



**MEMORANDUM OF UNDERSTANDING – MUNICIPAL REFORM
STEERING COMMITTEE**

c/o Municipality of Pictou County ♦ 46 Municipal Drive ♦ Pictou, N.S. ♦ BOK 1H0

February 5, 2015

Roger MacKay, Mayor
Town of Westville
2042 Queen Street
PO Box 923
Westville, N.S. BOK 2A0

Dear Mayor MacKay,

The Steering Committee met today and reviewed your letter of February 3, 2015.

As we understand, there are two conditions to Westville signing the MOU. The first limits the financial contribution of Westville to the MOU study process to \$25,000, while the second permanently precludes the participation of Westville in funding operating deficits associated with the Pictou County Wellness Centre.

As previously conveyed, should the MOU Committee require additional financial resources to complete MOU study work, our first request for funding will be to the Province of Nova Scotia. Should additional monies be required in addition to, or in the absence of, Provincial funding, those amounts would be shared among the partners based on the amount of work to be carried out for a specific municipal unit. For example, should additional financial resources be required to study a specific issue related to Westville, the Committee would attempt to do that work in-house first, i.e. use of our municipal staff at no additional cash cost to the municipalities regardless of which municipal unit employs the staff member(s). Should incremental funding be required, we would then ask the Province for financial assistance. Only if there remained a cash shortfall after those steps would Westville be asked to fund the portion of the expenses specific to your Town. We see this as a very fair approach and as such are not prepared to accept your first condition.

The MOU is a framework document under which the participating municipal units have agreed to study regional government. The preconditions are, in effect, agreement on the assumptions that will be used to study regional government. We cannot under the MOU agree to forever exempt Westville from funding Wellness Centre operating deficits. Those types of decisions would clearly be in the purview of an elected regional council. The current participating municipal units have been clear in that the assumptions used

in the financial projections for a regional municipality with respect to the Wellness Centre deficit - meaning any annual shortfall remaining after the use of deed transfer tax - would be funded from property tax rates. Given the regional nature of the Wellness Centre, we do not agree to prepare financial projections that treat Westville differently in this regard. Until the MOU studies have been completed, the municipal units will not know the financial impact of a regional government on their specific property owners. Those details will be provided to each Council and they, in turn, under provisions of the MOU, will have the right to continue on with the MOU process or withdraw. Given your Council's reluctance to agree to assumptions to be used in this regard, the Committee cannot agree to your second condition.

As you understand, the four participating units have a significant amount of work to complete, a large portion of which needs to be finalized by this fall. Our staff are now fully engaged in internal studies. We have also prepared a Request for Proposals for the study of governance and administrative structures. Given our time-sensitive targets, the Committee has concluded we must end our negotiations with Westville at this point in time.

Personally, and on behalf of the Committee, I want to thank you for your correspondence and interest in the MOU study process. The Committee is very disappointed that we could not come to mutually agreeable terms.

Yours truly,



Ronnie Baillie
Chairman

c. Kelly Rice

TOWN OF WESTVILLE

TELEPHONE (902) 396-1500
FAX NUMBER (902) 396-3986



2042 QUEEN STREET
P. O. BOX 923
WESTVILLE, NS B0K 2A0

February 3, 2015

Warden Ron Baillie
Chair, MOU Steering Committee
PO Box 910
Pictou, NS
B0K 1H0


Dear Warden Baillie,

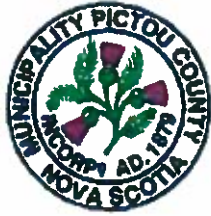
Westville Town Council has reviewed your previous letter regarding becoming a partner and signing on to the MOU. At this time we have two conditions that we feel must be agreed to before we can go back to our residents and request their agreement to sign on to the MOU.

1. We are prepared to make a one-time contribution of \$25,000 cash plus our in-kind contribution of the Service Delivery Review document that was compiled in August 2014. As well, our CAO will assist the Project Manager as needed. We feel there is some very important and substantial information in the Service Delivery Review that will be pertinent to the Steering Committee's workplan.
2. There must be a legal, binding clause or document that exempts Westville residents from any financial responsibility to the operating costs or deficits of the Wellness Center, now or in the future.

