2026 ANNUAL GENERAL MEETING

PROPOSED NSFM BY-LAW AMENDMENTS

Prepared for consideration at the
2026 Annual General Meeting

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Nova Scotia Federation of Municipalities

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PROPOSED NSFM BY-LAW AMENDMENTS

Overview

NSFM has undertaken a coordinated review of its governance framework to clarify roles and accountabilities, address identified governance issues, and better align the Federation's governing documents.

A central component of this work is a new, Board-approved Governance Policy establishing the respective roles, authority, and accountabilities of the Board of Directors, Executive Committee, President, and Chief Executive Officer. The related By-law amendments align the By-laws with that framework, revise provisions governing Board composition and vacancies, and address several consequential and procedural matters.

In developing the proposed amendments, the Board of Directors considered the Federation's existing governance arrangements and was informed by legal advice concerning Board composition and vacancies. The Board has approved the relevant By-law amendments for advancement to the Member Units for consideration at the 2026 Annual General Meeting.

The decision before Members

At the 2026 Annual General Meeting, Members will be asked to consider and vote on the proposed amendments to the NSFM By-laws set out in this document. Four motions present the amendments by subject so that Members can consider and vote on each group separately.

The Governance Policy and related amendments to Board-approved policies fall within the Board of Directors' authority and were approved at the September 17 Special Board Meeting. They are referenced in this document to help explain the context or effect of the proposed By-law amendments.

How to use this document

Amendments at a Glance provides a brief guide to the four motions. Each section then explains why the amendments are proposed and sets out the amendment text for that motion.

The amendment text identifies provisions to be added, replaced, revised, or deleted. Struck-through wording shows proposed deletions. The text is reproduced from the Board-approved amendment package; the explanations do not form part of the motions.

Supporting information

The relevant legal advice is summarized in the sections on Board composition and vacancies. The Governance Policy is summarized where it helps explain the amendments. The reference documents listed at the end provide further detail.

AMENDMENTS AT A GLANCE

The four motions address distinct subjects. Related changes within each motion are presented together.

Motion #1: Governance framework

Clarifies the roles and authority of the President, CEO, Board, Executive Committee, and committees, and revises who may execute contracts.

- Provisions affected: 4.2(a)(vi), 4.3(c), 4.4, 5.1, 5.5(d), 7(b)

Motion #2: Board composition and AMANS representation

Removes the AMANS-appointed Director position, reduces the Board to 16 Director positions, and allows the Board to invite AMANS to designate a Board Advisor on a discretionary basis.

- Provisions affected: 5.2(a), 5.2(d), 5.8(a)–(b), new 5.12

Motion #3: Board vacancies

Replaces Board appointment provisions with a by-election framework, sets out vacancy and resignation rules, and clarifies the Vice-President's role when the presidency is vacant.

- Provisions affected: 4.2(b)(i), 5.2(b), 5.10

Motion #4: Other proposed By-Law changes

Refers directly to the Act for NSFM's objectives, removes the Elections Policy as an appendix to the By-laws, shortens E-Voting notice for Members' Meetings, and aligns Board E-Voting participation with Board quorum.

- Provisions affected: 2, 5.3(b), 6.6(b)(i), 6.6(d)(ii)(1)

1. GOVERNANCE FRAMEWORK

Why these amendments are proposed

The new Governance Policy sets out the respective roles, authority, and accountabilities of the Board of Directors, Executive Committee, President, and Chief Executive Officer. Operating under the Act and By-laws, it identifies matters reserved to the Board, including approval of budgets and strategic plans, evaluation of the CEO's performance, and approval of Board policies.

The proposed By-law amendments align the By-laws with this governance framework by establishing consistent references to applicable Board policies in provisions governing the Board, Officers, Executive Committee, CEO, and committees. These references connect the By-laws to the more detailed responsibilities and requirements set out in the Governance Policy and other applicable Board policies.

The contract provision would allow the CEO to execute contracts and other documents where authorized by Board policy. Otherwise, contracts and other documents could be executed by any two of the President, Vice-President, CEO, and Chief Financial Officer (or equivalent), or as prescribed by Board resolution.

The Board has adopted the Governance Policy, with its effective date tied to the coming into force of the related By-law amendments in Motions #1 and #2.

