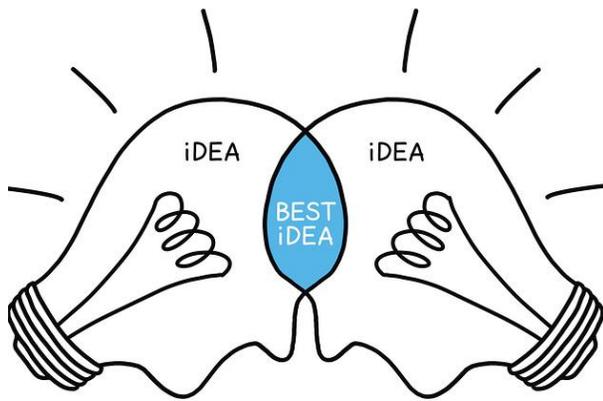


# So What is This Thing Called Municipal Modernization?

Contributed by: UNSM, AMANS and DMA



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. How do we shift from managing decline to taking control of the situation, to be proactive, creative and collaborative? How does municipal government meet the new realities of the changing world around it? These are questions the Municipal Modernization Project is trying to answer.

The Honourable Derek Mombourquette, Minister of Municipal Affairs (DMA), said “many municipalities talked [to him] 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. Minister Mombourquette, in his address to the UNSM, defined it as “Continued and expanded collaboration and cooperation as a way to ensure municipal viability.” His vision of municipal modernization is a province where municipalities are working cooperatively and have a modernized legislative framework to advance the work they do as local government.

## Municipal Modernization

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

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, 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, requires working with multiple stake-holders.*

Systems Change Strategist Tim Merry facilitated the conversation, beginning with the sharing of examples of municipalities working together for significant change. 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 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. Some of those new ideas seem completely off the wall to many who are comfortable 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 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? The outcomes of strong collaboration are:

- 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?**

- Can we reduce competition over new growth, concept of rising tide lifts all ships?
- Can we ensure new growth is located where most efficient?
- Can we ensure sufficient revenue to those incurring the costs?
- Can we ensure those who benefit contribute to the cost?

### 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 to work regionally would be financially supported?

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. 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. 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.

## 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.

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 getting ready to develop a process for pursuing municipal modernization. Stay tuned! You will be involved!