We realize that these are very strong requests but as this process moves forward so must all the municipalities that are signed on to the MOU. That means that Westville is not prepared to enter into any further financial contributions as these costs are unknown and we are not prepared to sign a "blank cheque" to fund this process.

Once we have received your response, we will move forward with our final decision as quickly as we can. We know that time is of the essence in this process and we fully respect your timelines.

Sincerely,

Roger MacKay
Mayor



**MEMORANDUM OF UNDERSTANDING – MUNICIPAL REFORM
STEERING COMMITTEE**

c/o Municipality of Pictou County ♦ 46 Municipal Drive ♦ Pictou, N.S. ♦ B0K 1H0

January 28, 2015

Roger MacKay, Mayor
Town of Westville
2042 Queen Street
PO Box 923
Westville, N.S.
B0K 2A0

Dear Mayor MacKay,

I am writing in response to your letter of January 21, 2015.

With the exception of the following comments, it appears to the Steering Committee that in general terms we are in agreement with your interpretation of the Memorandum of Understanding (MOU). For ease of reference I have included your exact comments (in italics) and our responses directly beneath.

2. ... *“Westville is concerned that the MOU as currently drafted suggests an intent other than the presumptive intent of the MGA which indicates that both assets and liabilities are assumed by the new regional governance.”*

For clarity, the Participating Municipal Units (PMUs) are not suggesting assets and liabilities would not belong to a new regional government. What we are suggesting, however, is that through a series of studies assets would be included within regional or community based groupings. Studies would then determine the most equitable approach to the recovery of operating costs and retirement of associated long-term debt, i.e. through either a regional (general) tax rate, community/area rate, or some form of user pay charge.

3. ... *“It was understood that the MOU would not preclude the other entities from reviewing the policing issue and that was an issue that could be raised in the process.”*

Outside of a review of the direct Municipal RCMP contract currently in place between the Town of Pictou and the federal government, and the Provincial Policing Contract currently in place between the Municipality of the County of Pictou and the Province of Nova Scotia, municipal policing matters will not

be reviewed under the MOU. Current day Municipal policing profiles and costs will be used to generate taxing assumptions under the MOU, i.e. continuation of existing municipal forces and the recovery of these costs through specific area rates. Analysis of policing is a topic that will be left to a new regional government. The reasoning for this decision was twofold. First the PMUs believe there is simply not enough time to adequately study municipal policing. The MOU calls for the assembly and analysis of fact-based information, consideration of recommendations by the Councils of the PMUs, a plebiscite and public consultation, amendments to the MGA, and a provincial application to incorporate a new municipal unit – all before the next municipal election. The second reason relates to existing RCMP cost-sharing arrangements. The categorization of a municipality under RCMP contracts needs to be studied as it may have a material impact on RCMP related area rates.

4. *“That all councillors of all municipal units were welcome at all meetings and that the only points of exclusion by the Steering Committee would be on limited items under Section 22 of the MGA.”*

A decision has been made that non-Steering Committee Council members of all participating municipal units are welcome to attend both the closed and public sessions.

On behalf of the Steering Committee I would like to thank you and your Council for your continued interest in the process. As you might image the amount of work to be undertaken over a short period of time is substantial. To meet this challenge the Steering Committee has now approved the majority of the terms of reference prepared to guide internal and external studies, our Municipal Engineers have already commenced working group meetings, our Finance people start meeting this week, and our Committee has reviewed a terms of reference for the engagement of external consultants. Given the scale of the project and time pressures, our Committee needs to know your decision on joining the MOU on or before February 4, 2015.

We look forward to hearing from you.