Motion #1: Amendments related to the Governance Framework

Be it resolved that NSFM amend its By-laws as follows:

Add a new clause (vi) to Article 4.2(a) as follows:

4.2(a) The President

vi. exercises the powers and performs the duties of the President in accordance with these By-laws and any applicable policies established by the Board.

Replace Article 4.3(c) with the following:

4.3 Chief Executive Officer

c) The duties, authority, accountability, and reporting obligations of the Chief Executive Officer are further set out in any applicable policies established by the Board and may be supplemented by resolution of the Board.

~~Specific duties of the Chief Executive Officer are outlined in the Federation's "Chief Executive Officer Policy".~~

Replace Article 4.4 with the following:

4.4 Execution of Contracts

Contracts, deeds, bills of exchange, and other instruments and documents may be executed on behalf of the Federation by the Chief Executive Officer where authorized by applicable policies established by the Board, and otherwise by any two (2) of the President, Vice-President, Chief Executive Officer, and Chief Financial Officer (or equivalent), or as otherwise prescribed by resolution of the Board.

~~Contracts, deeds, bills of exchange and other instruments and documents may be executed on behalf of the Federation by any two (2) of the President, Vice-President and the CEO, or as otherwise prescribed by resolution of the Board.~~

Replace Article 5.1 with the following:

5.1 Powers

a) The powers of the Board of Directors are granted by *An Act to Incorporate the Union of Nova Scotia Municipalities* (1981) as amended.

b) The Board shall exercise its powers and discharge its governance responsibilities in accordance with the Act, these By-laws, and any applicable policies established by the Board.

~~The powers governing the Board of Directors are granted by *An Act to Incorporate the Union of Nova Scotia Municipalities* (1981) as amended.~~

Add a new subsection (d) to Article 5.5 as follows:

5.5 Executive Committee

d) The mandate, authority, limitations, accountability, and reporting obligations of the Executive Committee are further set out in any applicable policies and may be supplemented by resolution of the Board.

Replace Article 7(b) with the following:

7. Committees

b) The work, mandate, and authority of each Committee shall be governed by these By-laws and any applicable policies or Terms of Reference approved by the Board.

~~The work of all Committees shall be subject to the review, supervision, and approval of the Board.~~

2. BOARD COMPOSITION AND AMANS REPRESENTATION

Why these amendments are proposed

These amendments remove the AMANS-appointed position from the formal composition of the Board and establish a discretionary AMANS Designated Board Advisor role. The Board's proposed approach places governance responsibility with elected municipal representatives while preserving access to the expertise and participation of the Association of Municipal Administrators of Nova Scotia (AMANS).

The Board would consist of sixteen Director positions. At the Board's invitation, AMANS could designate an Advisor to provide input within the scope of the accepted designation. The Advisor would not be a Director or Board member, would not vote or count toward quorum, and would not exercise governance authority.

Legal advice informing the proposal

Legal counsel considered three models: the current voting Director position, a discretionary non-voting Director position, and an Advisor who is not a Director. Counsel concluded that the Advisor model is the compliant option among those models under the current Act and By-laws.

The opinion identifies two issues with the existing arrangement. The Act requires Directors to be elected or appointed by representatives of Member Units. The By-laws require Directors to be Elected Municipal Officials. The AMANS representative is an employee rather than an Elected Municipal Official and is designated by AMANS rather than selected by Member representatives. Legal counsel therefore concluded that neither the current Director model nor the proposed non-voting Director model complies with the Act and By-laws.

Legal counsel also explained that the Act's requirements must be read in light of its purpose of representing the interests of local governments. On that interpretation, giving a separate organization its own appointed representative on NSFM's governing Board is inconsistent with the Act's purpose.

After reviewing NSFM's governance framework and taking the legal opinion into consideration, the Board has chosen the third model to address the outstanding issues identified above and maintain an advisory relationship with AMANS. The invitation process, maximum designation period, and detailed participation terms reflect the governance arrangement advanced by the Board.

