



WEST HANTS REGIONAL MUNICIPALITY REPORT

Information ☒	Recommendation ☐	Decision Request ☒	Councillor Activity ☐
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To: Members of Council

Submitted by: *T. Richard*
Todd Richard, Director of Public Works

Date: March 10, 2026

Subject: Cooperative Funding of Provincial J Class Roads

LEGISLATIVE AUTHORITY

Nova Scotia Municipal Government Act, Section 65 authorizes Council to expend funds for municipal purposes.

RECOMMENDATION or DECISION REQUEST

REQUEST THAT COUNCIL APPROVE AND DIRECT THE MAYOR AND THE CLERK TO SIGN THE THREE (3) YEAR COST SHARE AGREEMENTS EFFECTIVE APRIL 1, 2027, NO. 2026-022" RESOLUTION, AS PRESENTED AT THE MARCH 10TH COMMITTEE OF THE WHOLE MEETING.

Property ☐	Public Opinion ☒	Environment ☐	Social ☒	Economic ☐	Councillor Activity ☐
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DISCUSSION

The current three-year agreement for the paving of subdivision streets expires March 31, 2027. Attached is a copy of the new three-year agreement to be entered into with the Minister of Transportation and Infrastructure Renewal to continue this program.

The document will cover the terms of the agreement but will not list any specific subdivision roads that are to be paved. For each of the three years covered by the agreement, the Municipality will be asked to submit a prioritized list of roads for the next fiscal year. The Minister will return a letter advising of the approved roads for that fiscal year. Once the Municipality agrees to the approved list, it will become part of the agreement.

The Provincial Department requests that the Municipality return the attached agreement, whether or not we currently intend to submit subdivision roads for the program. Signing the outline agreement in no way commits the Municipality to the cost-sharing of the paving of any subdivision roads, unless an approved list is accepted in any fiscal year of the agreement. However, not having a signed agreement on file will prevent the Municipality from requesting any subdivision paving under this program for the next three fiscal years.

Additional information has been added to this report for further clarity.

- this cost-share program is offered to the Municipality on a 3-year term basis.
- this repaving program is applicable to J-Class subdivision roads that are owned by the Province, previous to a 1995 Provincial agreement
- all subdivision roads constructed following this 1995 agreement are 100% owned and maintained by each Municipality
- This cost share policy has been in place since 1995, any upgrades to J-Class roads are required to have 50% funding from municipalities. There appears to be no appetite from the Province to take over the full cost for J-Class roads, however there has been transfer of some J-Class roads to other municipalities giving them full jurisdiction and the requirement to fund and maintain them at full cost. Therefore, taking advantage of 50% funding when available and while this arrangement is in place may be in the best interest of the municipality and residents.
- Of roads that are listed; some are sealed (paved), some are unsealed (gravel) and some are paved or gravel roads that have been previously sealed using a double chip-seal process
- the Municipality currently contributes approximately \$221,000 annually towards the maintenance of these J-Class roads, primarily for snow and ice control activities. This expense is a general rated item on the annual operating budget, under the line-item "Fee to DOT".

It should be noted that NSDPW has not performed any roads condition assessment of these roads; leaving the Municipality the responsibility to determine which roads should be prioritized for this program.

Staff has considered this proposed program using an evidence-based Asset Management criteria model. This has included the following activities:

- staff last performed a condition assessment of the J-Class roads in 2025, rating each road with a condition value of 1 to 5 (1 = good, 5 = poor); before submitting the recommended list to NSDPW staff will perform an updated assessment.
- **Staff are allocating a \$500,000 annual budget line item for council to consider during budget discussions and approval.**

Staff requires the direction of Council, if this program is to be pursued with the Province for the future budget year 2027/28 fiscal year as the province is requesting all documents for the agreement to be returned before July 3, 2026.

FINANCIAL IMPLICATIONS

Asset Management modelling indicate that \$500,000 should be directed to a Provincial J-Class Road improvement reserve on an annual basis for the next 5-6 years or beyond, to participate in this program.

ALTERNATIVES

Council may choose not to participate in this program.

ATTACHMENTS

3-year agreement letter Feb 3, 2026

Cost Sharing Agreement No. 2026-022

CHIEF ADMINISTRATIVE OFFICER REVIEW

The report outlines the program and historic engagement of municipalities in the maintenance of provincial subdivision roads. As highlighted in the report this motion and agreement will provide the municipality with the capability to participate within the three (3) year agreement term. Council will then decide annually if they wish to participate and at what level the WHRM participates in the program through the annual budget process.

I support the recommendation .