Yours truly,



Ronnie Baillie
Chairman

c. Kelly Rice

TOWN OF WESTVILLE



TELEPHONE (902) 396 1500
FAX NUMBER (902) 396-3996

2042 QUEEN STREET
P. O. BOX 923
WESTVILLE, NS B0K 2A0

January 21, 2015

Warden Ron Baillie
Municipality of the County of Pictou
P. O. Box 640
40 Water Street
Pictou, NS B0K 1H0

Dear Warden Baillie,

First of all, thank you for the meeting with Westville Town Council on Thursday, December 18th, 2014. It was a meeting well past due and permitted a full exchange on the important issue of the Regional Government Memorandum of Understanding signed by the Municipality of the County of Pictou, the Town of New Glasgow, the Town of Stellarton and the Town of Pictou (MOU).

Our intent is not to prolong the date but if we are going to be able to review the Town's current position, and particularly involve the public in the further consultative meeting, we want to be clear on some of the points that we heard on the evening of December 18th. We say this not to be provocative but we do think some record of our understanding of the meeting has to be set out in light of the language of the MOU and particularly clauses which suggest no other agreements or understanding exist outside of the language of the MOU.

The key points that we noted from the discussion are as follows:

1. The MOU does provide for voting mechanism but it was repeated throughout the meeting of December 18th that the process is going to be advanced by consensus. I believe both Mr. Demont and Mr. Conrad as well as yourself said that the parties are not going to proceed by voting on issues. There was a clear recognition by the parties that the parties have to resort to votes under the provisions of the MOU, that the process is going to have a high likelihood of failure. We appreciated learning that the committee has set a practice standard in place so that if consensus cannot be achieved, the coordinator will be charged with responsibility of doing further research and looking at alternate means of approaching an issue before any decision is made.
2. There was lengthy discussion on the provisions that the MOU deal with financing. It was made clear that the MOU only deals with the material change to the residential rate

for the Municipality of the County of Pictou and is not intended to be preclusive of area rates. It was also discussed in an exchange that there is very little in this process that is not on the table for review, discussion and debate. Specifically it was raised whether the Steering Committee had yet established criteria to determine whether assets are regional assets, assumption and debt attached to regional assets, whether protection of the residential rate is the most tax efficient, a proper determination of areas in municipal services that reflects the true beneficiaries of the service regardless of the traditional boundaries and issues like ribbon development. As we understood it, the committee has not established any criteria. As you know, Westville is concerned that the MOU as currently drafted suggests an intent other than the presumptive intent of the MGA which indicates that both assets and liabilities are assumed by the new regional governance.

3. In terms of the issue of policing, what we understood is that the Town of New Glasgow has indicated that it wishes to remain with the Town of New Glasgow Police Services and that the Municipality of Pictou wishes to remain with the RCMP. It was understood that the MOU would not preclude the other entities from reviewing the policing issue and that was an issue that could be raised in the process.
4. That all councillors of all municipal units were welcome at all meetings and that the only points of exclusion by the Steering Committee would be on limited items under Section 22 of the MGA.
5. There was discussion on the rationale for the equal contribution of \$25,000 towards the cost. It was explained that that was reflective of an assessment of work that would have to be done and also additional resources that some municipal units are putting to the project. It was not determined how any additional funds would be contributed and you indicated that that would be a matter that would have to be discussed by the Steering Committee to establish criteria that would inform any future contributions.
6. The provision that indicates that deficits are to remain with a previous municipal unit is intended as a warning to municipal units not to run up deficits in the transition or lead up period. Currently, there is no concern over deficits with any of the municipal units but the intent of the provision of the MOU dealing with units carrying their own deficits is to preclude a unit going out and spending considerable funds on the expectation that a regional government might take responsibility for the deficit.

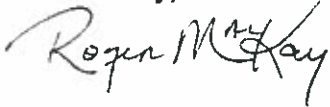
In general terms what we heard from you and the co-presenters was that there are no absolutes in the agreement. Even though there are preconditions set down by certain municipal units, it may be that in the process that municipal units will have to re-evaluate certain preconditions. We understood that the Town of Westville would be welcome to communicate with the Steering Committee on issues or preconditions that it would set down in order to be involved in the process.

This discussion and explanation of the approach taken provides us with considerable more comfort than one can get from reading the MOU. On the basis of the understanding set out

herein, and upon confirmation from you that you agree with our interpretations contained in this correspondence, the Town of Westville would be willing to review its position and will advise as soon as possible.

