

A light blue map of Nova Scotia is centered in the background of the slide. The map shows the coastline and major islands, with some areas highlighted in a slightly darker shade of blue.

A Path to Viability

**Towns Task Force
September 2012**

Where We Are



- The situation facing local government is changing, and in a lot of areas, it is not getting better.
- Municipalities are facing increasing responsibilities, regulations, and expectations from its citizens and from other levels of government
- We can let things happen to us, or we can set up an environment that supports success

Listening

- The Task Force has worked hard to engage elected officials throughout the province. We held
 - regional meetings
 - presented at the spring workshop
 - asked Councils to review the Interim Report and provide formal feedback
 - met in caucuses
 - discussed with you over the last few days

What We Heard



- We have heard from both ends of the spectrum, and everywhere in between
- We heard
 - Province needs to solve the problem
 - Province can't tell us what to do
 - Recommendations don't go far enough
 - Recommendations go too far
 - Recommendations don't do enough for Towns
 - Recommendations are too focussed on Towns

What we heard con't

- Most importantly, we heard
 - We need to approach this from a full membership perspective
 - We need to focus on what's best for the taxpayer
 - We need to listen to the public
 - We need more work

Beliefs

- The Task Force strongly believes
 - We need to start moving towards a more positive environment
 - We need to take more control of our destiny, to have a say in change, rather than have change dictated to us
 - We need to be realistic about what we can do in the short term
 - We need to work towards a vision of local government

So.....

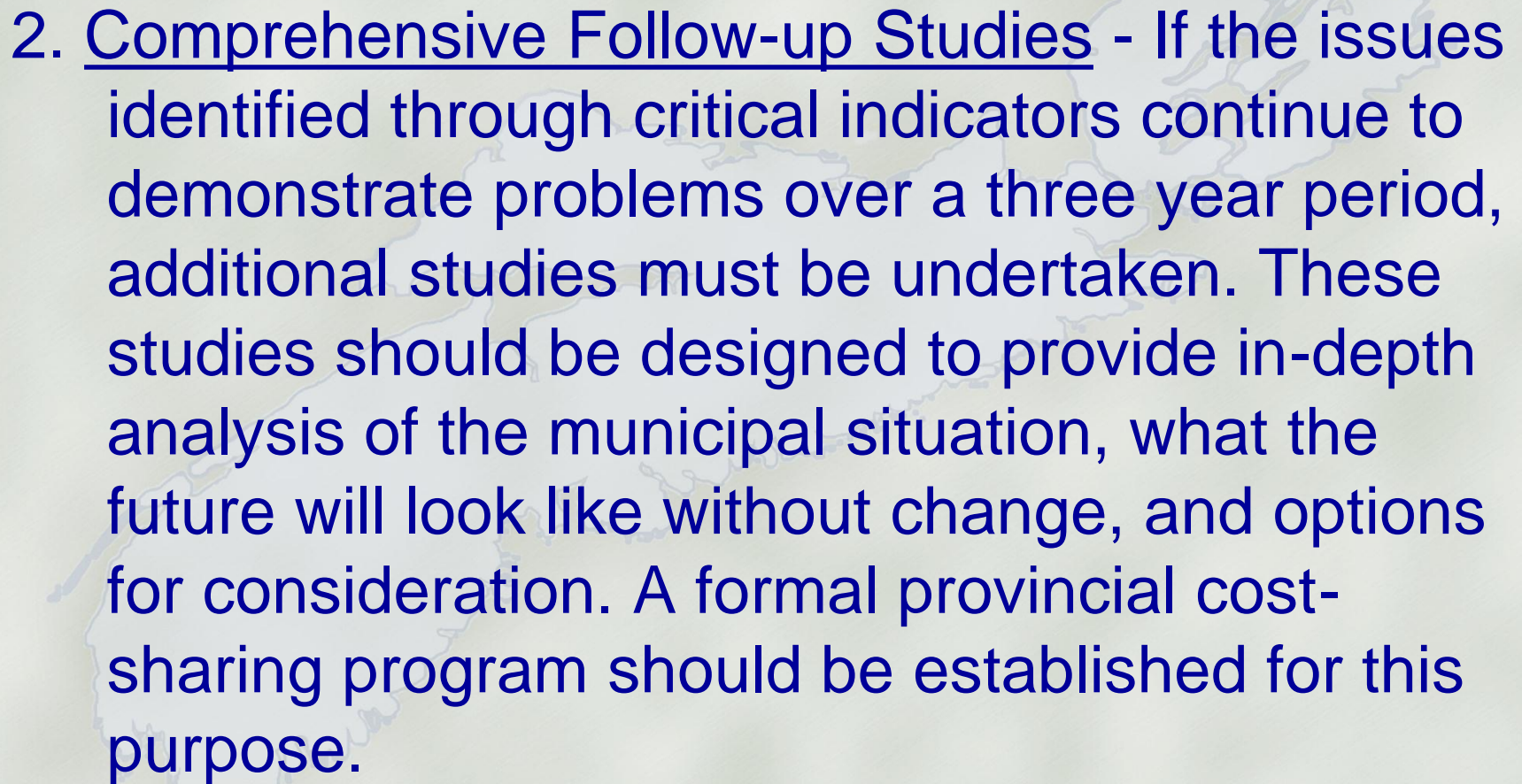
- **What will the recommendations accomplish?**

Steps towards viability

- Work on municipal indicators will support transparency, based on objective measure, and identify areas of strength and weaknesses,
- Results will encourage discussion within the administration and at Council
- Results will encourage public discussion
- Results will call for action

Recommendations

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

Steps Towards Governance Changes

- Encourage voluntary discussions through a commissioner process
- Establish processes and best practices towards governance changes
- Encourage parties that are at odds with each other to sit down together and talk, to go beyond individual personalities and explore the best interests of the taxpayers
- Exploration of new models

