



STAFF REPORT

SUBMITTED BY: Chris Frotten

DATE: July 11, 2022

SUBJECT: Service Exchange Renegotiation and MGA Review Survey

ORIGIN

The Nova Scotia Federation of Municipalities (NSFM) on behalf of the Service Exchange Renegotiation and MGA Review (SERMGAR) Committee circulated a survey last month to help them develop an in-depth understanding of the problems and opportunities that should be addressed in these two importance processes. They have requested to receive one response per municipal unit and this report is intended to provide Council with information about the survey and considerations to formulate its response.

BACKGROUND

The SERMGAR committee was created by the NSFM to facilitate its involvement with Service Exchange renegotiations and Municipal Government Act review. Its mandate is to engage with NSFM members to hear their input on the current municipal/provincial landscape. Using these insights, and a variety of other tools and resources, the Committee will advise the Department of Municipal Affairs and Housing in a collaborative and forward-thinking fashion. The negotiations and review are expected to take approximately two years to complete, and the committee will be providing regular progress reports to NSFM members. The SERMGAR committee is comprised of six NSFM positions, four AMANS positions, NSFM CEO and the AMANS ED:

- Mayor Murray Scott, Cumberland County
- Mayor Carolyn Bolivar-Getson, Municipality of the District of Lunenburg
- Mayor Darlene Norman, Region of Queens Municipality
- Mayor Laurie Boucher, Town of Antigonish
- Warden Bruce Morrison, Victoria County
- Mayor Don Clarke, Town of Berwick
- CAO Jacques Dube, Halifax Regional Municipality
- CAO Marie Walsh, Cape Breton Regional Municipality
- CAO Erin Beaudin, Town of Wolfville
- CAO Dan McDougall, District of Chester

The survey includes twenty questions and is organized into four sections. The first section focuses on service exchange, the second section focuses on the MGA/HRM Charter, and the third section focuses on municipal revenue. The survey ends with questions about special considerations that we require and provides space for final comment.

NSFM originally requested responses by June 13 but since the survey questions are comprehensive and address a number of significant issues facing municipalities across Nova Scotia and careful consideration and deliberation is required, many units requested and were granted a longer timeline. This will allow everyone to formulate responses that adequately address the important topics.

DISCUSSION

A number of factors must be considered in formulating our answers, but they should all take into consideration our current and future experiences and needs. Our answers will be drafted by staff based on tonight's discussion and the content below is intended to help guide Council's discussion and help you formulate constructive and concise opinions.

First, when considering our answers to these questions, you should contemplate which services should be controlled locally, for that fact that the services are improved through local understanding and which services does it make sense for municipalities to invest in locally, with the control and leadership remaining at the provincial level.

Ideally, the province should maintain or assume services where their decisions on the delivery of these services impact their own investments, are extremely complex and require experts in that particular field or are tied to existing provincial legislation. For example, environmental regulations are built by the Province (or even at the Federal level) with no consideration of the execution of that regulation which, at times, sits with municipalities.

These expenditures, including those relating to provincial responsibilities should be well supported by the Province but serious consideration should be given to limiting municipalities to playing a critical role in the financing of these services rather than leading them.

Furthermore, the volume of issues that you, as elected officials, and staff face has grown astronomically in the last five years. There is certainly the question of what the province should do and/or municipal units take on from traditional services agreed upon in 1995, but we need to determine where new issues lie, and the resources necessary to address them. The Province is also experiencing this influx of complex issues, but in my view, has a greater capacity to find the resources required to address them.

Finally, it would be important to note that we are seeing an increased dependency on municipal government to address problems of a provincial or national scale. Population increase, housing crises, climate change, asset management, etc. are all extraordinarily complex issues, and many municipalities have limited capacity to properly address these issues. As municipal elected officials, you are charged with leading our residents to address community-based issues, not provincial and national issues.

BUDGET IMPLICATIONS

Although replying to this survey does not have any budget implications, the decisions made relating to the service exchange and MGA review will likely have some kind of financial impact on all municipalities, including ourselves. It is for this reason that we must carefully consider our response to this survey.

LEGAL IMPLICATIONS

N/A

PUBLIC CONSULTATION/COMMUNICATIONS

N/A

RECOMMENDATION

N/A

SUGGESTED MOTION

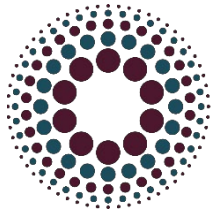
Move to recommend to Council that the CAO be directed to draft responses to the Service Exchange Renegotiation and MGA Review Survey based on the discussion held at the July 12, 2022, Committee of the Whole Meeting and present them to Council at their Regular Council meeting on July 26, 2022, for decision.