In closing, again I wish to thank you for meeting with Town Council.

Yours truly,

A handwritten signature in cursive script that reads "Roger MacKay". The signature is written in dark ink and is positioned above the printed name.

Roger MacKay

Mayor



**MEMORANDUM OF UNDERSTANDING – MUNICIPAL REFORM
STEERING COMMITTEE**

c/o Municipality of Pictou County ♦ 46 Municipal Drive ♦ Pictou, N.S. ♦ B0K 1H0

January 14, 2015

Roger MacKay, Mayor
Town of Westville
PO Box 923, 2042 Queen St.
Westville, Nova Scotia
B0K 2A0

Dear Mayor MacKay,

Re. Westville Participation within the Memorandum of Understanding on Municipal Reform

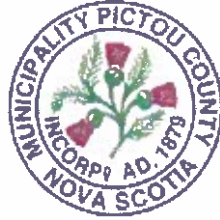
I would like to thank you, your Council members, CAO and Solicitor for meeting with us on December 18, 2014. We found the discussions to be both positive and insightful.

The MOU Steering Committee has met twice since that date and are now in the midst of finalizing work plans related to the many required study areas. As you may appreciate, the timeline for preparing what the MOU refers to as an Implementation Plan is extremely short. As such, the Steering Committee is requesting any clarifications or positions from your municipal unit with respect to participation within the MOU on or before Friday January 23, 2015.

Should you have follow-up questions to our meeting prior to the 23rd please do not hesitate to contact me.

Yours truly,

Ronnie Baillie
Chairperson



September 29, 2014

Roger MacKay, Mayor
Town of Westville
PO Box 923
Westville, N.S.
B0K 2A0

 COPY

Dear Mayor MacKay,

Re. **Memorandum of Understanding – Municipal Reform**

We are writing in response to Kelly Rice's email of September 23, 2014. Our answers can be found immediately beneath each of your Council's questions in red font.

From a general perspective we wish to point out that the MOU will involve a study process/work plan. A number of areas of municipal operation and capital requirements will be reviewed during the term of the MOU. Therefore it is not always possible to supply a definitive answer prior to the completion of detailed analysis associated with the forthcoming work plan.

1. Would you be willing to remove clause 1.2.5 from the MOU?

Decisions by the Steering Committee will be supported by fact-based information, and the Committee will do their very best to operate on a consensus basis. However, if the process needs to move forward, and the committee is at a stalemate, we feel that the voting requirements detailed within provision 1.2.5. must be maintained.

2. The budget for the Project Operating Fund has been set at "\$25,000 minimum per each signatory to this agreement". We would request the funding contribution be \$25,000 maximum and ask that you agree to use the recently completed Service Delivery Review for Westville, Trenton and Stellarton as an in-kind contribution toward the cost of the data collection process that will be involved with the study?

Our goal is to have the cash contribution at a maximum of \$25,000 for each municipal unit. In the event additional contributions are required, the Steering Committee would examine the study elements involved. It is possible that a proration of the costs may be attributed to the volume of work associated with specific municipal units. This may end up being more or less than an equal share of any incremental work required. The current signatories to the MOU understand the reports and reviews to be generated under the MOU will be in-depth and detailed, i.e. be related to specific property parcels, organized within geographic information software, and consider best-practice examples from other jurisdictions. While there may be background benefit to your Service Delivery Review, and based on the terms of reference of same, we do not believe there will be significant in-depth benefit from the aforementioned. Therefore we are not willing to provide credit towards the \$25,000.

3. The residents of Westville would be exempt from bearing any future annual operating deficits or capital debt for the Wellness Center as per the existing agreement in place at the signing of the MOU.

While the template/modelling/approaches developed under the MOU are intended to be used by a new Regional Council, it is important to note that provisions of the MOU cannot fetter the powers and discretionary rights of a new Regional Council. Therefore we cannot guarantee your request at this point in time. Consideration of this point will be part of the overall MOU work plan discussions.

