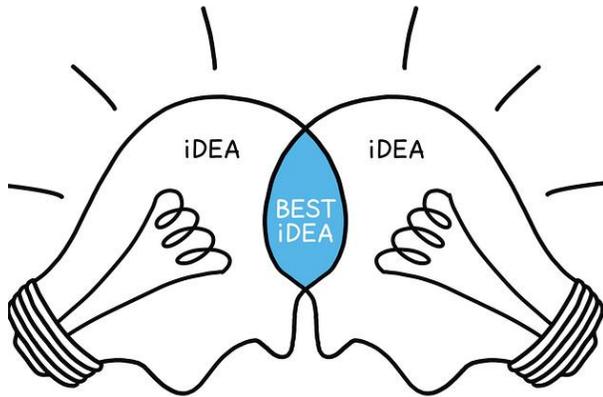


So What is This Thing Called Municipal Modernization?



Municipalities are operating in a world which is changing at an unprecedented pace. Citizen expectations with respect to service levels continue to rise, areas of municipal responsibility are increasing, demographics are shifting, population in most regions is decreasing, infrastructure is aging, and there is competition for economic development.

Reports since 1947 have all indicated that the current way municipalities are operating independently is

not going to work for future generations of Nova Scotians. Change is inevitable, and municipalities must move from a competitive model to a collaborative approach. How do we shift from managing decline to taking control of the situation to facilitate change that is proactive, creative and collaborative? How does municipal government meet the new realities of the changing world around it? If municipalities do not take control of their own destiny, who will? These are questions the Municipal Modernization Project is trying to answer.

Last summer, the Honourable Derek Mombourquette, Minister of Municipal Affairs, and members of his staff met with every municipal council. At the 2017 Fall UNSM Conference, the Minister talked about what he heard from municipal governments in the Province -- the successes and the challenges. In his address, he said “many municipalities talked about the need for change in the existing municipal structure and about working with the Province to bring about this change. In general, most of the councils I met with agreed that increased regional cooperation is necessary.” The Minister’s mandate letter from the Premier talks about municipal modernization and, in his address to the UNSM, he defines it as “Continued and expanded collaboration and cooperation as a way to ensure municipal viability.” His vision of municipal

Municipal Modernization

“Continued and expanded collaboration and cooperation as a way to ensure municipal viability” *The Honourable Derek Mombourquette*

modernization is a province where municipalities are working cooperatively and have a modernized legislative framework to advance the work they do as local government.

The Minister's speech was a clear indication that the Province wants to work with local government leaders and stakeholders to support municipalities to build healthy, safe and vibrant communities. On January 31, 2018, Mayors/Wardens, Village Commissioners and CAOs came together to start the conversation around Municipal Modernization. The event was hosted and organized by the AMANS, UNSM and DMA. The intent of the day was to engage municipal leaders to better understand the challenges and opportunities of today's local government. The goal was to generate ideas and begin the conversation around finding new ways to do things.

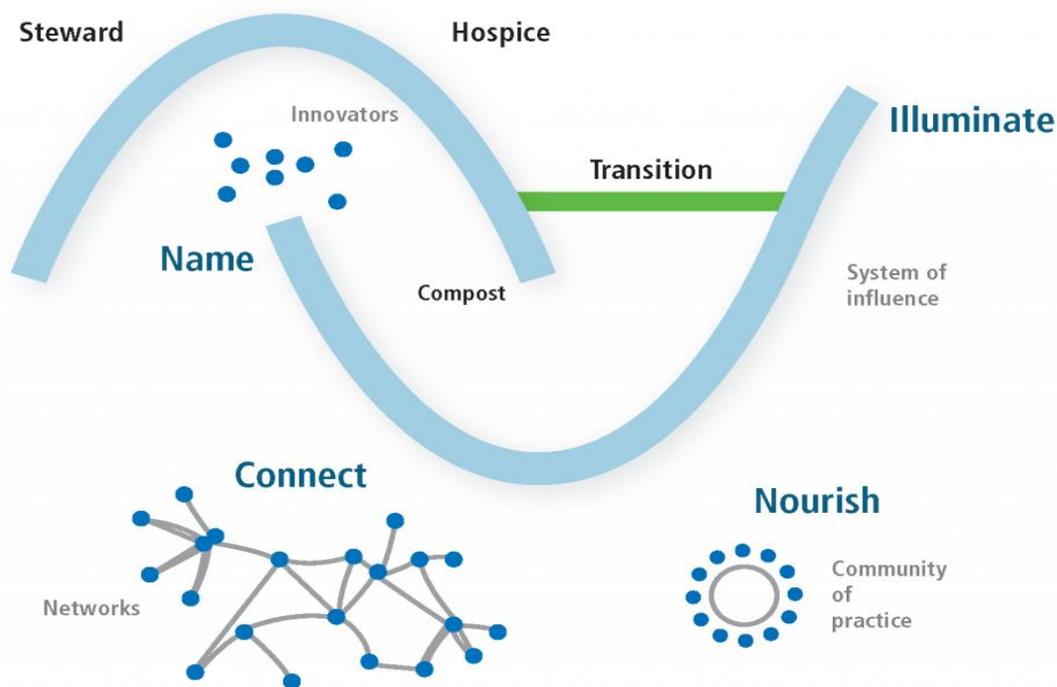
Many issues municipalities are dealing with today are too complex to be addressed individually or by organizations working alone in their silos. What in the past would have appeared as a straight forward problem now, more requires working with multiple stakeholders.