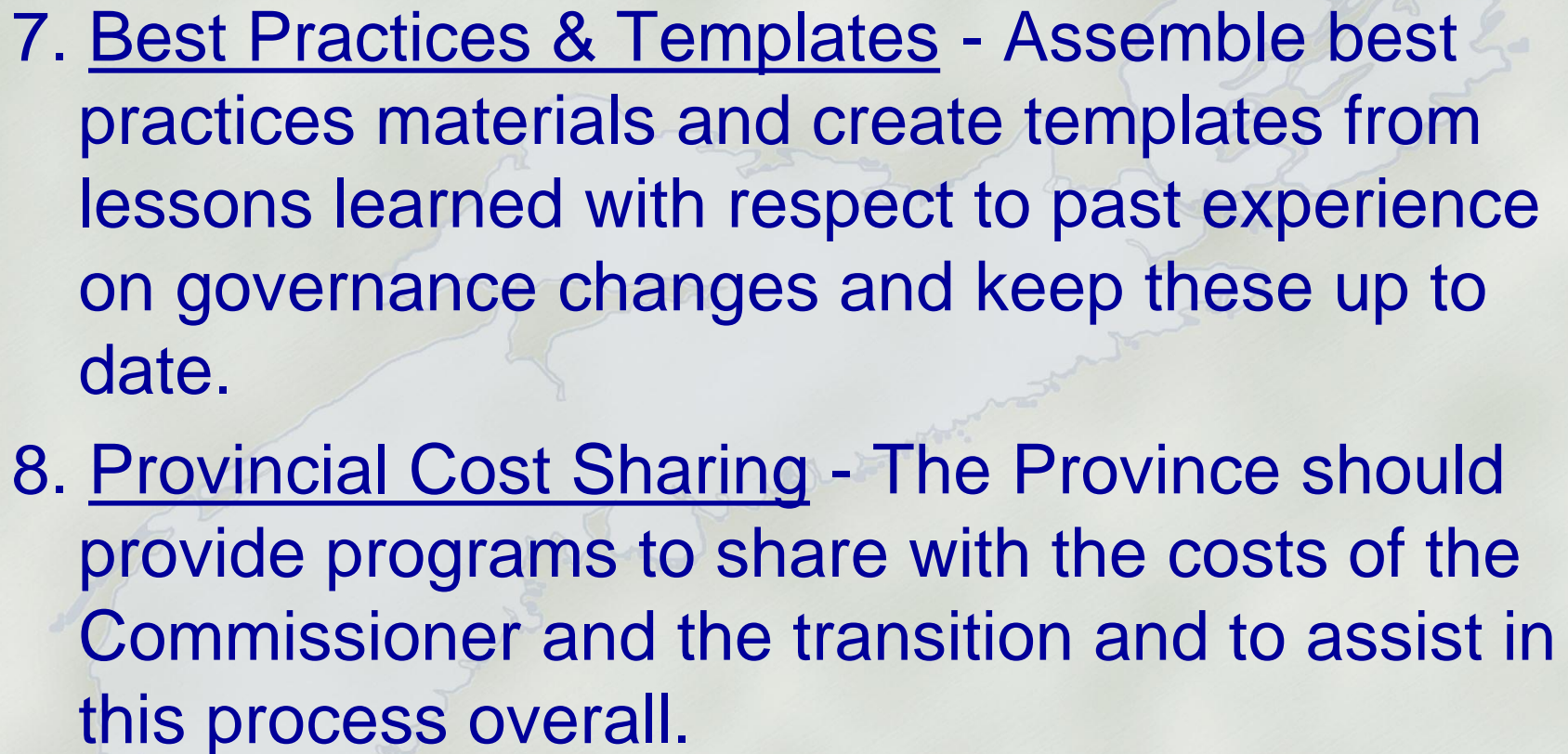
Recommendations

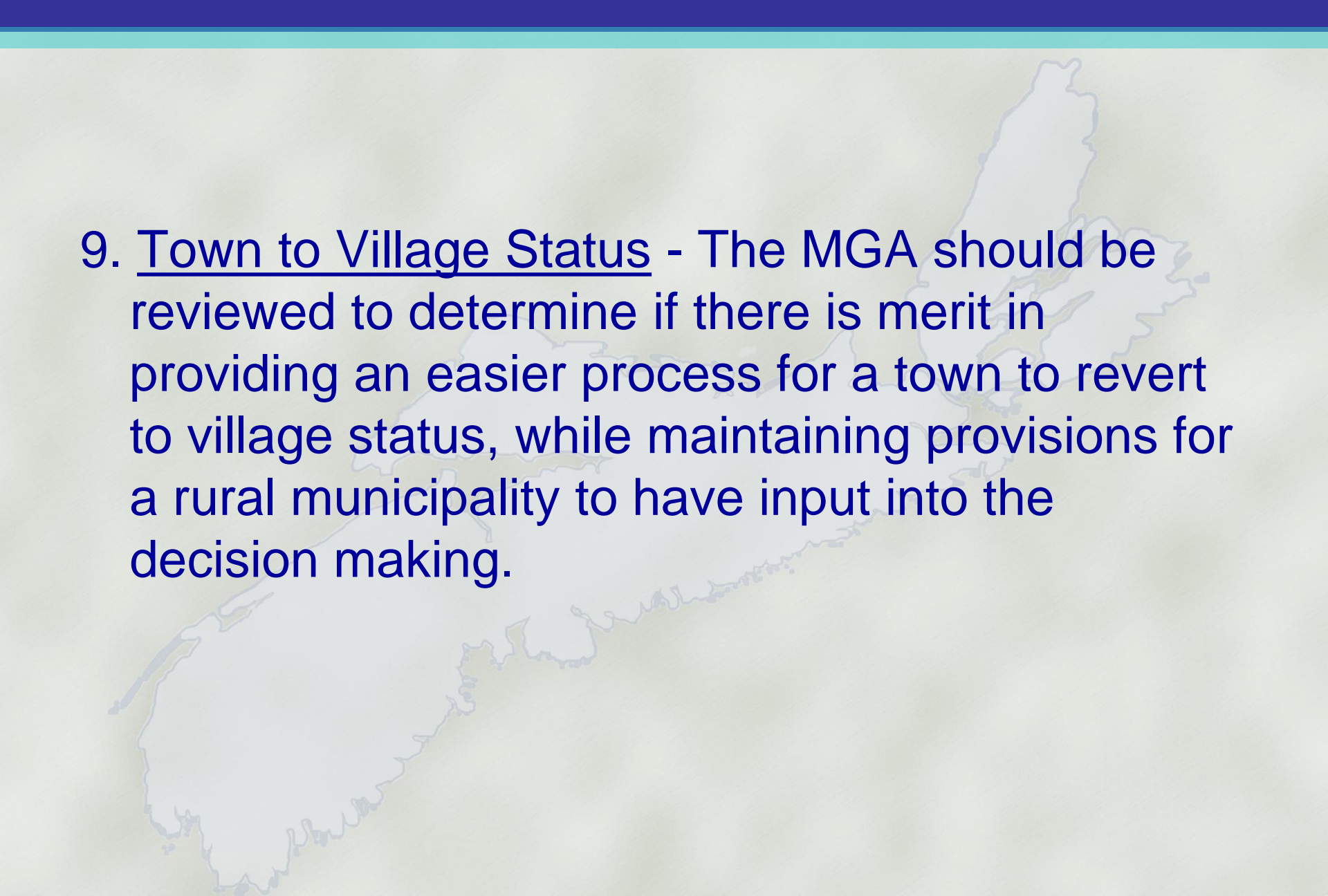
5. Amend Legislation to Enable Commissioner - Establish new provision in the Municipal Government Act to enable the appointment of a Commissioner to oversee municipal governance change. These provisions should include matters such as the role, powers and duties of the Commissioner, and include what type 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.

