

MUNICIPAL COUNCIL

A Special Meeting of Municipal Council of the Municipality of the County of Colchester was held on Thursday, July 20, 2000.

Roll Call

All Councillors were in attendance.

Purpose of Meeting

The purpose of the Special Meeting was to develop a position in response to the Provincial Discussion Paper on Municipal Taxation of Utilities.

Warden's Report

Warden Smith reported on meetings held with the six Wardens and CAO's from municipalities with Gas Pipeline Assessment, and their subsequent meeting with the Honourable Angus MacIsaac, Minister of Housing and Municipal Affairs. The six municipalities stressed their opposition to the Minister of the thrust of the Discussion Paper. The Minister has responded that the Natural Gas Industry is new and it is appropriate to review taxation issues now.

The Warden and CAO also attended a meeting hosted by the Town of Trenton concerning this issue - minutes of this meeting were distributed to Council. The UNSM members present felt that the Nova Scotia Power Issue should be considered separately from the Gas Issue.

A meeting was also held with the three local MLA's earlier in the week. All three representatives have a good grasp of this issue. Since that meeting, Mr. Langille and Mr. Taylor have publicly expressed support for Colchester's position and Mr. Muir has indicated he will make his position known at a later time.

Council agreed that letters should be written to Messrs. Langille and Taylor thanking them for their support on this important issue.

CAO Report

Mr. MacIsaac provided background on the Nova Scotia Power and MTT grant-in-lieu of taxes arrangements. In addition it was explained that there are three companies involved in the Natural Gas Industry and they are separate and distinct from each other. The three companies are Sable Offshore Energy, Maritimes and Northeast Pipeline and Sempra.

The CAO recommended the Municipality forward a response to the Province which incorporates the following facts and position statements:

POSITION STATEMENTS - RE NS POWER

- Colchester supports UNSM position - even though less money for us.
- That evaluation should be done of value of N.S. Power and appropriate taxation should result.
- That HST offset program should be discontinued and these funds added to Grant-in-lieu program.
- Current system is unnecessarily complicated.

POSITION STATEMENTS - RE UNSM POSITION

- That UNSM did not ask for this review.
- That this is an apples & oranges discussion.
- That Sempra, Maritimes Northeast & Sable Offshore Energy are *different* companies and should not be lumped together.
- That Sempra is a utility and it has a special tax agreement.
- Maritimes Northeast is a Transportation Company - it does not need a tax arrangement.
- Maritimes Northeast is not regulated by UARB.
- This is not utility taxation but revenue sharing - property taxes are not shared - UNSM has never advocated revenue sharing.

POSITION STATEMENTS RE: NEW INDUSTRY

- New industries should not be treated differently, but same as existing ones.
- Property assessment principles should apply equally.
- Totally unfair to new industry if charged as utility rather than taxpayer - cost will never go down.
- All Nova Scotians suffer if unfair environment seen to exist.

POSITION STATEMENTS - RE: ROLE OF PROVINCE

- All Municipalities benefit from new assessment to 6 rurals
 - n Education rate reduction
 - n Equalization grant redistribution
- Province benefits through royalties - property taxes accrue to municipalities.
- Assistance to smaller municipalities should be achieved through equalization formula - not revenue sharing.

Council discussion

Council discussed the position statements and were unanimous in support of incorporating these positions into the Municipality's formal response to the Discussion Paper.

Adjournment

Moved by Councillor Cavanaugh
Seconded by Councillor Cooke

"That the meeting be adjourned." Motion carried.

Gary MacIsaac
Municipal Clerk