

Towns Task Force Recommendations

Approved September 20, 2012

Goal 1: Municipalities must be viable in the long term

1. Financial Condition Indicators - The fiscal situation of all municipalities should be transparent and based on solid analyses. To achieve this, the Financial Condition Indicators should be prepared for each municipality in the Province, and the results of these be made available for public review and comment.
2. Comprehensive Follow-up Studies - If the issues identified through critical indicators continue to demonstrate problems over a three year period, additional studies must be undertaken. These studies should be designed to provide in-depth analysis of the municipal situation, what the future will look like without change, and options for consideration. A formal provincial cost-sharing program should be established for this purpose.
3. Public Engagement Required - Public engagement must form part of the preparation of the studies, and completed studies should be presented at a public forum to help citizens decide the future of their municipality. For example, the studies may show that much higher tax rates may be necessary to maintain the current status. Citizens should have input into whether they wish to continue to pay for this or to look at other options. Provisions for some form of plebiscite or other means of gauging public opinion should be part of this process.
4. Entrench Process in Legislation - The processes for required reporting on the Financial Condition Indicators, and the required follow up, should be entrenched in the Municipal Government Act

Goal 2: Governance changes may be necessary to achieve viability, and legislation and programs should support this.

Commissioner

5. Amend Legislation to Enable Commissioner - Establish new provision in the Municipal Government Act to enable the appointment of a Commissioner to oversee municipal governance change. These provisions should include matters such as the role, powers and duties of the Commissioner, and include what type of studies and consultation must take place. The Commissioner should be responsible for carrying out a study, with public

engagement as part of the process. If the study recommends change and all parties agree to move forward, an agreement would be prepared and agreed to. This would include financial and other issues associated with the transition. The agreement itself would be ratified by the Province and the union of the municipalities would take place through Provincial action. (This is similar to the process to establish regional municipalities.)

6. Appointment of Commissioner – Provide for the appointment of a Commissioner in one of two ways, depending on whether all the municipal parties involved agree that a governance change review process is the best way forward.

- 6.1 Parties Agree – If the municipalities agree that a governance change is the best way forward, then these parties should be empowered to appoint a Commissioner. The overall role of the Commissioner would be to review the request and facilitate an agreement among all the parties.

- 6.2 Parties Do Not Agree – In cases where one party believes change may be required but the other does not, the municipality that does wish to consider the governance changes should be able to request that the UNSM appoint a Commissioner. The UNSM will establish a committee to set criteria and qualifications for commissioners. All parties would be invited to the table and all information shared. The aim of the process is still to reach a solution that meets the needs of the both municipalities and to come to an agreement. After the work of the Commissioner is finished and if no agreement has been reached, the Commissioner or one of the municipalities may submit the report to the UARB for further action. Costs associated with the Commissioner should not be the responsibility of municipalities that are not in agreement with the governance review.

Governance Change Information

7. Best Practices & Templates - Assemble best practices materials and create templates from lessons learned with respect to past experience on governance changes and keep these up to date.

Cost Sharing

8. Provincial Cost Sharing - The Province should provide programs to share with the costs of the Commissioner and the transition and to assist in this process overall.

Studies

9. Town to Village Status - The MGA should be reviewed to determine if there is merit in providing an easier process for a town to revert to village status, while maintaining provisions for a rural municipality to have input into the decision making.
10. Other Governance Forms - There are different governance forms in other jurisdictions than those which exist in Nova Scotia. In the longer term there should be studies undertaken to look at the merits of creating a new type of municipality to meet the needs of Nova Scotians.

Goal 3: Create less confrontational ways to resolve service issues

Dispute Resolution & Arbitration

11. Municipal Arbitration Program – UNSM establish a municipal arbitrator program to assist in the resolution of existing service and other issues between municipalities. This program would train former councillors and administrators as arbitrators. The program should be supplemented by having a standing offer list of professional arbitrators available for more complicated situations.
12. Dispute Mechanism Clause - All new provincial projects or programs that involve two or more municipalities should include a dispute mechanism clause.
13. Binding Arbitration Process – UNSM develop a timely, fair process to deal with situations where a voluntary process has not been successful and where there is no other recourse. Binding arbitration should only occur when the issues between municipalities are “significant”. Consideration will be given to establishing, for example, a panel of 3 arbitrators to consider all factors, including Councils' original positions on the project, the decision making process used to move the project forward from the beginning, appropriateness of the design and size of the facility, fairness to all residents, etc The municipality requesting arbitration will pay the cost.

Goal 4: Make the tax burden on citizens for regional services fair

Regional Services Cost Sharing

14. Cost Sharing Formula Template - The Province and UNSM should develop a template to help municipalities arrive at a cost sharing formula for regional services. The template should provide a means for determining who is using the service and the actual cost of

providing it to those from outside the municipality. It should recognize that there are also benefits to the host municipality in having a regional facility which brings in more people from outside the municipality, for example; many who use a regional area eat at restaurants, shop or buy gas in the area.

