



47 Riverside Street, PO Box 697
New Glasgow, Nova Scotia B2H 5G2
Tel 902.752.5090
Fax 902.755.3545

10 Church Street, PO Box 1068
Truro, Nova Scotia B2N 5B9
Tel 902.897.2000
Fax 902.893.3071

1718 Argyle Street, 5th Floor
Halifax, Nova Scotia B3J 3N6
Tel 902.405.8000
Fax 902.405.8001

Toll-free 1.888.897.2001
www.pattersonlaw.ca

Decmeber 18, 2015

Via Facsimile I-902- 420-1417

Stewart McKelvey

900-1959 Upper Water Street
Halifax, NS B3J2X2

ATTENTION: **Robert Grant, Q.C.**

Dear Robert:

RE: Proposed Amalgamation-UARB M07050

As you know I am the solicitor for Town of Trenton (TOT) and forward this letter in response to yours of November 14, 2015.

TOT has applied for and been granted Intervenor status but I wish to emphasize that it is not its intention to interfere with or contest your clients' application for amalgamation. The focus of TOT's participation in the matter is to protect its interests in the various existing multi-party contracts and joint entities as listed in your letter of November 14, 2015. TOT's emphasis in this regard will be on the Inter Municipal Services Agreement (IMSA) and the Pictou County Wellness Centre (PCWC).

TOT is greatly concerned that if traditional pre-amalgamation representation is maintained in the post amalgamation governance model of the newly created unit (NCU) that such result would create a very significant shift in the relationship of the parties. The current agreements/legislative structures/shareholder status essentially provide for one member, one vote. Logically this would mean that NCU as one municipal unit would have one vote or, as S. 367(1) (C) MGA provides, *...the annexing or amalgamated municipality stands in the place and stead of the annexed or former municipalities...* In essence four become one.

The reality on the ground viv a vis the IMSA following your clients' proposal would be that the new Board of Directors would be 67% controlled by NCU with more than 75% of the population as opposed to the current model of six (6) units, each with a vote. The Special Resolution provision of the IMSA would position NCU to essentially decide all issues requiring same, the most significantly obvious example being the preparation/passing of the annual budget. TOT

and Westville for that matter would be easily outvoted with little to say in the face of considerable financial risk.

With regard to the PCWC, NCU would have 80% of the votes and more than 75% of the population, the difference from the IMSA being that a PCWC budget must currently first be submitted to each municipality for approval but, if not approved can be forced by Special Resolution. An IMSA budget requires a Special Resolution as set out above but is not subject to Municipal approval. Other issues can arise with the Special Resolution capabilities.

With due respect your clients' positions would be greatly enhanced and TOT's greatly diluted to the point of being rendered nugatory under your proposal on this issue.

TOT is prepared to discuss proposed amendments to the various agreements/entities to achieve post amalgamation governance that maintains the current protections it has under the various agreements.

Kindly advise what your clients would propose in the way of draft amendments to achieve the above and if your clients are prepared to enter a dialogue in this direction.

Thank you in advance and, given the mid-January date to file evidence with the UARB, I look forward to hearing from you on or before December 28/15.

Yours Truly,

J. Gregory MacDonald, QC
greg@goodmanmacdonald.ca
Tel: 902.752.5090 ext. 223

JGMacD/lej