



**Municipal Affairs and Housing
Office of the Minister**

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Oct 20/23

Juanita Spencer
Chief Executive Officer
Nova Scotia Federation of Municipalities
1809 Barrington Street – Suite 1304
Halifax NS B3J 3K8
Via email: jspencer@nsfm.ca

Dear Juanita Spencer:

I want to take this opportunity to confirm with you Government's plans with regards to the Service Exchange Agreement.

The intention is to complete regulations and approve programs in keeping with the proposed agreement negotiated with SERMGAR and which was presented during consultations this past summer.

To be clear, that means for the 48 municipalities covered by the renegotiated agreement, the legislation and eventual regulations will:

- remove the requirement under the *Corrections Act* for municipalities to make an annual contribution towards corrections;
- remove the requirement under the *Housing Supply and Services Act* for municipalities to pay a portion of the net operating losses for public housing;
- change the *Education Act* so that, in the future, ownership of schools built prior to 1981 would transfer back to the Province when they are deemed obsolete, with municipalities given the first right of offer to purchase the building at a negotiated price;
- update the *Municipal Grants Act* and move elements of the Municipal Financial Capacity Grant formula into regulation so it is more flexible and easier to adapt to the changing needs of municipalities and enabling government to implement the new formula agreed to by municipalities.

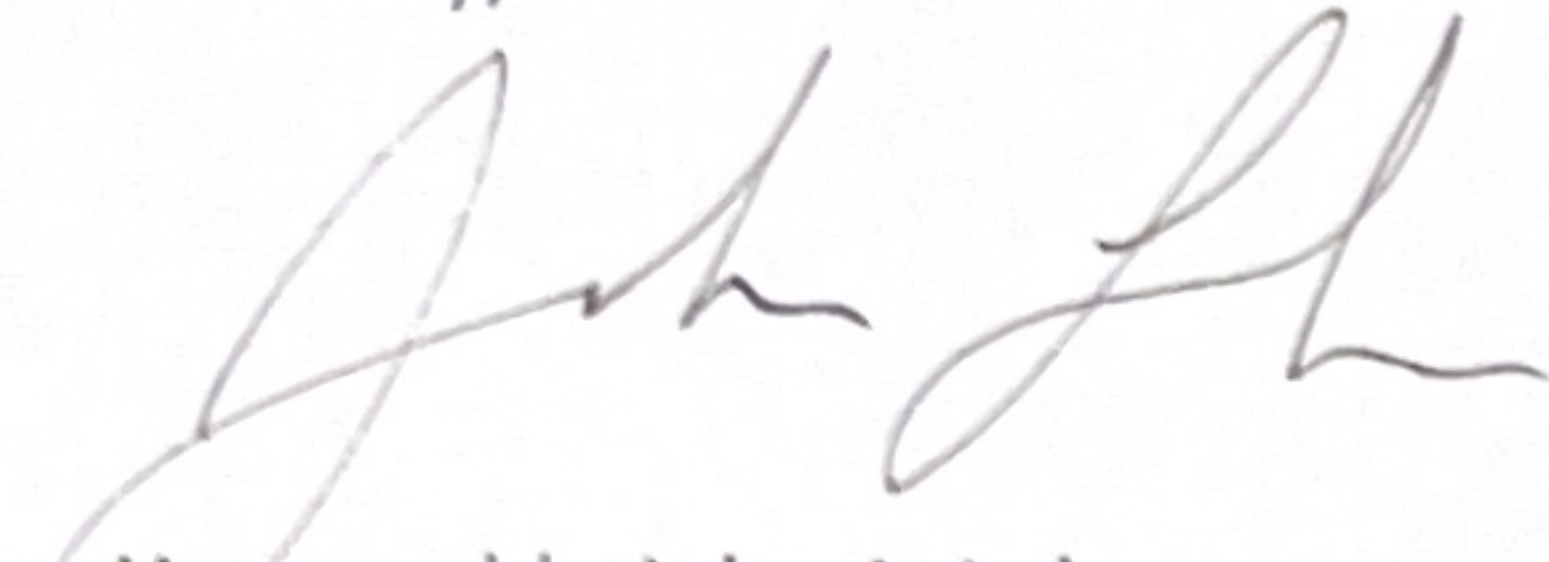
The new legislation and regulations will take effect April 1, 2024.

In addition, our plan is to create a new program for Infrastructure. The originally negotiated Roads Part A will also see a new program created. We have listened to the concerns of Municipalities raised during our consultation process and Part B of roads will be moved to Schedule A for further discussions. Both Infrastructure and Roads Part A will see programs open during the 2024/25 fiscal year.

Juanita Spencer
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I trust that this information is helpful.

Sincerely,



Honourable John A. Lohr
Minister of Municipal Affairs and Housing

C: Byron Rafuse, Deputy Minister, Municipal Affairs and Housing Municipal Affairs and Housing