Motion #2: Amendments related to the Board composition and AMANS representation

Be it resolved that NSFM amend its By-laws as follows:

Revise Article 5.2(a) as follows:

5.2 Composition

a) The Board of Directors consists of ~~seventeen (17) members~~ sixteen (16) Director positions:

i. the President,

ii. the Vice President,

iii. the Past President,

iv. two (2) Regional Representatives from the Cape Breton-Strait Electoral Region,

v. two (2) Regional Representatives from the Cumberland-Colchester-Pictou-East Hants Electoral Region,

vi. two (2) Regional Representatives from the Valley Electoral Region,

vii. two (2) Regional Representatives from the Southwestern Electoral Region,

viii. two (2) Regional Representatives from the Southern Shore Electoral Region,

ix. two (2) Regional Representatives from Halifax Regional Municipality,

x. one (1) Regional Representative from Cape Breton Regional Municipality.

~~xi. a representative appointed by the Association of Municipal Administrators.~~

Delete Article 5.2(d):

5.2 Composition

d) ~~The representative appointed by the Association of Municipal Administrators shall be an employee of a Member Unit.~~

Revise Article 5.8(a) and (b) as follows:

5.8 Code of Conduct & Conflict of Interest

a) The Board of Directors Code of Conduct adopted by the Board applies to all Directors, Officers, ~~and~~ members of Committees of the Federation, and any AMANS Designated Board Advisor.

b) All Board members and any AMANS Designated Board Advisor shall sign the Board of Directors Code of Conduct before assuming their respective responsibilities ~~in order to assume responsibilities as a Board Member~~.

Add a new Article 5.12 as follows:

5.12 AMANS Designated Board Advisor

a) The Board may, by resolution, invite the Association of Municipal Administrators of Nova Scotia (AMANS) to designate an AMANS Designated Board Advisor for a specified period, one or more specified Board meetings, or for specified portions of Board meetings. The designation takes effect only upon acceptance by resolution of the Board. No designation may exceed one (1) year.

b) The Advisor is not a Director or member of the Board and shall not count toward quorum, move, second, or vote on motions, exercise governance authority, or bind the Federation.

c) The Advisor role confers no membership on the Executive Committee or any other Committee of the Federation.

d) The eligibility, participation, renewal, replacement, access to Board materials, and other terms of the Advisor role are governed by the Governance Policy and applicable policies established by the Board.

3. BOARD VACANCIES

Why these amendments are proposed

These amendments establish a clearer framework for Board vacancies. They remove the Board's authority to appoint replacement Directors, consistent with legal advice confirming that Board members must be elected or appointed by representatives of Member Units.

Legal counsel concluded that the appointment provision in By-laws Article 5.10(c) conflicts with section 6(2) of the Act and cannot be used to fill vacant Board seats. The proposed by-election process responds to that conclusion. The six-month threshold and the detailed vacancy arrangements are governance choices advanced by the Board.

How vacancies would be handled

For President or Vice-President, a by-election would be held where more than six months remain in the term. With six months or less remaining, the position would remain vacant until the next regular election. The Vice-President would exercise the President's powers and duties while that position is vacant. If both positions are vacant, a by-election for President would be required regardless of the time remaining.

A regional by-election would be held where a Regional Representative seat is left vacant after a regular election or becomes vacant with more than six months remaining. A vacancy arising with six months or less remaining would be left until the next regular election. If a by-election does not fill a position, the Board could direct a further by-election. A replacement Regional Representative would serve the remainder of the term.

The amendments also set out vacancy triggers and political resignation requirements directly in the By-laws. The proposed resignation rule applies upon nomination for federal or provincial elected office, or upon declaring an intention to seek provincial party leadership. The Board has approved repeal of the separate Political Activity Policy when the related By-law provision takes effect.

Motion #3: Amendments related to the Board vacancies

Be it resolved that NSFM amend its By-laws as follows:

Revise Article 4.2(b)(i) as follows:

4.2(b) The Vice President

i. exercises the powers and performs the duties of the President under these By-laws and applicable policies during the absence, incapacity, or vacancy of the President; ~~exercises the authority of the President in the absence or incapacity of the President;~~

Revise Article 5.2(b) as follows:

5.2 Composition

b) Regional Representatives serve a two (2) year term ~~or until their successor is elected~~.