4. The level of service for the residents of Westville would remain the same.

Agreed.

5. Will the salary of the CAO/Project Manager be a charge against the MOU Project Operating Fund or will it continue to be paid by their home Municipality?

At this point the proposal is to utilize cash contributions from the municipal units to hire external consultants to review and table recommendations on preferred governance and administrative structures. Cash may also be required to backfill seconded positions and to fund public communication elements, i.e. advertisement and website costs. The intent is to undertake the majority of the review (work plan) through the use of in-house (seconded) staffing resource. Municipal units will cover their share of the backfill requirements through the provision of staff or money. The terms of engagement for seconded employees will be clearly defined.

6. Clause 8.2 addresses the option of expulsion of one municipal unit by motion of two or more parties comprising of municipalities with more than 75% of the aggregate population. It is our opinion that there cannot be honest and transparent discussion if an unequal measure of influence can be exercised by one or more members. In other words, each member must feel free to put forth the concerns of their constituents without fear of repercussions, so we would request that this clause be removed from the MOU.

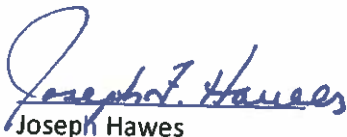
While we are not prepared to remove this clause, the current signatories commit to robust debate, and as discussed above, reaching decisions through the analysis of fact-based information.

7. Based on the fact that there are 3 Municipal Police Forces and RCMP in Pictou County, and the cost of policing is, by far, one of the largest costs to the taxpayers in Pictou County, why was regional policing not included in the MOU as part of the study criteria for regional government?

The MOU is to be brought to a conclusion in time for the 2016 Municipal Elections. Given the volume of work to meet this hurdle we do not believe a concurrent review of policing can be undertaken.

We trust the above answers your questions.

Yours truly,



Joseph Hawes
Mayor
Town of Pictou



Ron Baillie
Warden
Municipality of the County of Pictou



Barrie MacMillan
Mayor
Town of New Glasgow

Cc: Kelly Rice, CAO

From: Kelly Rice
Sent: September-23-14 4:31 PM
To: Ronald Baillie; Brian Cullen
Cc: Barrie MacMillan; Joe Hawes; Roger MacKay; Lennie White; Lynn MacDonald; Charlie Sutherland; Bernie Murphy; Scott Conrod ; Lisa M. MacDonald
Subject: MOU

Good Afternoon Warden Baillie,

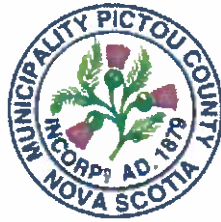
On behalf of Mayor Roger MacKay and Council, we are submitting the following questions and comments with regards to the MOU for your response:

1. Would you be willing to remove clause 1.2.5 from the MOU?
2. The budget for the Project Operating Fund has been set at "\$25,000 minimum per each signatory to this agreement". We would request the funding contribution be \$25,000 maximum and ask that you agree to use the recently completed Service Delivery Review for Westville, Trenton and Stellarton as an in-kind contribution toward the cost of the data collection process that will be involved with the study?
3. The residents of Westville would be exempt from bearing any future annual operating deficits or capital debt for the Wellness Center as per the existing agreement in place at the signing of the MOU.
4. The level of service for the residents of Westville would remain the same.
5. Will the salary of the CAO/Project Manager be a charge against the MOU Project Operating Fund or will it continue to be paid by their home Municipality?
6. Clause 8.2 addresses the option of expulsion of one municipal unit by motion of two or more parties comprising of municipalities with more than 75% of the aggregate population. It is our opinion that there cannot be honest and transparent discussion if an unequal measure of influence can be exercised by one or more members. In other words, each member must feel free to put forth the concerns of their constituents without fear of repercussions, so we would request that this clause be removed from the MOU.
7. Based on the fact that there are 3 Municipal Police Forces and RCMP in Pictou County, and the cost of policing is, by far, one of the largest costs to the taxpayers in Pictou County, why was regional policing not included in the MOU as part of the study criteria for regional government?