Report Prepared and by:



Todd Richard, Director of Public Works

Report Approved by:



Mark Phillips, CAO



**Department of Transportation
& Infrastructure Renewal
Capital Programs
Highway Engineering and
Construction**

Johnston Building, 4th Floor
1672 Granville Street
PO Box 186
Halifax, Nova Scotia
B3J 2N2

Bus: 902-424-0897
Fax: 902-424-0571
E-mail:
laura.cunningham@novascotia.ca

February 3, 2026

Mr. Mark Phillips
Chief Administrative Officer
West Hants Regional Municipality
76 Morison Drive
PO Box 3000
Windsor, NS B0N 2T0

Dear Mr. Phillips:

RE: THREE YEAR COST SHARE AGREEMENT FOR SUBDIVISION STREETS

The current three-year agreement for the paving of subdivision streets expires March 31, 2027. Attached is an electronic copy of the new three-year agreement to be entered into with the Minister of Transportation and Infrastructure Renewal to continue this program.

The document will cover the terms of the agreement but will not list any specific subdivision roads that are to be paved. For each of the three years covered by the agreement, the Municipality will be asked to submit a prioritized list of roads for the next fiscal year. The Minister will return a letter advising of the approved roads for that fiscal year. Once the Municipality agrees to the approved list, it will become part of the agreement.

Please complete and affix Municipal Seal on the Resolution of Council authorizing the Mayor and a designate to sign the agreements, then have the Mayor and the designate sign the agreement, have witnessed, and affix the Municipal Seal. Please return all documents to me **on or before July 3, 2026**.

The Department requests that the Municipality return the attached agreement, whether or not you currently intend to submit subdivision roads for the program. Signing the outline agreement in no way commits the Municipality to the cost-sharing of the paving of any subdivision roads, unless an approved list is accepted in any fiscal year of the agreement. However, not having a signed agreement on file will prevent the Municipality from requesting any subdivision paving under this program for the next three fiscal years.

Yours truly,

A handwritten signature in cursive script that reads "Laura Cunningham".

Laura Cunningham
Capital Program Administration Officer



Public Works

COST SHARING AGREEMENT NO. 2026-022

THIS COST SHARING AGREEMENT ON THE PAVING OF SUBDIVISION (J-CLASS) STREETS (this “Agreement”) is effective as of the ____ day of _____, 2026 (the “Effective Date”).

BETWEEN:

HIS MAJESTY THE KING IN RIGHT OF THE PROVINCE OF NOVA SCOTIA, as represented by the Minister of Public Works (the “Province”)

-and-

WEST HANTS REGIONAL MUNICIPALITY, a municipal corporation incorporated pursuant to the *Municipal Government Act.*, S.N.S. 1998, c. 18 (the “Municipality”)

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BACKGROUND:

1. Section 308 of the *Municipal Government Act*, S.N.S. 1998, c. 18 (the “**Act**”), provides that all streets in a municipality are vested absolutely in the municipality. Section 307 of the Act provides that this does not include streets that are vested in His Majesty in Right of the Province.
2. The parties agree that it is in the best interests of the public to cooperate with each other on the construction, improvement, alteration, repair, cleaning and clearing of Village and Subdivision Streets (as hereinafter defined).
3. By Order in Council dated May 12, 1988, the Province’s Executive Council approved a paving and cost-sharing program for these Village and Subdivision Streets.
4. The *Provincial-Municipal Service Exchange Agreement(s)* (collectively, the “**Service Exchange Agreement**”) specify that cost-sharing on Village and Subdivision Streets is to be apportioned between the Province and the participating municipalities on a uniform 50-50% basis.
5. This Agreement outlines the parties’ joint understandings, commitments, and terms and conditions associated with the paving and cost-sharing of Village and Subdivision Streets, all in accordance with the Service Exchange Agreement, the *Public Highways Act*, R.S.N.S. 1989, c. 371 and the *Municipal Government Act*, S.N.S. 1998, c. 18.

AGREEMENT:

In consideration of the mutual covenants and agreements in this Agreement, the receipt and sufficiency of which are acknowledged by the parties, and subject to the terms and conditions of this Agreement, the parties, intending to be bound, agree as follows:

1. **Definitions.** In this Agreement, unless something in the subject matter or context is inconsistent

therewith, the following terms have the meanings set forth below:

- (a) “*Additional Work*” has the meaning given to it under Section 5 (*Additional Works*).
- (b) “*Agreement*” means this Agreement.
- (c) “*Business Day*” means any day other than a Saturday, Sunday or a holiday as defined in the *Interpretation Act*, R.S.N.S. 1989, c. 235.
- (d) “*Confidential Information*” has the meaning given to it in Section 15 (*Confidentiality*).
- (e) “*Cost Estimate*” has the meaning given to it in Subsection 3.3.
- (f) “*Fiscal Year*” means the 12-month period beginning on April 1 and ending on March 31.
- (g) “*Force Majeure Event*” has the meaning given to it in Section 16 (*Force Majeure*).
- (h) “*Notice of Acceptance*” has the meaning given to it in Subsection 3.4.
- (i) “*Paving*” means: (i) the work of grading, gravelling, culvert repair and required upgrading of Village and Subdivision Streets to meet industry-standard specifications; (ii) paving, repaving, or double chip sealing of Village and Subdivision Streets; and (iii) pre-engineering, design, on-site engineering supervision and inspection, and incidental services that are required from the edge of the roadway to the limit of the right of way. For greater certainty, “*Paving*” does not include feasibility studies, construction, reconstruction, relocation, repairs, or adjustments of sidewalks, water lines, fire hydrants, sanitary sewers, sanitary sewer manholes, catch basins, water valves, utility poles, street lighting or similar work on infrastructure that accompanies a Village and Subdivision Street.
- (j) “*Village and Subdivision Street(s)*” means streets located in the Municipality that are: (i) constructed prior to April 1, 1995; and (ii) under the administration and control of the Province.

2. ***Term of Agreement.*** This Agreement shall be effective from the Effective Date to the earlier of: (i) the date on which the Service Exchange Agreement expires or is terminated; or (ii) March 31, 2030. This Agreement applies to Fiscal Years 2027-28, 2028-29 and 2029-30.

3. ***Designation and Acceptance of Streets.***

3.1 In order to have the Paving of one or more Village and Subdivision Streets cost-shared under this Agreement for a Fiscal Year, the Municipality must first provide the Province with advance notice of its intention to participate in the Province’s Paving program. This notice must be provided to the Province on or before October 31 of each year (commencing in the year prior to the first Fiscal Year to which this Agreement applies).

3.2 If the Municipality provides notice to the Province in accordance with Subsection 3.1, then

the Municipality shall, at the same time, submit a list of the Village and Subdivision Streets it proposes be considered by the Province for Paving (the “**Road Submission List**”).

- 3.3 After receiving the Road Submission List, the Province shall review the Road Submission List and notify the Municipality of: (i) the Village and Subdivision Streets that the Province accepts for Paving; and (ii) the anticipated costs for such Paving (the “**Cost Estimate**”).
- 3.4 After receiving the Cost Estimate (but in no event later than twenty 20 Business Days from the date of its receipt), the Municipality shall notify the Province whether it accepts the Province’s list of approved Village and Subdivision Streets and the related Cost Estimate for Paving such streets (the “**Notice of Acceptance**”).
- 3.5 If the Municipality does not provide a notice to the Province under Subsection 3.1 or a Notice of Acceptance under Subsection 3.4 by the specified times, the Municipality will be deemed to have elected not to participate in the Province’s paving and cost-sharing program for the Fiscal Year in question.
- 3.6 After receipt of the Municipality’s Notice of Acceptance, the Province shall perform the Paving and any Additional Work that may be required for the identified Village and Subdivision Streets. As between the parties, the Province shall be responsible for all construction oversight and management of work required for Paving and any Additional Works.
4. **Payment of Construction Costs.** The Municipality shall pay: (i) fifty percent (50%) of the costs related to Paving performed by the Province, plus applicable taxes; and (ii) one hundred percent (100%) of the costs related to any Additional Work performed by the Province, plus applicable taxes. These payments must be made within sixty (60) days of the Municipality’s receipt of the Province’s applicable invoice(s).
5. **Additional Works.** If the Paving of a Village and Subdivision Street requires that the Province adjust manholes, catch basins, or water valves, then the Province shall perform such adjustments as part of the subject street’s Paving (“**Additional Work**”). Additional Work will be performed at the Municipality’s full cost, in accordance with Section 4 (*Payment of Construction Costs*). The Municipality will be invoiced by the Province at the standard unit price for the required Additional Work, and the Municipality shall pay the Province promptly (and in no event later than sixty (60) days) after its receipt of any such invoice).
6. **Work May be Subcontracted.** The Province may conduct a competitive tendering process for the selection of one or more contractors capable of completing the Paving and any Additional Work contemplated by this Agreement, in accordance with the Province’s *Procurement Policy*.
7. **Costs Over Estimate.** Where the Province conducts a tendering process pursuant to Section 6 (*Work May be Subcontracted*), and the total approved tender price exceeds the Province’s Cost Estimate by more than ten percent (10%), then the Province shall, before awarding a contract for Paving and any Additional Work, and subject to any confidentiality requirements outlined in its tender documents and the proponent’s bid submission, provide the Municipality with the details of the successful bid, including all details pertaining to the proponent’s pricing submission. The

Municipality shall, within ten (10) Business Days of receipt of such bid details, provide the Province with written acknowledgment of its consent to the Province awarding the tender, which consent will not be unreasonably withheld. If the Municipality reasonably withholds its consent to the award of the tender, then the subject Paving or Additional Work will not proceed.