ALTERNATIVES

N/A

ATTACHMENTS

- Membership Survey to Support the Service Exchange Renegotiation and MGA Review Committee



NOVA SCOTIA
FEDERATION OF
MUNICIPALITIES

Membership Survey to Support the Service Exchange Renegotiation and MGA Review Committee

Purpose of this survey:

As Nova Scotia municipalities head into the renegotiation of the Service Exchange Agreement, it is important to take stock of their needs and aspirations to better serve their constituents. The Province is also reviewing the Municipal Government Act (MGA) and Halifax Regional Municipality Charter (HRMC) and it is important for NSFM to collectively envision an MGA/HRMC that helps municipalities confront modern challenges. This survey will help to develop an in-depth understanding of the problems and opportunities that should be addressed in these two importance processes.

This survey includes 20 questions and is organized into four sections. The first section focuses on service exchange, the second section focuses on the MGA/HRMC, the third section focuses on municipal revenue. The survey ends with questions about special considerations that your municipal unit requires and final comments.

Please note, this information is collected for internal use only. Survey responses will only be reported in aggregate form. Information that identifies specific municipalities will not be released.

If you have any questions, please contact info@nsfm.ca.

Q1: What is the name of your municipality?

(Dropdown menu)

Questions related to the Service Exchange Agreement Renegotiation

In 1994, the Provincial-Municipal Service Exchange Agreement reallocated responsibilities and restructured the fiscal framework. The objectives of the Service Exchange Agreement were 1) to create strong, financially viable local governments, 2) to develop a clearer, fairer, provincial-municipal partnership, and 3) to rationalize service provision.

Information for Q2 and Q3:

Under the Service Exchange Agreement, the provincial government took responsibility for:

- Social Services and Child Welfare
- Public Health and Long-term Care

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Responses must be submitted using the online platform:

<https://form.surveypal.net/Service-Exchange-Renegotiation-and-MGA-Review-Survey>

- Administration of Justice
- Environment (regulatory aspects of sanitation and health standards)
- Highway Police Patrols and central police services

The provincial government also continued to hold a range of responsibilities, such as those pertaining to healthcare, education, housing, and provincial roads.

Municipalities took responsibility for:

- Making mandatory contributions to correctional services
- Policing
- Local Roads
- Sidewalks
- Public Transit
- Land-use Planning
- Building Inspection
- Recreation
- Control of Invasive Weed Species

Municipalities continued to be responsible for water and wastewater, management of solid waste, public libraries, and mandatory contributions to education and regional housing authority net operating losses.

Some municipalities also pay a per kilometre service exchange balancing fee (initially \$3500 per/km pegged to CPI) in lieu of accepting the transfer of local roads under the Provincial-Municipal Service Exchange.

Q2: Considering the responsibilities listed above, which responsibilities does your council believe municipalities should maintain or assume and why?

(Open Response Box)

Q3: Considering the responsibilities listed above, which responsibilities does your council believe the Province should maintain or assume and why?

(Open Response Box)

Information for Q4: Municipalities often respond to challenges and opportunities in their jurisdictions at their own discretion.

Many municipalities continue to make significant expenditures in the areas of Public Health, Environmental Health Services, Long-Term Care Facilities, Housing, Public Safety, Physician Recruitment, Economic Development, and Arts and Culture.

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Q4: What discretionary expenditures by your municipality does your council believe should be better supported by the Province?

(Open Response Box)

Q5: To provide a sense of priorities, state the top three municipal expenditure responsibilities that your municipal council believes should be reviewed and why?

(Open Response Box)

Q6: What new service responsibilities would your municipality find unacceptable?

(Open Response Box)

Questions related to the Municipal Government Act Review

Since the last MGA Review in 2015, several changes have been made to the MGA. These changes have granted municipal authority to take actions that were previously prohibited. These changes allow municipalities to invest and make decisions in new aspects of the communities that they govern.

Q7: The following question provides a list of recent changes to the MGA that have implications for the abilities and responsibilities of municipalities. Using the checklist below, please indicate the discretionary abilities that your council believes are useful for your municipality.

(Checklist Response List)

- Expanded power to expend
- Mandate to establish a Municipal Code of Conduct
- Ability to finance developments that increase accessibility
- Ability to enable municipalities to sell land below market price in some cases
- Ability to engage in negotiation for the purpose of increasing affordable housing units
- Ability to create commercial development districts
- Others? Please add.