Over 75 percent of municipalities were represented with almost 90 people in the room. To have all those municipal leaders in the room with senior provincial staff and the Minister for a day-long conversation about challenges in municipal government was unprecedented. The day opened with remarks from all three organizations: the Honourable Derek Mombourquette, Minister of Municipal Affairs, Councillor Geoff Stewart, President, UNSM and Alain D. Muise, President, AMANS. Their remarks reflected the shared commitment and partnership of the three organizations to lead by example and work collaboratively to come forward with ideas. Some of the underlying themes of their remarks were that we do not have all the solutions, we know that there is no "one size fits all solution" and that this is the beginning of many more conversations.

Systems Change Strategist Tim Merry facilitated the conversation. Tim set the stage, brought context to the day and created an environment in which everyone could contribute openly and candidly. The first conversation of the day centred around sharing examples of municipalities working together for significant change. A wide spectrum of shared services and initiatives was discussed which echoed the fact that there is good work being done, but is it at the scale that is needed?

The discussion moved to "what is holding municipal governments back?" Issues such as past studies focused on "winners" and "losers," lack of historical reconciliation and absence of the will to move forward were raised.

Tim and his partner, Tuesday Ryan-Hart, then led the group through a presentation on large-scale systems change, how big change happens and the key roles that are involved. They explained that as one system winds down and starts to collapse, isolated alternatives slowly begin to arise and give way to the new. Systems work in cycles – just like life itself. The length of time of the cycles may vary from a few years to decades. They used the example of the oil crisis back in the 1970s and '80s, noting that at that time there was speculation that oil had peaked which spurred some experimentation with other forms of energy such as solar, wind and water. Research was expensive, support and buy-in were low, so it took decades. But today, many of these forms of energy are now more cost effective and environmentally friendlier than oil. It was not easy to see or believe in this possible future at the time. Innovators, trail blazers and pioneers are always experimenting with new ideas. Some of those new ideas seem completely off the wall to many who are still operating in the old system and do not yet see the need for the new or innovate.



More on the Berkana Two Loops system change can be found at

<https://www.youtube.com/watch?v=2jTdZSPBRRE>

Following the system change discussion, Alain Muise, President, AMANS and Shannon Bennett, Director of Governance and Advisory Services, DMA, gave a presentation on municipal modernization. They talked about why we are having these conversations. What's the problem anyway? They discussed how municipal government is working in a system of competition, not collaboration, where benefit goes to one and is not shared. How do we change our system and culture to make collaboration a norm? Shannon and Alain then talked about several ideas that a group of Administrators, the Province and the Executive Directors of UNSM and AMA have discussed as possible ways some municipalities could collaborate. The objectives of that discussion were:

- Prioritizing investments in local infrastructure to meet current and future needs of NS citizens;
- Strong local government units with capacity (both human and financial);
- Best allocation of limited provincial and municipal resources;
- Clear regional vision that capitalizes on existing infrastructure and opportunities;
- Clear economic development plan that capitalizes on the strengths and abilities of our communities.

The main objectives were NOT fewer municipalities, to lower taxes or reduce municipal budgets, although savings could be realized over time.

The following three ideas were explored as possible options to start a dialog. More work will only begin once we have agreement among our partners that these are the right areas on which to focus our attention.