8. **Cost Overruns.** Subject to Section 7 (*Costs Over Estimate*), the Municipality shall pay for any cost overruns associated with the Paving of the Village and Subdivision Streets or any Additional Work. Cost overruns (if any) will be reflected on the Province's invoice(s) to the Municipality.
9. **Appropriation of Future Funds.** Notwithstanding anything else contained in this Agreement, in the event this Agreement extends into a Fiscal Year subsequent to its execution, continuation of this Agreement is conditional upon an appropriation of sufficient monies under the *Finance Act* (Nova Scotia) to enable the Province to make the payments committed to the Municipality. In the event that sufficient monies are not available as a result of: (i) non-appropriation for the Fiscal Year in which payment becomes due; and (ii) the payment being neither charged nor chargeable to an appropriation for a previous Fiscal Year, the Province may terminate this Agreement, without any further liability, cost or penalty whatsoever, upon giving thirty (30) days' notice to the Municipality. Termination will become effective on the date of the beginning of the first Fiscal Year for which funds have not been appropriated.
10. **Permits and Approvals.** The Municipality shall obtain all material permits, approvals, authorizations and consents that may be required in order for the Province to perform its duties and obligations under this Agreement. The Municipality acknowledges and agrees that the Province shall not be obligated to perform any Paving or any other duty until such permits, approvals, authorizations and consents are obtained. For greater certainty, this includes any leases to or licences over land that may be required to perform Paving of the Village and Subdivision Streets.
11. **Indemnification by the Municipality.** The Municipality agrees to indemnify and save harmless the Province and its officers, employees and agents from all liabilities, fines, suits, claims, demands and actions, of any kind and nature for which the Province or its officers, employees or agents shall or may become liable or suffer by reason of any breach, violation or non-performance by the Municipality of any covenant, term or provision hereof or by reason of any death or injury of any person or any damage or destruction of any property resulting from any act, neglect or default on the part of the Municipality or any of its servants, employees, agents, invitees or licensees whatsoever.
12. **Release from Liability.** The Municipality hereby releases the Province from any claim that may arise from construction delays or cost overruns in relation to the Paving of Village and Subdivision Streets.
13. **Disclaimer of Consequential or Indirect Damages.** Neither party will be liable to the other for any special, incidental, punitive, indirect or consequential damages arising out of or in connection with this Agreement, including lost revenue or lost profits, even if foreseeable or if a party has been advised of the possibility of such damages, and regardless of the basis on which a party is entitled to claim (including fundamental breach, negligence, misrepresentation, or other contract or tort claim).

14. **Construction Warranty.** The Province shall obtain a contractual warranty under its contract with the contractor(s) for the Work. This warranty will be in accordance with the requirements under the *Standard Specification – Highway Construction and Maintenance*. The Province makes no other warranties whatsoever with respect to the Work, express or implied, including warranties of merchantability and warranties of fitness. The Municipality acknowledges that all such warranties are disclaimed by the Province.
15. **Confidentiality.** The Municipality acknowledges and agrees that all Confidential Information will be received in the strictest confidence and will be held and used only in accordance with and subject to the terms of this Agreement. The Municipality shall retain such information in confidence and shall treat such information with a degree of care no less than the degree of care that the Municipality employs for the protection of its own information of a similar nature. “**Confidential Information**” means any and all information identified as confidential or marked as confidential Information by the Province or is clearly recognizable as confidential information to a prudent person with no special knowledge of the Province’s business, that has or will come into the possession or knowledge of the Municipality, or to which the Municipality has access in connection with or as a result of this Agreement. “Confidential Information” does not include information that is: (a) publicly available when it is received by or becomes known to the Municipality; (b) is already known to the Municipality at the time of its disclosure to the Municipality and is not known by the Municipality to be the subject of an obligation of confidence of any kind; (c) independently developed or obtained by the Municipality; or (d) received by the Municipality in good faith without an obligation of confidence of any kind from a third party who the Municipality had reason to believe was lawfully in possession of such information free of any obligation of confidence of any kind.
16. **Force Majeure.** No party is responsible for a failure to fulfil its obligations under this Agreement or for delay in doing so if such failure or delay is due to a Force Majeure Event. If either party is prevented from or delayed in performing any of its obligations under this Agreement because of a Force Majeure Event, then the party claiming the Force Majeure Event shall promptly notify the other party which outlines the particulars of the Force Majeure Event including details of the nature of the event, its expected duration and the obligations under this Agreement that will be affected by the Force Majeure Event. A “**Force Majeure Event**” means the occurrence of one or more of the following events or any other event that is beyond the reasonable control of a party, and that interferes with, delays or prevents performance of the obligations of a party under the Agreement, provided that the nonperforming party is without fault in causing or failing to prevent such occurrence: (a) catastrophic weather conditions or other elements of nature or acts of God; (b) acts of war (declared or undeclared), acts of terrorism, insurrection, riots, civil disorders, rebellion or sabotage; and (c) other events which the parties expressly agree in writing as constituting a “Force Majeure Event”.
17. **Interpretation.** In this Agreement, unless something in the subject matter or context is inconsistent therewith, words importing the singular number include the plural and *vice versa*; words importing a gender include the masculine, feminine and neutral genders; and words importing persons include individuals, partnerships, companies, associations, trusts, government agencies and any other form of organization or entity whatsoever.