Replace Article 5.10 with the following:

5.10 Vacancies

a) A position on the Board becomes vacant if the Board member:

i. resigns;

ii. becomes ineligible to serve as a member of the Board;

iii. is required to resign under subsection (b); or

iv. otherwise ceases to hold office.

b) A Board member must resign from the Board:

i. upon being nominated as a candidate for elected public office at the federal or provincial level; or

ii. upon declaring their intention to seek the leadership of a provincial political party.

c) If the position of President or Vice-President becomes vacant with more than six (6) months remaining in the term, a by-election shall be held at-large by Elected Municipal Officials to fill the position for the remainder of the term. If six (6) months or less remain, the position shall remain vacant until the next regular election for that position. While the position of President is vacant, the Vice-President shall exercise the powers and perform the duties of the President. If both the President and Vice-President positions are vacant, a by-election for President shall be held regardless of the time remaining.

d) If the position of Past President becomes vacant, the position shall be assumed by the most recent Past President who is still an Elected Municipal Official in Nova Scotia and is willing to serve.

e) A by-election shall be conducted in the applicable Electoral Region where a Regional Representative position:

i. is left vacant following completion of a regular Board election; or

ii. becomes vacant with more than six (6) months remaining in the term of that position.

f) Where a Regional Representative position becomes vacant with six (6) months or less remaining in the term of that position, the position shall remain vacant until the next regular election for that position.

g) If a by-election conducted under this Article does not fill the position, the position shall remain vacant. The Board may, by resolution, direct that a further by-election be conducted before the next regular election for that position.

h) A Regional Representative elected in a by-election shall serve for the remainder of the term of the vacant position.

i) Service as a replacement is not considered a term for purposes of calculating term limits.

j) A by-election conducted under this Article shall be carried out in accordance with the Elections Policy.

~~a) If the President or Vice-President resigns or becomes ineligible to serve as a member of the Board, the Board must appoint an eligible replacement from the Board to serve as President or Vice-President for the remainder of the term.~~

~~b) If the Past President is no longer an Elected Municipal Official, the Past President position is to be assumed by the most recent Past President still holding elected municipal office in Nova Scotia who is willing to fill the position.~~

~~c) In the event that a Board member position becomes vacant or is left vacant following a regular Board election, the vacancy is to be filled by a replacement elected from that member's Electoral Region. If the vacancy is not filled within sixty (60) days, the Board must make a reasonable effort to appoint an eligible replacement. Service as a replacement is not considered a term for purposes of calculating term limits.~~

~~d) In the event that a replacement is required as per Article 5.10 (c), the Board must call for nominations from Elected Municipal Officials of the Electoral Region and may utilize E-Voting to fill the position.~~

4. OTHER PROPOSED BY-LAW CHANGES

Why these amendments are proposed

These amendments address provisions that are separate from, but complementary to, the broader governance changes. They streamline the statement of NSFM's objectives by referring directly to the Act, remove the Elections Policy as an appendix to the By-laws, and update E-Voting notice and participation requirements.

Motion #4: Amendments related to the NSFM objectives and voting provisions

Be it resolved that NSFM amend its By-laws as follows:

Replace Article 2 with the following:

Article 2 - Objectives

The objectives of the Federation are those set out in section 4 of the Act, as amended from time to time.

Revise Article 5.3(b) as follows:

5.3 Elections

b) Elections shall be held in accordance with the Federation's Elections Policy. ~~"Elections Policy", attached as Appendix B to these by-laws.~~

Revise Article 6.6 (b)(i) as follows:

6.6(b) E-Voting - Notice of Motion

i. A notice of motion to be decided by E-Vote will be provided no less than five (5) ~~seven (7)~~ business days in advance of the E-Voting period for Members' Meetings and two (2) business days in advance of the E-Voting period for all other meetings;

Revise Article 6.6(d)(ii)(1) as follows:

6.6(d) E-Voting - Number of Directors

1) for any matter to be considered by the Board, ~~more than nine (9) Directors cast their vote by E-Voting in respect of such matter~~ the number of Directors who cast a vote by E-Voting is equal to or greater than the quorum required under Article 6.4(d);

REFERENCE DOCUMENTS

The following documents provide supporting detail and do not form part of the four motions:

- NSFM Governance Policy, Board-approved version.
- Consolidated NSFM By-laws with AGM Proposed Changes, for reference only: Shows the proposed amendments within the full text of the By-laws. Highlighted text indicates proposed additions or replacement wording; strikethrough indicates proposed deletions.