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Via Electronic Mail

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Dear Counsel:

Re: M07050 – Proposed Amalgamation – Municipality of the County of Pictou, Town of New Glasgow, Town of Pictou, and the Town of Stellarton (MB-15-05)

We write on behalf of our clients, the Municipality of the County of Pictou and the participating Towns of New Glasgow, Pictou, and Stellarton to request the cooperation of your clients in determining the appropriate municipal representation on inter-municipal service boards and commissions should the Utility and Review Board (the "Board") grant amalgamation of two or more of the participating municipal units.

Our clients wish to maintain the same levels of representation on such Boards and Commissions after amalgamation as they currently have. They do not wish to enhance their positions relative to your clients nor to dilute in any way the rights of representation on the part of your clients.

In our opinion the solution which our clients propose will occur by operation of law or may occur by order of the Board. Our preference would be to avoid this issue at the hearing by reaching agreement with the parties.

The following boards and service commissions are relevant to the proposed agreement:

1. Glen Haven Manor Corporation;
2. Intermunicipal Services Agreement (Pictou County Shared Services Authority);
3. Riverview Home Corporation;
4. Pictou County Wellness Centre Building Authority Inc; and

5. Deed Transfer Trust Agreement.

The constating documents governing these entities provides that each municipal unit that is a party to those agreements is responsible for appointing the directors/board members. The specific provisions regarding each of the above noted entities are described below.

Glen Haven Manor Corporation

The Glen Haven Manor Corporation consists of members appointed by the Towns of New Glasgow, Stellarton, Westville, and Trenton. Each of these members serves a term of two years. The By-Laws of the Glen Haven Manor Corporation provide at section 1(e) that vacancies are to be filled by the municipal council that appointed the member.

Intermunicipal Services Agreement (Pictou County Shared Services Authority)

The Towns of New Glasgow, Pictou, Stellarton, Trenton, Westville as well as the Municipality of the County of Pictou are parties to the Intermunicipal Services Agreement. Intermunicipal services are governed by the Pictou County Shared Services Authority. The Board of Directors for the Shared Services Authority consists of the mayors of each of the member municipal units. Section 5(4) of the Intermunicipal Services Agreement states that, in the event of a vacancy that occurs with respect to a director, the council appointing the director shall appoint a replacement within six weeks after receipt of notice of vacancy from the Shared Services Authority.

Riverview Home Corporation

The Riverview Home Corporation consists of eight members, of whom six must be Councillors appointed by the Council of the Towns of New Glasgow, Pictou, Stellarton, Trenton, and the Municipality of the County of Pictou. Section 3.05 of the By-Laws provides that where any vacancy occurs in the office of a member who ceases to be a member of a Council or for any other reason, the Council that appointed such a member will fill the vacancy.

Pictou County Building Authority Inc.

The Articles of Association provide at Article 38 that unless otherwise determined unanimously by general meeting, the number of Directors shall not be more than six nor less than four, but, in any event, each Council shall appoint one and only one Director at any given time, so that the number of Directors shall be equal to the number of Members. The members are defined as the Towns of New Glasgow, Pictou, Stellarton, Trenton and the Municipality of the County of Pictou.

Deed Transfer Trust Agreement

The Municipality of Pictou County along with the Towns of New Glasgow, Pictou, Stellarton and Trenton are the municipal units that are party to the Deed Transfer Trust Agreement. Each of these municipal units is responsible for appointing a trustee. Article VII, section 7.04 provides that in the event of resignation or removal of a trustee or in the case a vacancy shall arise, the successor trustee shall be appointed by an instrument executed by the Municipality for which the resigning or removed trustee was a nominee.

POST AMALGAMATION GOVERNANCE

While agreement is sought with respect to the representation on the above-noted boards and service commissions to find an efficient and cost-effective solution, it is our view that the pre-amalgamation representation will continue by operation of law. Traditional representation would be maintained pursuant to subsection 367(1)(c) of the *Municipal Government Act*, which states:

Effect of annexation of amalgamation

367(1)(c) where the whole of a municipality is annexed to a municipality or municipalities are amalgamated, all of the assets and liabilities of the annexed or former municipalities are vested in the annexing or amalgamated municipality, and the annexing or amalgamated municipality stands in the place and stead of the annexed or former municipalities.

(Emphasis added)

Pursuant to subsection 367(1)(c), a newly formed municipality “stands in the place and stead of the annexed or former municipalities”. In the event the Board orders amalgamation, the amalgamated municipality will stand in the stead of the new municipalities and appoint board members/directors on their behalf when vacancies open.

The Board has jurisdiction to make an order effecting the inter-municipal service boards and agreements pursuant to their residual powers under subsection 363(2) of the *Municipal Government Act*, SNS 1998, c. 18:

(2) The order of the Board for an amalgamation or annexation shall

...

(e) provide for any other matter that is necessary or desirable to effect the amalgamation or annexation

(f) from time to time make such determination, issue such orders and directions and do, or cause to be done, all such other matters and things as, in the opinion of the Board, are necessary or incidental to the annexation of amalgamation.

In addition, the Board has the jurisdiction to adjust assets and liabilities of a municipal unit pursuant to subsection 363(3)(a), which states:

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(3) *An order of the Board may*

(a) *adjust assets and liabilities among those affected by the order as the Board considers fair*

The above-noted agreements forming the service boards and commissions are assets that could be adjusted by the Board pursuant to subsection 363(3)(a).

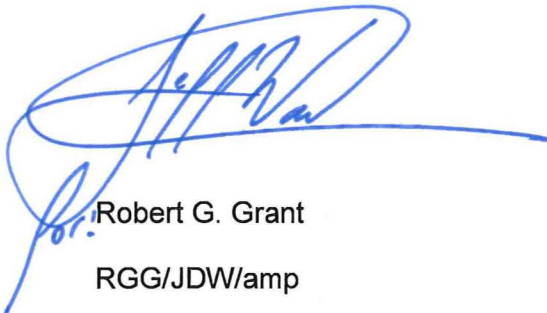
The Board has made a similar order in a previous amalgamation. In the Application by the Town of Canso for dissolution (NSUARB-MB-10-02 / M03578), the Board ordered that upon dissolution, councillors who were members of the Town utilities, boards and commissions, including the Canso Seaside Manor, were to be replaced by appointments made by the newly amalgamated municipality. In the absence of an agreement from your client, we will seek an Order from the Board stating that the newly amalgamated municipal unit will appoint board members/directors on behalf of the former municipal units.

The agreement sought is consistent with the funding models of the service boards and commissions. Generally, the funding is based on pro-rata cost sharing between the municipal units based on usage and/or population. In the event that the newly amalgamated municipal unit was prevented from appointing directors / board members, the unit would be providing the majority of the funding, but would have minority representation in the decision making.

Please advise at your earliest opportunity whether your clients agree that an amalgamation ordered by the Board will not diminish the representation of former municipal units on the various inter-municipal boards and commissions. If your clients object to the proposal, we would appreciate it if you could let us know the reasons for their objections.

If the parties are unable to agree, our client intends to make a submission to the Board regarding the impact of the amalgamation on the governance of these boards and commissions.

Yours truly,



For: Robert G. Grant
RGG/JDW/amp