18. **Governing Laws.** This Agreement will be governed by and construed in accordance with the laws of the Province of Nova Scotia.
19. **Entire Agreement.** This Agreement constitutes the entire agreement between the parties hereto with regard to the subject matter hereof and supersedes all prior agreements, understandings, representations or warranties, negotiations and discussions, whether oral or written, among the parties hereto with respect thereto, entered into prior to the date hereof, which are hereby terminated.
20. **Amendments.** No amendment of this Agreement will be binding unless in writing and signed by all the parties hereto.
21. **Waiver.** No waiver by any party hereto of any breach of any of the provisions of this Agreement will take effect or be binding upon such party unless in writing and signed by such party. Unless otherwise provided therein, such waiver will not limit or affect the rights of such party with respect to any other breach.
22. **Severability.** If any provision of this Agreement is held by a court of competent jurisdiction to be illegal, invalid or unenforceable, such provision will be deemed to be severed from this Agreement and the remaining provisions will nevertheless remain in full force and effect.
23. **Further Assurances.** The parties agree to execute and deliver all such further documents and instruments and do, or cause to be done, all such acts and things as either party may reasonably consider necessary to evidence the intent and meaning of this Agreement.
24. **Counterparts; Electronic Execution.** This Agreement may be executed in several counterparts, each of which will be an original and all of which will constitute one and the same instrument. The parties agree that signatures transmitted, received and reproduced via electronic transmission, email or electronic signatures will be treated for all purposes of this Agreement as original signatures and will be deemed valid, binding and enforceable by and against all parties.
25. **Notices.** All notices, demands or other communications to be given in connection with this Agreement will be in writing and will be given by personal delivery, registered mail or by electronic means of communication addressed to the recipient as follows:

(a) to the Municipality at

Mark Phillips
Chief Administrative Officer
76 Morison Drive
PO Box 3000
Windsor, NS B0N 2T0
Tel (902) 798-8391
Email: mphillips@westhants.ca

(b) to the Province at

Laura Cunningham
Capital Program Administration Officer
Johnston Building, 1672 Granville St.
P.O. Box 186
Halifax, NS B3J 2N2
Tel: (902) 424-0897
Email: laura.cunningham@novascotia.ca

(c) or, to such other address, individual or electronic communication number as may be designated by notice given by either party to the other in accordance herewith. Any demand, notice or other communication given by personal delivery will be conclusively deemed to be given on the day of actual delivery thereof and, if given by registered mail, on the fifth (5th) Business Day following the deposit thereof in the mail and if given by electronic communication, on the day of transmittal thereof if given during normal business hours of the recipient and on the Business Day during which such normal business hours next occur if not given during such hours on any day. If the party giving any demand, notice or other communication knows or ought reasonable to know of any difficulties with the postal system which might affect the delivery of mail, any such demand, notice or communication will not be mailed but will be given by personal delivery or by electronic communication.

[signature page follows]

IN WITNESS WHEREOF the Province has hereunto subscribed its hand and affixed its seal and the Municipality has set and affixed its corporate seal authenticated by the signatures of the Mayor and the witness hereunto duly authorized.

SIGNED, SEALED and DELIVERED in the presence of:

His Majesty the King in Right of the Province of Nova Scotia, as represented by the Minister of Public Works

Witness

Fred Tilley, Minister of Public Works

Date (Day-Month-Year)

West Hants Regional Municipality

Witness

Abraham Zebian, Mayor

Witness

Resolution of Council Designate