Revenue Sharing



Is there a way to equitably share future property tax growth within a region? How can municipalities be encouraged to plan for growth and economic development regionally?

- Concept that rising tides lifts all ships
- Reduce competition over new growth
- Ensure new growth is located where most efficient and aligns with existing services
- Reduce urban sprawl
- How can it be recognized that growth in a region has impact on service demands and delivery, and ensure all services providers have increased revenues to offset the costs?
- How can it be ensured that those benefiting from regional services are supporting the services financially?
- How can regionalization work for:
 - Economic Development
 - Regional Planning
 - Infrastructure?

Regional Infrastructure Plan



What if regional plans are required and used for allocation of infrastructure funds?

- Ensure that core infrastructure in a region is getting the required financial support
- Regional/strategic prioritization of needed infrastructure; focused use of provincial and federal funds

Review Provincial Programs



How can we build on the work completed during Fiscal Review and Partnership Agreement?

- How do we ensure rural and urban interests are balanced?
- Can we incentivize regional cooperation - those who choose not to work regionally would be opting out of financial support?

Deputy Minister Kelliann Dean started the session off after lunch noting that what was presented before lunch were ideas of what municipal modernization could look like, but that there is no predetermined plan. The three partners want to engage all municipal leaders to help shape a plan.

The afternoon consisted of conversations around what we need to understand to give municipal modernization a better chance of success. What leadership is needed? And where do we need to focus our attention, resources and actions for greatest impact?

Five themes emerged from the afternoon's conversations:

1. **Municipal/Provincial Leadership:** There was a clear recognition that there needs to be strong support and leadership at both provincial and municipal levels. Elected representatives must be willing to risk political capital or re-election to move this forward for the greater good. Municipalities need enabling legislation that allows more flexibility such as shared decision-making ability. Equally important is a strong commitment from the Province to actively engage municipalities in ongoing legislative and operational changes.

The group felt that we must have municipal leaders who are strong and altruistic and who will champion new and innovative ways. Municipal leaders must be willing to stay the course even when the road gets bumpy. Leaders must be able to relate to local communities and know their needs. It was also felt that there had to be a mechanism to resolve disputes when needed.

2. Communications and Citizen Engagement

There was strong recognition that the public needs to be part of the process. The first challenge will be to articulate the extent of the problem facing municipal government in a meaningful way. The public needs to understand why councils are making the decisions they are. How do we explain Municipal Modernization to citizens? Conveying the difference between government and governance will be important, as well as the benefits of regionalization. There must be a plan to engage and communicate to citizens. Consistent and common messaging should be developed. It was felt that communication and transparency with AMA and UNSM members were extremely important for this project. Equally important is open communication between municipalities to continue to identify opportunities, benefits and successes. Having open and frank discussions with councils of the benefits of working together for the benefit of the region will have a significant impact.

3. Building Buy-In and Trust

There seemed to be consensus with the group that significant attention should be given to building buy-in and trust. This applies to trust among the UNSM, AMA and Province, trust between neighbouring municipalities and communities and trust between citizens and both levels of government. We must move on from our historical differences and look to the future. Transparency and accountability play a big part of building trust. Engaging champions who are well respected in the municipal community will be important. It was suggested that there will be fear as we move this forward, but if we spend the time to build trust, fear will be easier to overcome.

4. Structure

It was felt that relationships must be better understood between demographics, boundaries, geography and services. The boundaries in NS have not changed since confederation and they no longer work. Service delivery should not be determined based on a line on a map. What do other governance models look like? What supports do we need to build on the strengths? Other issues raised were that there needs to be a level playing field with respect to towns and rurals and that council structure should be reviewed with respect to representation ratios. It was also suggested that capital funding be based on need and regional priorities.

5. Service Delivery

A recurring theme was that there should be regional municipal planning with a focus on economic development and infrastructure. Also, widely discussed was the need for the elimination of service delivery duplication. Some felt that there should be a compulsory participation in the governance and

cost of shared services. Revenue sharing was also a topic of conversation. It was proposed that we begin with issues where there is consensus and build from there.

We recognize that the above is representative of only those in the room. We are, therefore, holding a teleconference/webinar on March 1, 2018, to engage those who were not in attendance and ask the same questions of them. This additional input will be added before determining any path forward.

At the end of the day, there was clearly an expectation that this work should continue and to not lose the momentum. AMA, UNSM and DMA are now ready to develop a process for pursuing municipal modernization. Stay tuned!