



P.O. Box 1749
Halifax, Nova Scotia
B3J 3A5 Canada

Item No. 06

Halifax Regional Council
November 22, 2016

TO: Mayor Savage and Members of Halifax Regional Council

SUBMITTED BY: Original Signed by Director

Amanda Whitewood, Director of Finance & ICT/CFO

DATE: November 15, 2016

SUBJECT: UNSM and AMA Dues

INFORMATION REPORT

ORIGIN

HRM is a member in good standing of the Union of Nova Scotia Municipalities.

LEGISLATIVE AUTHORITY

HRM Charter (2008) s.79 (1) (v) respecting “annual subscription fees of the Union of Nova Scotia Municipalities and other municipal or professional associations”.

BACKGROUND

HRM is a member of the Union of Nova Scotia Municipalities (UNSM), a not-for-profit organization representing the interests of municipal governments across Nova Scotia. Total membership is 378 elected officials representing all 50 municipalities. The UNSM is mandated to represent the interests of local governments in the Province, to act as the advocate on all such matters within the jurisdiction of the government of the Province and to carry out research activities on local government in the Province. The Association of Municipal Administrators (AMA) is the professional association of municipal government managers and administrators that provides strategic leadership and municipal expertise. Together the UNSM and the AMA have worked on numerous issues important to Halifax and other municipalities including:

- Municipal Government Act (MGA) review,
- Property Tax Relief (CAP Program),
- Partnership Agreement Working Group,
- Property Tax Report Committee,
- Fiscal Review,
- Town’s Task Force Municipal Indicators,
- Financial Condition Index, and,
- Occupational Health and Safety regulations.

DISCUSSION

UNSM is funded through a three part formula. A municipality pays a \$1,000 base fee with the remainder of the UNSM budget pro-rated amongst all units according to a municipality's share of assessment (15%) and population (85%). Halifax's contribution is capped, however, and it pays a flat amount of \$74,000. Halifax's share of the UNSM budget is 22% even though it has 44% of the Provincial population. AMA is funded through individual member fees, even though much of the work it has undertaken in recent years is broader strategic research of value to the UNSM's advocacy efforts.

Currently, the Boards of the UNSM and AMA are seeking changes to their budgets and the approach to funding in order to ensure sustainability and greater success in their advocacy efforts. Under these changes Halifax would provide funding for one-third of the UNSM budget. At the same time a 25% AMA fee would be added to the UNSM annual dues. The combined UNSM/AMA fees would increase by \$83,000 with \$63,000 of the additional cost pressures borne by HRM

	Current UNSM	Revised UNSM	New AMA Fee	Revised Total	Change \$	Change %
Halifax	74,211	110,123	27,531	137,654	63,443	85.5%
All Others	<u>256,489</u>	<u>220,580</u>	<u>55,145</u>	<u>275,725</u>	<u>19,236</u>	<u>7.5%</u>
Total	330,700	330,703	82,676	413,379	82,679	25.0%

The changing environment in Nova Scotia has caused sustainability issues for many municipalities. While Halifax has been somewhat isolated from the economic pressures faced by smaller municipal units, the demographic and other changes that are occurring do have serious ramifications for Halifax. It remains in Halifax's best interests to seek change through multiple avenues, both through greater leadership through UNSM and through its own bilateral discussions with the Provincial Government.

In addition, Halifax' contribution to the UNSM does not reflect the changes that has occurred within the Provincial economy over the last ten years. Halifax's share of the current budget (22%) is substantially less than either its share of the population (44%), of Provincial assessment (54%) or its share of Gross Domestic Product (57%). Other municipalities have seen substantial increases in their dues to maintain the UNSM. Halifax, despite being the largest and most affluent municipality in the Province, has had its contribution capped for over ten years. Even after these changes, its share of the total (33%) will still be less than its share of the Provincial economy.

FINANCIAL IMPLICATIONS

There is an estimated cost pressure to HRM of \$63,000 for its 2017-18 budget.

COMMUNITY ENGAGEMENT

None.

ATTACHMENTS

None.

A copy of this report can be obtained online at <http://www.halifax.ca/council/agendasc/cagenda.php> then choose the appropriate meeting date, or by contacting the Office of the Municipal Clerk at 902.490.4210, or Fax 902.490.4208.