framework committed the Province to work with municipalities to identify options for an appropriate road network throughout Nova Scotia. At the NSFM Fall Conference in 2018 it was moved that NSFM work with the Province to develop a new funding agreement for roads by June 2019. To this end, a joint committee was struck, and began work last winter. Participants include the Department of Transportation and Infrastructure (TIR), the Department of Municipal Affairs and

Housing (DMAH), the Association of Municipal Administrators Nova Scotia (AMANS), and the Nova Scotia Federation of Municipalities (NSFM).

This committee work has commenced begin with a review of the current service exchange agreement as well as the agreements between individual municipalities and TIR. It is expected that the key outcome of reviewing these agreements will be a proposal for a new agreement. This new proposed agreement will clarify the ambiguities identified in the old service exchange agreement during the 2017 resolution process and should lay out a plan for addressing road issues.

It is intended that the work of the committee will result in a long-term program that will address municipal issues around roads and transportation. It will assess the issues to determine which should be addressed in the short term and long term, and identify necessary actions and resources required to address the issues. It will develop recommendations based on research and consultation with municipalities. It is intended this committee will be an ongoing forum to discuss the many issues related to roads and transportation.

At the NSFM Fall Conference in 2018 it was moved that a new funding agreement for roads be in place by June 2019. Committee work is ongoing, and discussions about possible funding increases are taking place. The committee is working toward developing a proposed new funding agreement with respect to both J-class roads and urban arterials and collectors. It is expected that recommendations will be prepared based on research and consultation with TIR, NSFM, and AMANS, and that a final report will be produced in or around June 2020. At that time the report and recommendations would be presented to the Deputy Ministers of Municipal Affairs and Housing and Transportation & Infrastructure Renewal, as well as to NSFM and AMANS.

Impact on Municipalities

Rural municipalities hear numerous complaints about provincial roads in their communities. The interpretation of policies and funding seems inconsistent throughout the province, and it appears to many that cost sharing is a requirement if a road is to be fixed. Even those who are willing to cost share are frustrated as the amount of provincial funding available is insufficient to meet the demand.

Roads are a significant cost for towns, and the issue of funding for provincial arterial roads and collectors is a long-standing one and represents one of the biggest differences between rural and town municipalities. While Towns receive \$50,000 under the equalization program in recognition of the provincial roads within their boundaries, this figure has not increased for some time. The Province has also been known to lift the snowplow blade up as the snowplow travels through the town.

Proposed Action:

The joint committee involving NSFM, AMANS, DMAH and TIR has made great progress. With work toward a new funding agreement well underway, NSFM recommends that staff and members continue to work on this issue as described in the 2018 resolution on roads, and continue to support this issue as a priority.