Goal 5: Enhance the support for and use of regional service delivery models

Regional Programs and Funding

15. Enhance Provincial Funding - The Province should provide greater provincial funding for projects, particularly capital projects, involving multiple municipalities.
16. Service Delivery Analysis - The Province should require, as part of an application for Provincial funding, an analysis of the value or opportunity option for regional service delivery be included where appropriate.
17. New Provincial Programs – Develop other provincial programs to reward municipal cooperation.
18. MFC Funding Possibilities - That the UNSM and SNSMR work with the Municipal Finance Corporation (MFC) to explore options for regional projects that may fall under the MFC’s mandate.

Municipal Funding Options

19. Area Rate Levy - Amend the MGA to permit an existing development requiring infrastructure, such as sewer services, from an adjacent municipality to recover costs through an area rate levied by the adjacent municipality on the development. This process should be subject to the agreement by both councils and the citizens requesting the service.
20. Infrastructure Charges – Establish a mechanism whereby a developer can pay for costs in an adjacent municipality for extension of services through infrastructure charges with the agreement of the municipalities.

Regional Planning

21. Consult Adjacent Municipalities - Amend the MGA to require that municipalities developing or reviewing municipal planning strategies (MPS) consult with adjacent municipalities on land just outside municipal boundaries.

22. Encourage Regional Planning - In future, there should be a joint provincial/municipal review of financial incentives and/or legislation in order to encourage more holistic regional planning models.

Goal 6: Provide new tools and incentives to increase economic growth in downtowns, in the first phase, and other growth centres in the second phase.

23. BIDCs & Waterfront Development Organizations - The authority of Business Improvement District Commissions (BIDCs) and Waterfront Development organizations should be reviewed to determine if new tools would be helpful to assist these organizations to carry out their role.
24. Downtown Commercial Tax Rates - Towns should be enabled to offer a lower commercial tax rate within defined geographic boundaries of the downtown core. Therefore, the lower rate would apply to all operations within an area and not just to one business.
25. Building Code Review – Undertake a review of the Building Code to seek ways to encourage commercial and residential redevelopment in downtown core. This review would not impact health and safety, but look at means to facilitate the use and reuse of buildings downtown, for example, the construction of residential units over commercial operations on the ground floor.
26. Municipal Development & Leaseback - Amended legislation to permit municipalities to construct or renovate a building and lease it back to the private sector in order to facilitate development in the same fashion as is permitted for incubator malls.
27. Waive Building Permit Fees - Council should have the ability to waive building permit fees and development fees in the downtown area.
28. Encourage Brownfield Development - The Province and municipalities should move forward to provide financial tools and other incentives to encourage brownfield redevelopment. For example, tax reduction over a period of time.

Business Attraction/Retention Strategies

29. Mainstreet Program - Consider reestablishing the Mainstreet Program, a successful program formally offered by the Province of Nova Scotia.

30. Municipal Façade Programs - Allow for municipal façade programs as a means to assist private businesses in downtown areas.
31. Joint Development Zones - Amend legislation to allow and encourage the creation of joint development zones between two municipalities, even if they are not geographically connected. The zones would have one residential and one commercial tax rate. The rates which may be different than those in the partner municipalities should also have one set of by-laws and service levels such as planning, street standards, and fire protection. These joint development zones should be established through a public hearing process.
32. Tax Increment Financing Programs - Amend legislation to allow tax increment financing programs. This process would see a municipality determine the base property taxes that are being collected in an area. It would then borrow money to improve the area and all revenue generated as a result of the improvements will be used to repay the loans, etc. After a certain period, all tax proceeds from the area would revert to general revenue.

Commercial/Residential Gap

33. Lower Commercial Tax Rate – Municipalities need to recognize that the commercial-residential tax gap is a growing problem and should consider lowering commercial tax rate to promote healthier commercial sectors.

Next Steps

Roads

34. TIR Dialogue - Ongoing dialogue should be established with the Department of Transportation and Infrastructure Renewal (TIR) on means and ways of increasing efficiencies and cost savings in operations relative to towns. Consideration will also be given to the development of a provincial cost sharing program for Towns, similar to Rural municipalities.

Implementation

In the short term, the Task Force recommends:

35. Implementation Committee - That a joint provincial/municipal committee be established to assist with the implementation of the recommendations of this report.

In the longer term, the Task Force recommends:

36. All-Municipalities Issues Investigation - That a process be established to look at the issues facing all municipalities. This should include a review of municipal boundaries and financing, similar to that of the Graham Commission of 1973.