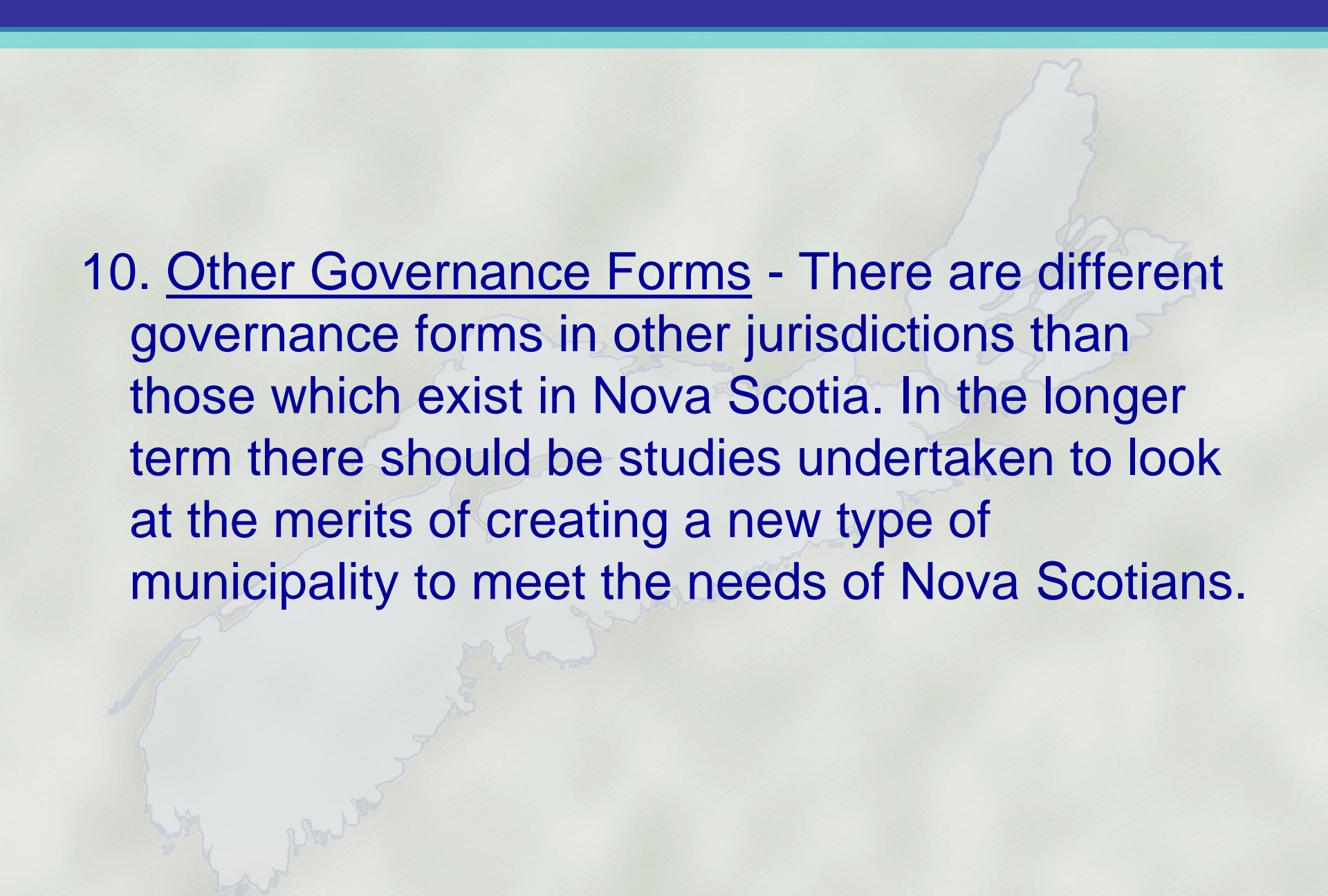
6.1 Parties Agree – If the municipalities agree that a governance change is the best way forward, then these parties should be empowered to appoint a Commissioner. The overall role of the Commissioner would be to review the request and facilitate an agreement among all the parties.

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.

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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.
 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.



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.



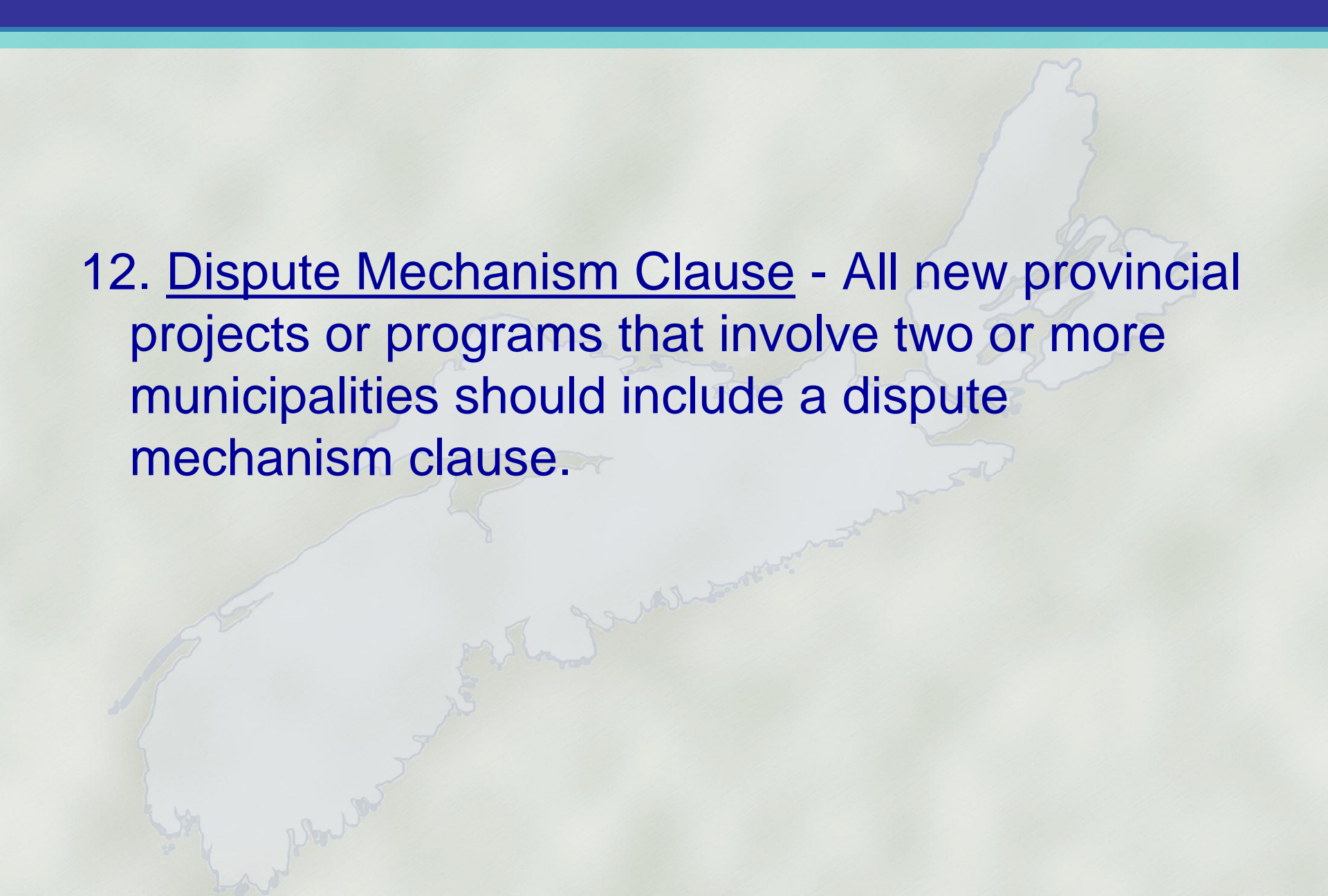
10. Other Governance Forms - There are different governance forms in other jurisdictions than those which exist in Nova Scotia. In the longer term there should be studies undertaken to look at the merits of creating a new type of municipality to meet the needs of Nova Scotians.

Steps towards Resolving Service Issues

- Create a new tool – an arbitration program based on peer to peer
- Encourage resolution before it gets to the stage of crisis and animosity
- And when all else fails, provide a mechanism for a fair and impartial hearing – fair to municipal citizens of all affected municipalities

Recommendations

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.

Steps Towards Fairness in tax burdens for regional services

- Focus is Principle based: best value and fairness for tax payers regardless of structure
- Those who benefit should contribute to the cost
 - begin the discussion early in the design of the building, engage those who will benefit
 - Respect and accommodate views of all
 - Develop a cost-sharing formula, or framework, to guide discussions

Recommendation

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.

