

RICHMOND COUNTY MUNICIPAL COUNCIL

SPECIAL MEETING

MAY 24, 2006

Location: Council Chambers, Municipal Office

Warden Cotton called the meeting to order at 7:00 p.m.

The meeting observed the singing of O'Canada.

The Clerk took roll call of Councillors.

Warden Cotton reviewed that Municipal Council and Committee of the Whole had been advised in "In-Camera" session, of the progress of negotiations between municipal representatives and Stora, regarding their property tax payments to Richmond County. Warden Cotton advised that a recommendation was being presented to Council, for consideration.

Moved by Councillor McNamara, seconded by Councillor Beaton that pursuant to discussions held between Stora Enso Port Hawkesbury Ltd. And the Municipality of the County of Richmond, that Richmond Municipal Council authorize the municipal signing officers to enter into an agreement/letter of intent with Stora Enso Port Hawkesbury Ltd.;

AND FURTHER MOVED that the principal terms and conditions be as follows:

- (1) This agreement is conditional on resumption by Stora Enso of its plant operations, including both paper machines and resolving its current labour dispute; and the workforce returning to work;
- (2) The Municipality will approach the Province of Nova Scotia to enact legislation setting municipal taxation of Stora Enso for the next 10 years, with terms to include the following:
 - fixing municipal taxation for a 10 year period, commencing April 1, 2006;
 - fixing Stora Enso Port Hawkesbury Ltd.'s base payment for Year 1 (April 1, 2006 to March 31, 2007), at \$2.5 million, and requiring that payment be made directly to the Municipality of the County of Richmond during the 10 year term;

- indexing payments for each subsequent year to the Canadian Consumer Price Index by applying 50% of the increase for that year, up to a maximum of 5% total increase for one year, on the preceding year's payment;
 - providing that municipal taxation of Stora Enso shall be pursuant to this agreement, and not subject to annual assessments pursuant to the Assessment Act;
- (3) This agreement is conditional on Stora Enso filing and obtaining dismissal of all outstanding assessment appeals and Court obligations, with the parties waiving costs against each other;
- (4) The taxes already paid by Stora for the year ending March 31, 2005 and March 31, 2006 will be accepted by the Municipality as comprising full and final payment for those tax years;
- (5) This entire agreement is dependent upon the enactment of enabling legislation by the Province, and the parties commit to cooperating with the Province to draft the legislation.

Motion carried.

Individual Councillors expressed support for the municipal initiative, commenting that they hoped the property tax agreement would assist the company and its workforce in reopening the plant, and expressing a desire for a settlement of the issues that are remaining. Councillors also indicated that they felt the municipal tax rates should not increase this year, due to this agreement, and they also expressed that municipal public comments should not be partisan towards management or the Union.

Fifteen Minute Question Period

Several members of the audience expressed support for the municipal property tax agreement, but also expressed discontent with the public comments made by the Warden, regarding the labour problems.

There being no further business, the Chairperson accepted a motion to adjourn at 7:35 p.m.