If at all possible, we would appreciate your response by September 29th (or as close to) as Council will need time to discuss your answers and prepare for a Public meeting with Westville residents on October 6th at 7:00PM.

Respectfully,

Kelly D. Rice
Chief Administrative Officer
Town Of Westville
PO Box 923, 2020 Queen St.,
Westville, NS
B0K 2A0



September 18, 2014

Roger MacKay, Mayor
Town of Westville
PO Box 923
Westville, N.S.
B0K 2A0

Dear Mayor MacKay,


Re. **Memorandum of Understanding – Municipal Reform**


We are writing in response to your letter of September 9, 2014. We have reviewed your request and respond as follows:


- The undersigned agree to an October 6th, 2014 extension at which time we would expect a decision on the Town of Westville's participation;
- In the interim, we request that your concerns and suggestions be submitted to us in writing and once received, we commit to a prompt response so you and your Council can make your final decision.

We look forward to hearing from you.

Yours truly,


Joseph Hawes
Mayor
Town of Pictou


Ron Baillie
Warden
Municipality of the County of Pictou


Barrie MacMillan
Mayor
Town of New Glasgow

c. Kelly Rice, CAO Town of Westville



TELEPHONE (902) 396-1500
FAX NUMBER (902) 396-3986



2042 QUEEN STREET
P. O. BOX 923
WESTVILLE, NS B0K 2A0

September 9, 2014

Warden Ron Baillie & Council
PO Box 910
Pictou, NS
B0K 1H0

Mayor Joe Hawes & Council
PO Box 640
Pictou, NS
B0K 1H0

Mayor Barrie MacMillan & Council
PO Box 7
New Glasgow, NS
B2H 5E1

RE: Request for Extension - Memorandum of Understanding Deadline

Dear Warden, Mayors & Councillors,

Westville Town Council has reviewed the Memorandum of Understanding (MOU) sent to us on August 22, 2014.

As you can appreciate, we do have a number of questions that require clarification and we would like to have the opportunity to have a meeting with you prior to any decisions being made.

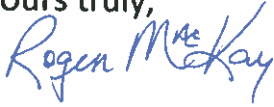
We are just concluding our joint service delivery review with the Towns of Stellarton and Trenton, and we would like to have these results as part of our decision making process.

Based on these factors, we would like to request a 30 day extension on the timeframe for responding to your request to become a partner in the MOU.

We will be contacting you in the near future to, hopefully, set up a meeting to discuss the contents of the MOU.

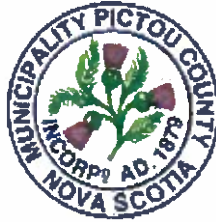
We hope that our request will be received favourably and we look forward to moving ahead into a very bright future for Pictou County.

Yours truly,

A handwritten signature in blue ink that reads "Roger MacKay". The signature is written in a cursive style with a large "R" and "M".


Mayor Roger MacKay & Council

c.c. Stellarton Town Council
Trenton Town Council



August 22, 2014

Mayor Roger MacKay
Town of Westville
PO Box 923
Westville, Nova Scotia
BOK 2A0

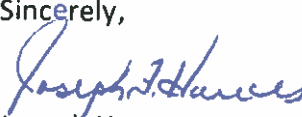
 COPY

Dear Roger:

On behalf of our respective Councils, please find attached a copy of the Memorandum of Understanding (MOU) relating to municipal governance and organizational review for Pictou County. The MOU has been drafted to address the current need for a cooperative and regional approach to governance and service delivery.

We encourage and welcome open dialogue regarding this regional commitment. Our Council's believe that it is critical that meaningful change occur in Pictou County. The MOU is a Call to Action, studying key components of our operations and planning for the future. That being said, it is critical that we move the MOU work forward, and we are committed to doing so. Our Council's hope that you will consider the merits of the MOU and agree to become a participating unit.

Sincerely,


Joseph Hawes
Mayor


Ronald Baillie
Warden


Barrie MacMillan
Mayor

Cc Kelly Rice, Chief Administrative Officer