Steps Towards Regional Services

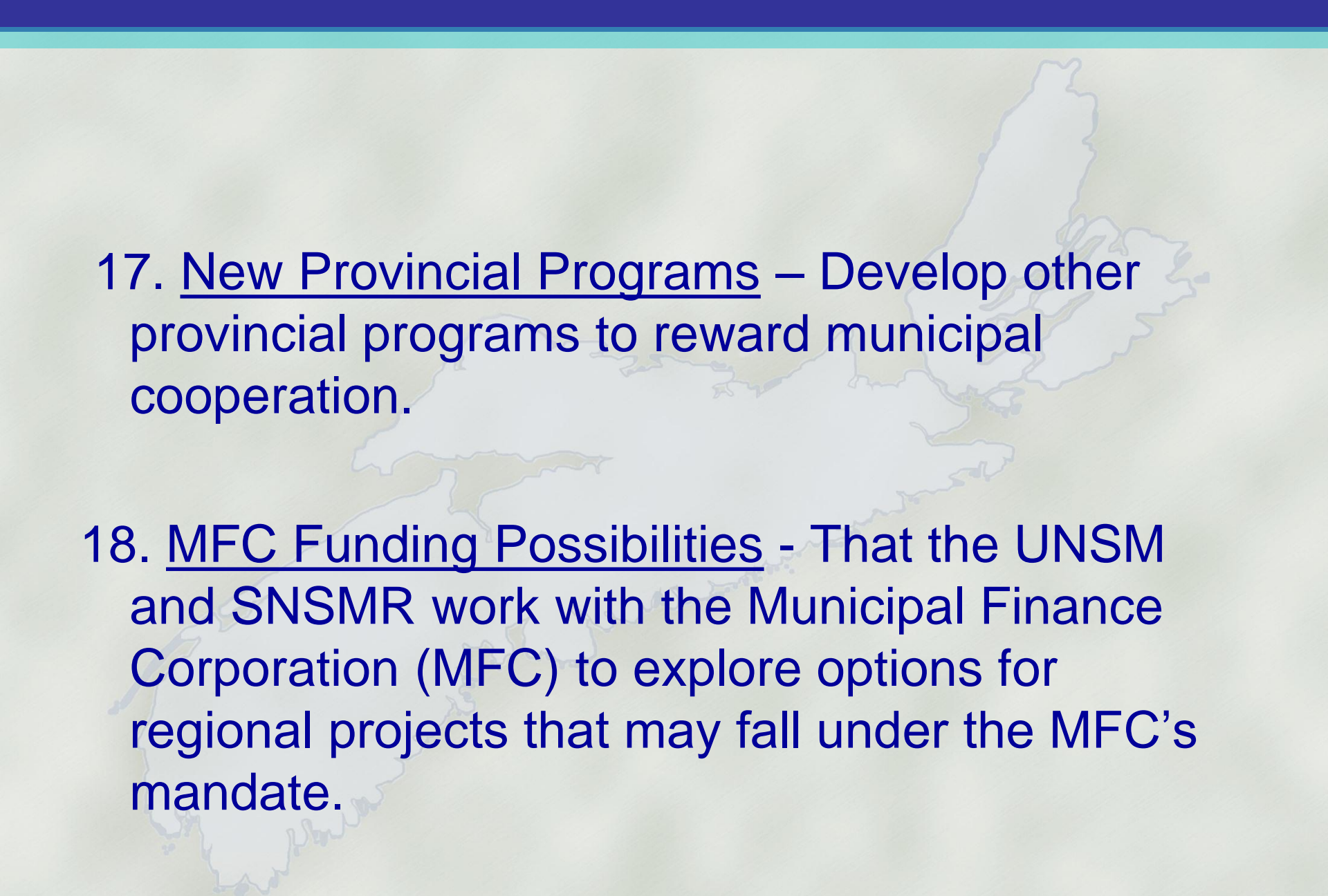


- Focus on efficiency and effectiveness, where regional services makes sense, avoid duplication and unsustainable infrastructure
- Development of best practices guides
- Create new tools to help when impacts cross over into adjacent municipalities



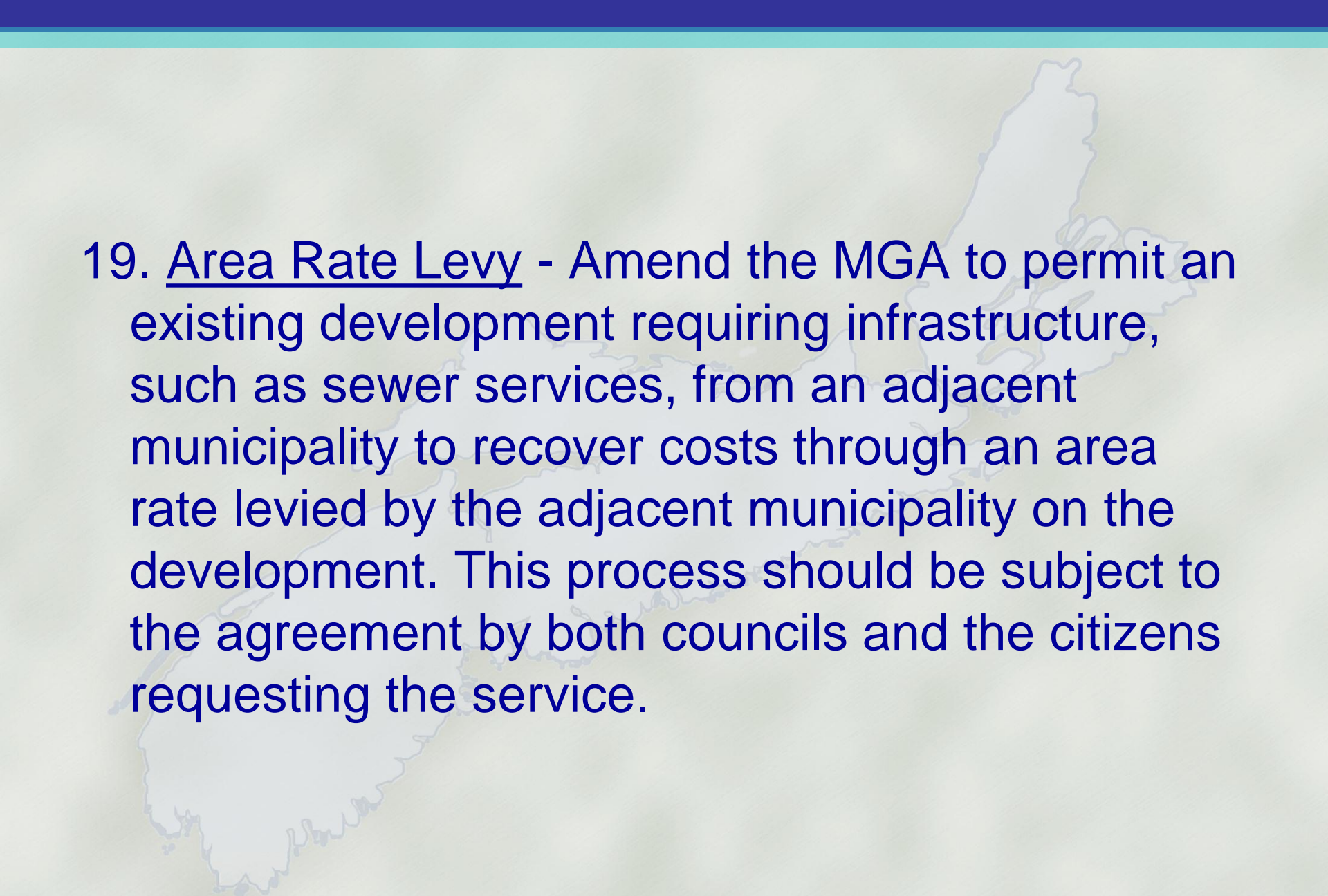
15. Enhance Provincial Funding - The Province should provide greater provincial funding for projects, particularly capital projects, involving multiple municipalities.