Q8: What discretionary abilities conferred by the MGA does your municipal council believe are not useful and why?

(Open Response Box)

Q9: What additional discretionary abilities does your municipal council believe should be granted by changes to the MGA?

(Open Response Box)

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Information for Q10: A number of other federal and provincial statutes and regulations have implications for municipal budgets as non-discretionary expenses.

Q10: Using the checklist below, please indicate which regulations or responsibilities your municipal council finds to be causing considerable pressure on your budget and capacity to accomplish core goals?

(Checklist Response List)

- Surplus Schools
- Property Valuation Assessment Services
- Federal Wastewater Systems Effluent Regulations
- Cost of Police Evidentiary Lab Analysis Services
- Minimum Planning Requirements (Coastal Protection Act)
- (Upcoming) Worker Compensation Board Premiums for Volunteer Fire Fighters

Q11: Are there any other responsibilities brought about by statutes or regulations not mentioned above that add significant pressure on your budget?

(Open Response Box)

Q12: If your county or district municipality elects a warden, please indicate whether, in the opinion of your municipal council, the warden system should be replaced by the mayoral system.

(Open Response Box)

Q13: Village governance is established in Part XVII of the MGA. In the view of your municipality, should villages be consolidated with districts and counties? Please explain why or why not.

(Open Response Box)

[This survey continues on the next page]

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Information for Q14: Municipal mergers can help municipalities cooperate rather than engage in competition with each other. Consolidation is a new approach to municipal mergers that is more collaborative for the municipal partners than dissolution or amalgamation. Below is a chart that describes the difference between consolidation and amalgamation.

	Consolidation	Amalgamation
Examples	Windsor West Hants	Halifax Regional Municipality Cape Breton Regional Municipality
Overview	Municipal Leadership "Bottom Up" Process	Provincial Leadership "Top Down" Process
Legislation	Special Legislation for each merger Joint Councils make the merger decision Councils request special legislation	Municipal Government Act, Part XVII NSUARB Reviews Municipal proposals Cabinet issues merger order
Structure	Joint Transition Committee Joint Committee recommends Coordinator Joint Committee develops organization Staffed with municipal staff, consultants Joint Committee hires first CAO Boundaries reviewed by NSUARB Joint Committee organizes first election	Independent Coordinator Cabinet Chooses Coordinator Coordinator develops organization Staffed by experts, consultants Coordinator hires first CAO Boundaries reviewed by NSUARB Coordinator organizes first election

Source: Antigonish Fact Sheet "Consolidation or Amalgamation? What is the Difference?",
<https://antigonish.ca/>

Q14: Under what conditions does your council believe municipal consolidation is advisable? Reasons could include fiscal insolvency, limited access to qualified personnel, infrequency of competitive elections, or an effort to decrease costs.

(Open Response Box)

Q15: What incentives could be put in place to make amalgamation a viable option?

(Open Response Box)

Questions related to municipal revenue

Q16: Municipalities can be supported in fulfilling all responsibilities with new or expanded sources of revenue. What new or expanded revenue sources or tools does your municipal council believe to be most viable?

(Open Response Box)

[This survey continues on the next page]

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Information for Q17 and Q18:

Municipalities benefit from a range of grants including grants-in-lieu of taxes, the Municipal Financial Capacity Grant, and the Towns Foundation Grant.

Grants-in-lieu of Taxes include Farmland Grant, Nova Scotia Power Grants-in-lieu of Taxes, and Provincial or Federal grants-in-lieu of Taxes.

Other Grant Programs include a) Emergency Services Provider Fund, b) Municipal Innovation Program, c) Provincial Capital Assistance Program, d) Flood Risk Infrastructure, e) Investment Program, f) Fire Protection Grant, g) Municipal Flood Line Mapping Program, h) Beautification and Streetscaping Program, i) Community Works Program, j) Canadian Community Building Fund (formerly the Gas Tax), k) 911 grant.

Q17: What grants has your municipality received for operational expenses and how could these grants be improved?

(Open Response Box)

Q18: What grants has your municipality received for capital expenses and how could these grants be improved?

(Open Response Box)

Special considerations and other comments

Q19: Is there anything about your municipality that your council believes deserves special consideration in terms of expenditure responsibilities, legislation, or financial support?

(Open Response Box)

Q20: Is there anything else that your municipal council would like to share?

(Open Response Box)