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.

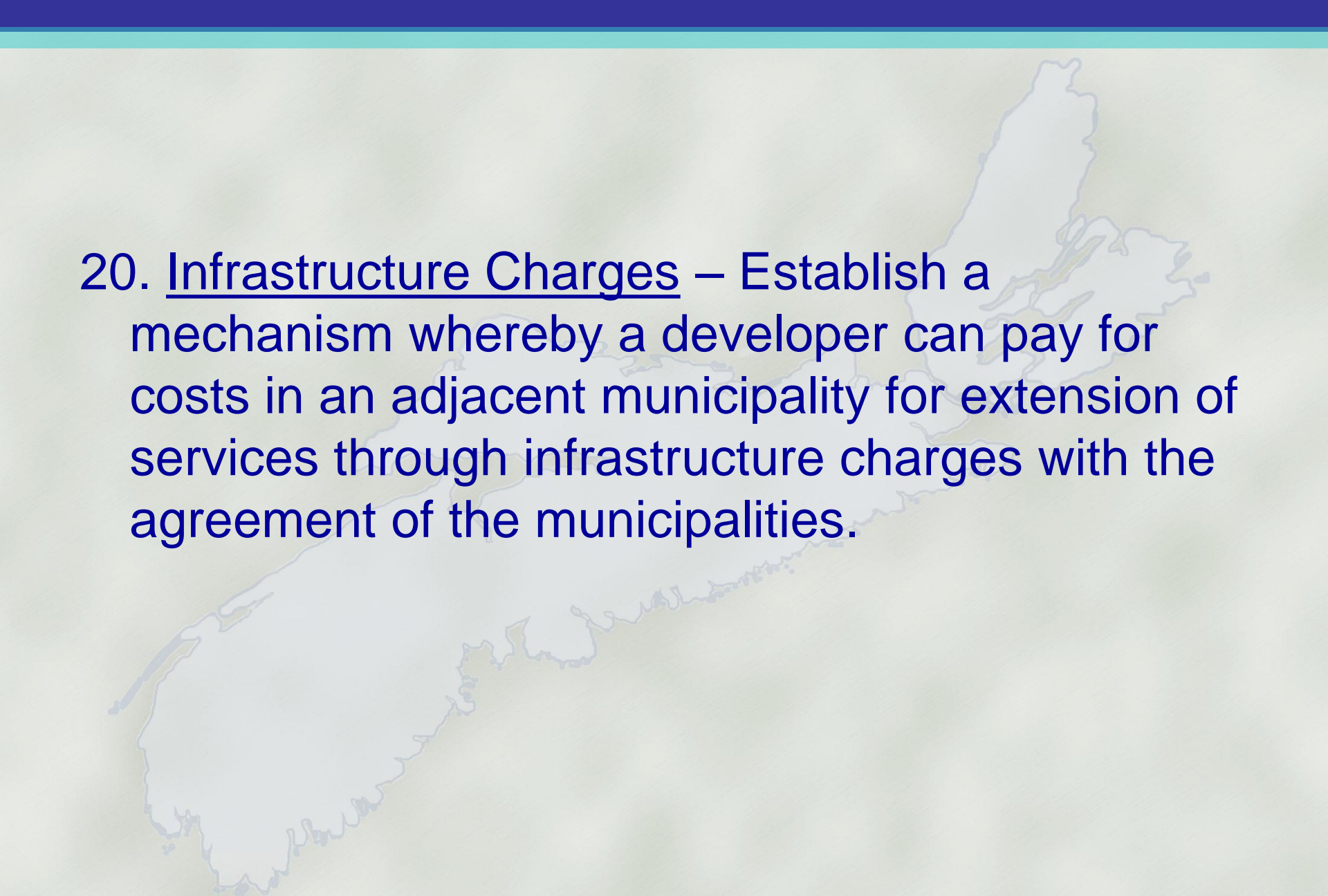


17. New Provincial Programs – Develop other provincial programs to reward municipal cooperation.

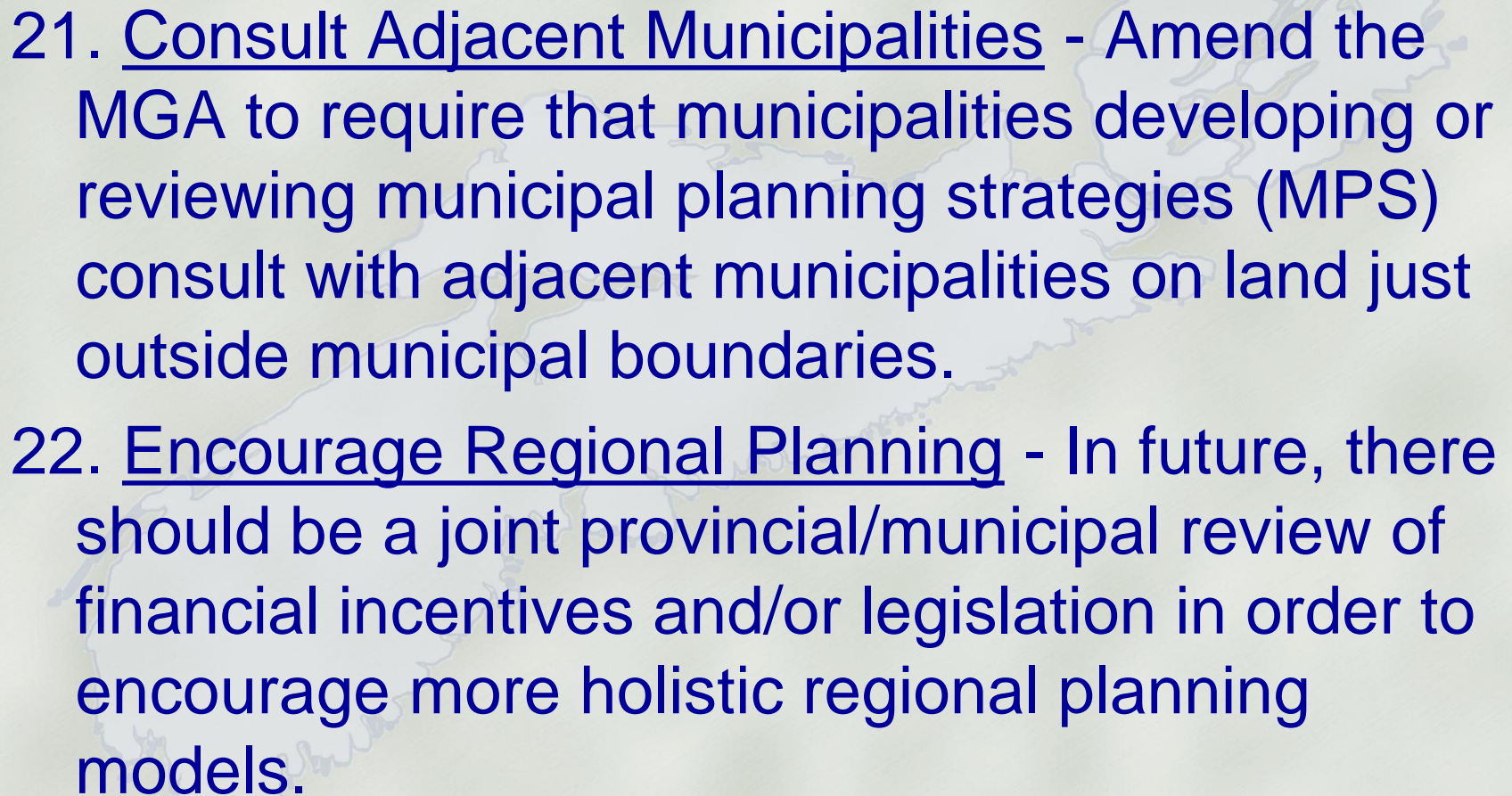
18. MFC Funding Possibilities - That the UNSM and SNSMR work with the Municipal Finance Corporation (MFC) to explore options for regional projects that may fall under the MFC's mandate.



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.

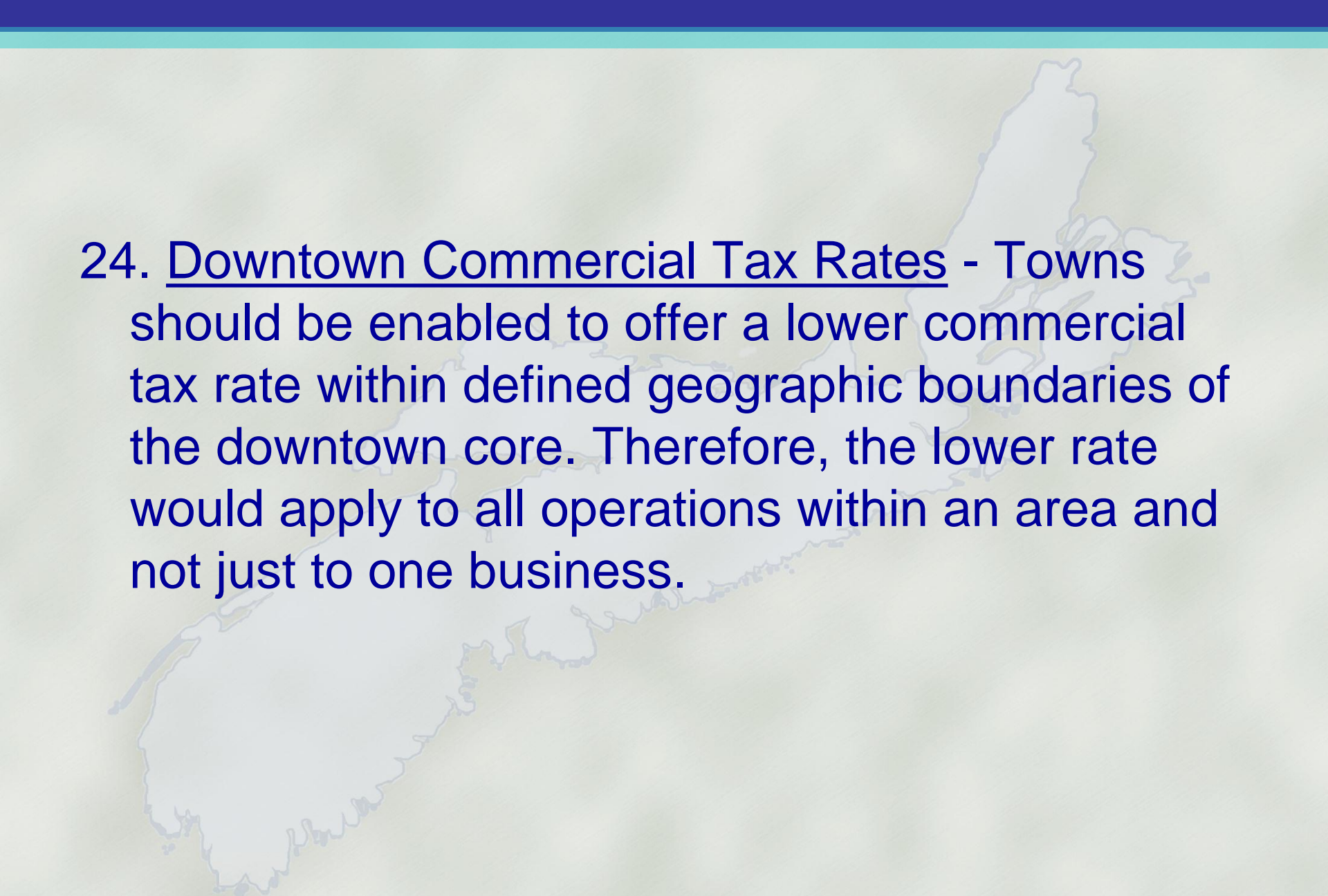
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21. Consult Adjacent Municipalities - Amend the MGA to require that municipalities developing or reviewing municipal planning strategies (MPS) consult with adjacent municipalities on land just outside municipal boundaries.
22. Encourage Regional Planning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

Steps towards economic growth

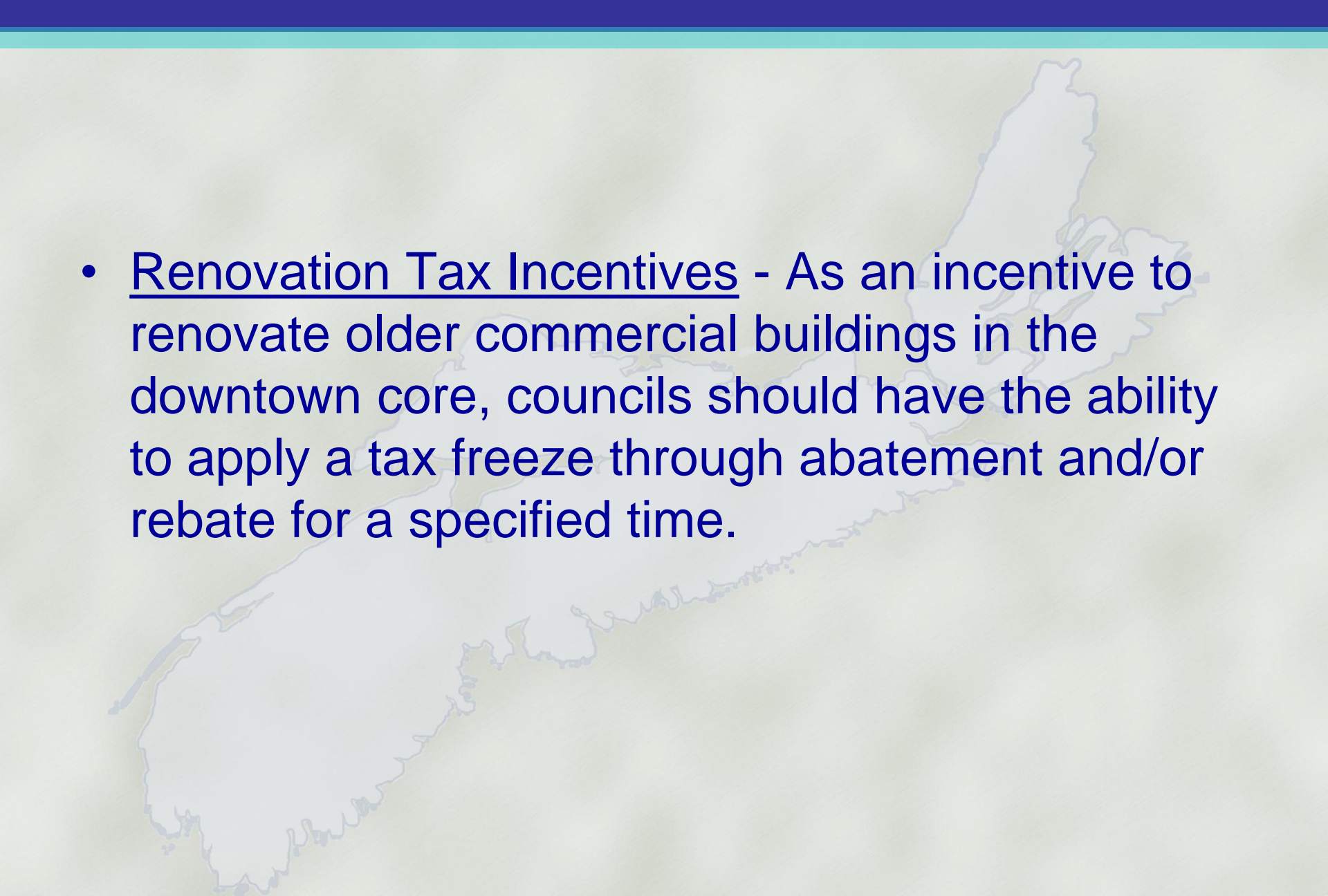
- Provide tools to help retain existing businesses
- Provide tools to attract new businesses
- Support Councils desire to control which tools they choose to use or not use
- Yes, begin with towns, but work towards expanding the tools to other growth areas

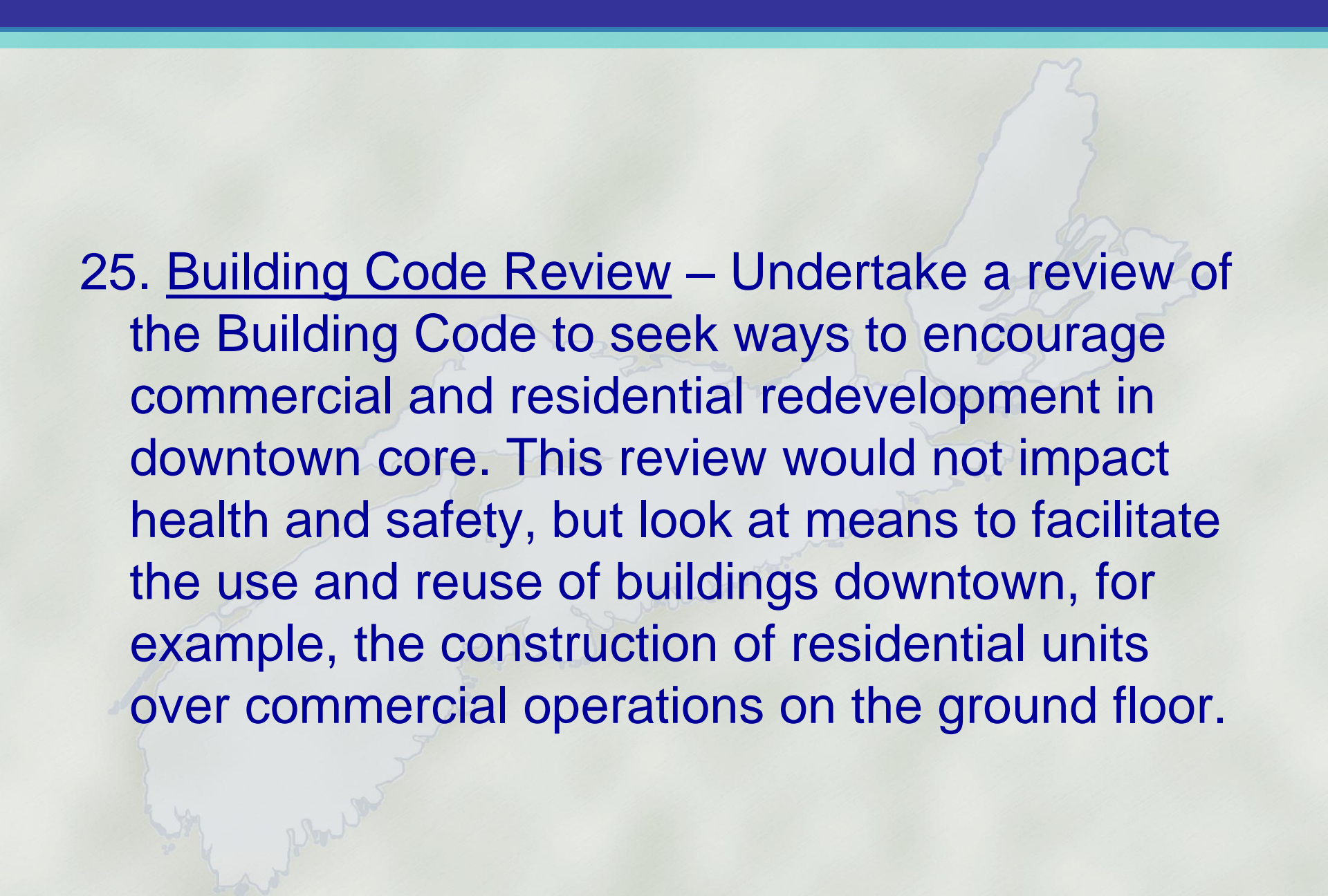
Recommendations

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.

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- Renovation Tax Incentives - As an incentive to renovate older commercial buildings in the downtown core, councils should have the ability to apply a tax freeze through abatement and/or rebate for a specified time.




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.



27. 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.

28. Waive Building Permit Fees - Council should have the ability to waive building permit fees and development fees in the downtown area.

29. 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.

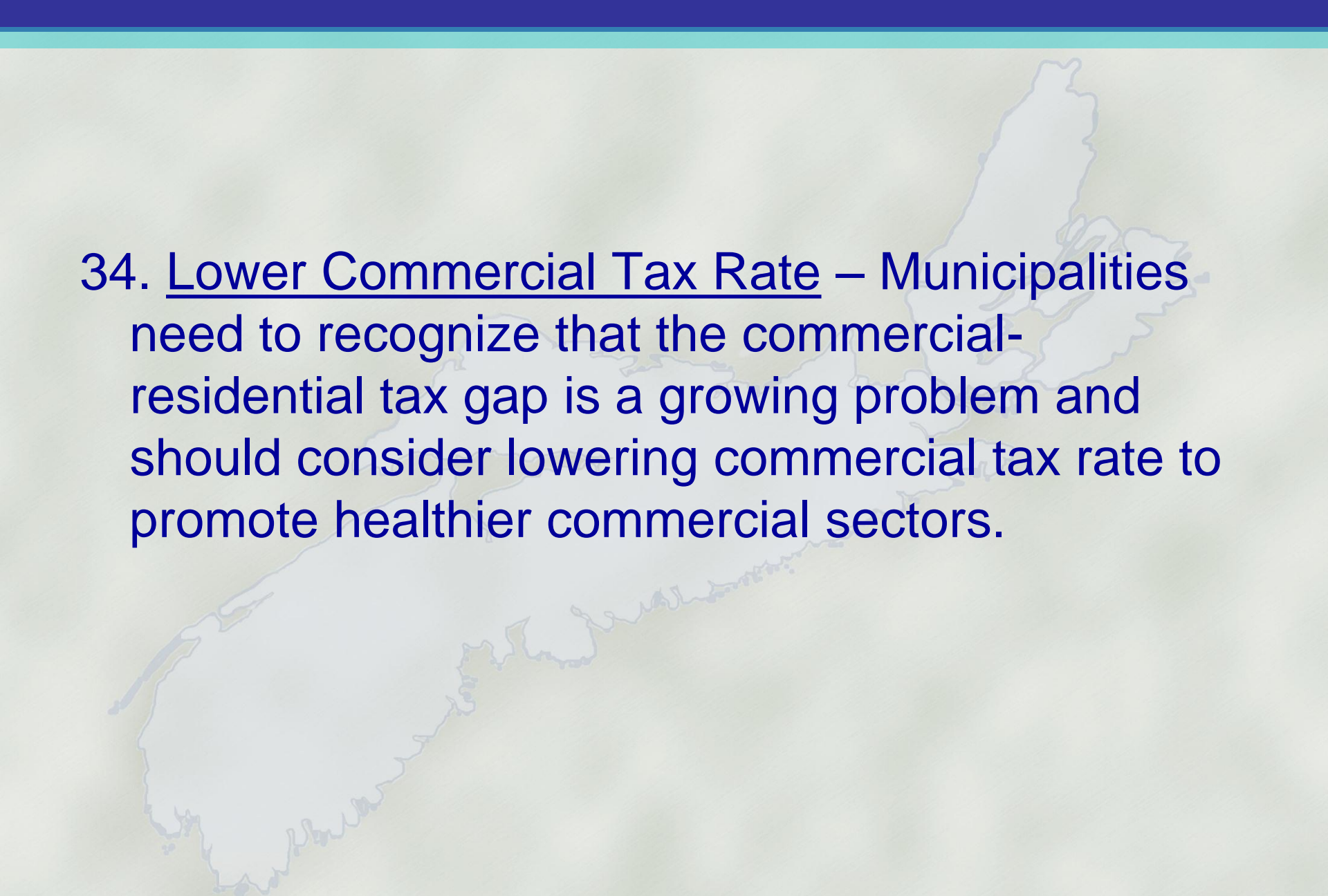


30. Mainstreet Program - Consider reestablishing the Mainstreet Program, a successful program formally offered by the Province of Nova Scotia.

31. Municipal Façade Programs - Allow for municipal façade programs as a means to assist private businesses in downtown areas.

32. 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.

33. 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.



34. 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



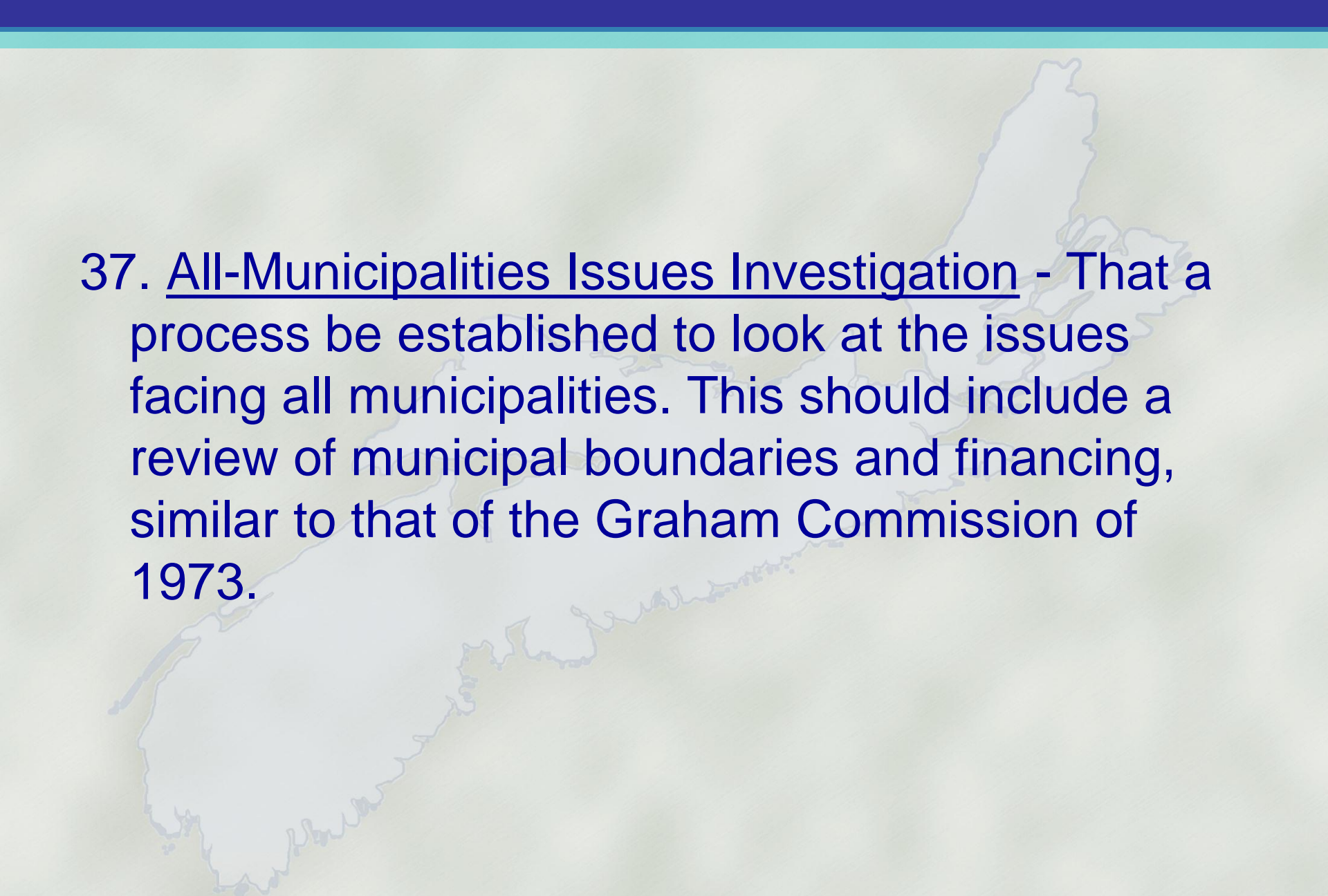
- Work on the roads issue
- Set up an Implementation Committee
- Push for an all-issues investigation – create the vision for local government and ensure local government is sustainable

Recommendations

35. 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.



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



37. 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.

Summary

The Task Force believes the recommendations will help municipalities move forward.

We believe the provision of new tools will assist all municipalities.

We are interconnected – we cannot ignore what is going on with our neighbours.

We need to be realistic.

We need your support on the following resolution.

Resolution

- That the membership endorse the Interim Report
- That the UNSM forward the report to the Minister
- That UNSM immediately form an implementation committee, with representation from all three caucuses,
 - to continue to consult with municipalities
 - to ensure implementation in the best interest of municipal taxpayers of Nova Scotia