

# Annual Report

2013-14

Former Department of Municipal Affairs



Presented by:  
The Department of Municipal and  
Intergovernmental Affairs

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## Message from the Minister



I am pleased to present the 2013-14 Annual Performance Report for the former Department of Municipal Affairs. This report is prepared in accordance with the *Transparency and Accountability Act* requirements for a category one government entity.

In October 2013, restructuring occurred to combine the Department of Municipal Affairs with the former Intergovernmental Affairs Secretariat. As such, the services provided by this former entity now fall under my mandate as Minister of Municipal and Intergovernmental Affairs. Given that this restructuring occurred during the 2013-14 planning period and in the concluding year of the 2011-14 planning cycle for both

entities, individual 2013-14 annual reports have been prepared by both entities. The 2013-14 Annual Report for the former Intergovernmental Affairs Secretariat is available online at: [http://www.miga.gov.nl.ca/publications/annual\\_reports](http://www.miga.gov.nl.ca/publications/annual_reports).

The former department of Municipal Affairs' 2011-14 Strategic Plan focused on appropriate infrastructure, strong local governments and local government sustainability. This report details the achievements and progress made by the department in fulfilling its commitments as outlined in the final year of the plan. My signature below is indicative of my accountability for the reported results.

I would like to acknowledge the commitment and efforts of departmental staff, government, community and industry stakeholders and the public in helping fulfill the department's many accomplishments this past fiscal year and indeed, throughout the course of the department's 2011-14 planning period.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Dan Coates', written in a cursive style.

Minister of Municipal  
and Intergovernmental Affairs

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## Departmental Overview

In October 2013, the Department of Municipal Affairs was restructured to include the former Intergovernmental Affairs Secretariat and was therefore renamed Municipal and Intergovernmental Affairs. The mandate of the department as it relates to municipal affairs did not change. This report reflects the accomplishments of the former Department of Municipal Affairs as well as the accomplishments of the Municipal Affairs component of the Department of Municipal and Intergovernmental Affairs until March 31, 2014. The 2011-14 Strategic Plan for the former entity and the 2014-17 Strategic Plan for the current entity are available online at: [http://www.miga.gov.nl.ca/publications/strategic\\_plans](http://www.miga.gov.nl.ca/publications/strategic_plans).

The quality of municipal services makes a significant difference to our lives. We all want to be able to live in a safe, attractive and environmentally sustainable neighborhoods; to enjoy leisure facilities; and to be able to travel easily to work or school or to see friends and family. Local governments (cities, towns, local and Inuit Community governments, local service districts and regional service boards) are responsible for delivering municipal services. The department supports local governments in delivering services efficiently and effectively through assistance with infrastructure financing and selection, and by providing financial and administrative tools that strengthen local governments' ability to govern.

The department also supports a number of key government level initiatives, including the Provincial Solid Waste Management Strategy, the Northern Strategic Plan and the Drinking Water Safety Initiative.

## Mandate

The mandate of the former Department of Municipal Affairs was derived from the Department of Municipal and Provincial Affairs Notice, 2003 under the *Executive Council Act*. It was informed by the legislation set out in the Schedule (Appendix A), which outlined the powers, duties and functions of the minister, who was also appointed Registrar General. The department was directly responsible for all matters relating to municipal and provincial affairs. This mandate still applies to the municipal affairs branch of the Department of Municipal and Intergovernmental Affairs. Appendix A outlines the legislation the department was responsible for in fiscal year 2013-14.

The department is a category one entity under the Province's *Transparency and Accountability Act* and, as such, is required to prepare three-year strategic plans and annual performance reports.

## Vision

The vision of the former Department of Municipal Affairs was of communities with viable, sustainable municipal services led by strong local governments.

## Mission

The mission statement identifies the priority focus area of the minister over two strategic planning cycles. It represents the key longer-term result that the minister and the department will be working towards as they move forward on the strategic directions of the Provincial Government. The mission of the former Department of Municipal Affairs was:

***“By March 31, 2017, the Department of Municipal Affairs will have strengthened infrastructure investments and supports to local governments.”***

Although the structure of the department changed in October 2013, the mission, and corresponding indicators relating to the municipal affairs component of the current department have not changed. The department will therefore report on the results of its mission for the 2011-14 and 2014-17 planning cycles upon completion of the 2014-17 planning cycle.

Further information regarding the department’s mission, including its associated measure and indicators is available on page 8 and 9 of the former department’s 2011-14 Strategic Plan or on pages 9-11 of the current department’s 2014-17 Strategic plan. Full versions of these plans are available online at: [http://www.miga.gov.nl.ca/publications/strategic\\_plans](http://www.miga.gov.nl.ca/publications/strategic_plans)

## Lines of Business

The former Department of Municipal Affairs had five main lines of business in fiscal year 2013-14: (1) Local Governance; (2) Municipal Infrastructure and Engineering Services; (3) Employment Support; (4) Provincial Affairs; and (5) Financial Services. These lines of business are outlined below:

### 1. Local Governance

The department strengthened local governance by:

- formulating land use policy and regional approaches to service delivery;
- providing municipal training to elected and administrative officials;
- providing assistance in the development of municipal by-laws;
- providing legislative interpretation to municipalities, local service districts and regional service boards;
- advising local government officials;
- conducting reviews of municipal administrative matters;
- administering grants and subsidies for community infrastructure and municipal operations;
- examining local governments’ financial operations;
- monitoring financial position and projected financial capacity;
- providing operational support;

- participating in inter-provincial policy development and knowledge sharing; and
- supporting regional cooperation initiatives.

## 2. Municipal Infrastructure and Engineering Services

The department guided infrastructure investments by:

- assessing needs and prioritizing municipal infrastructure investments;
- providing financial support for the development of municipal infrastructure;
- monitoring and providing guidance and advice on municipal infrastructure projects; and
- negotiating and managing federal-provincial agreements for municipal infrastructure funding.

## 3. Employment Support

The department worked with local, community-based sponsors to create short-term employment initiatives that provide enduring benefits to communities. Additionally, government assigned the department the responsibility to provide similar employment support programs in areas affected by permanent closure of fish processing plants and to coordinate interdepartmental efforts to assist the workers affected.

## 4. Provincial Affairs

The department had statutory responsibilities in relation to the following provincial affairs:

- supporting annual ceremonies to honour our veterans;
- approving the use of legislated provincial identification symbols; and
- prescribing and evoking *Newfoundland Daylight Time*.

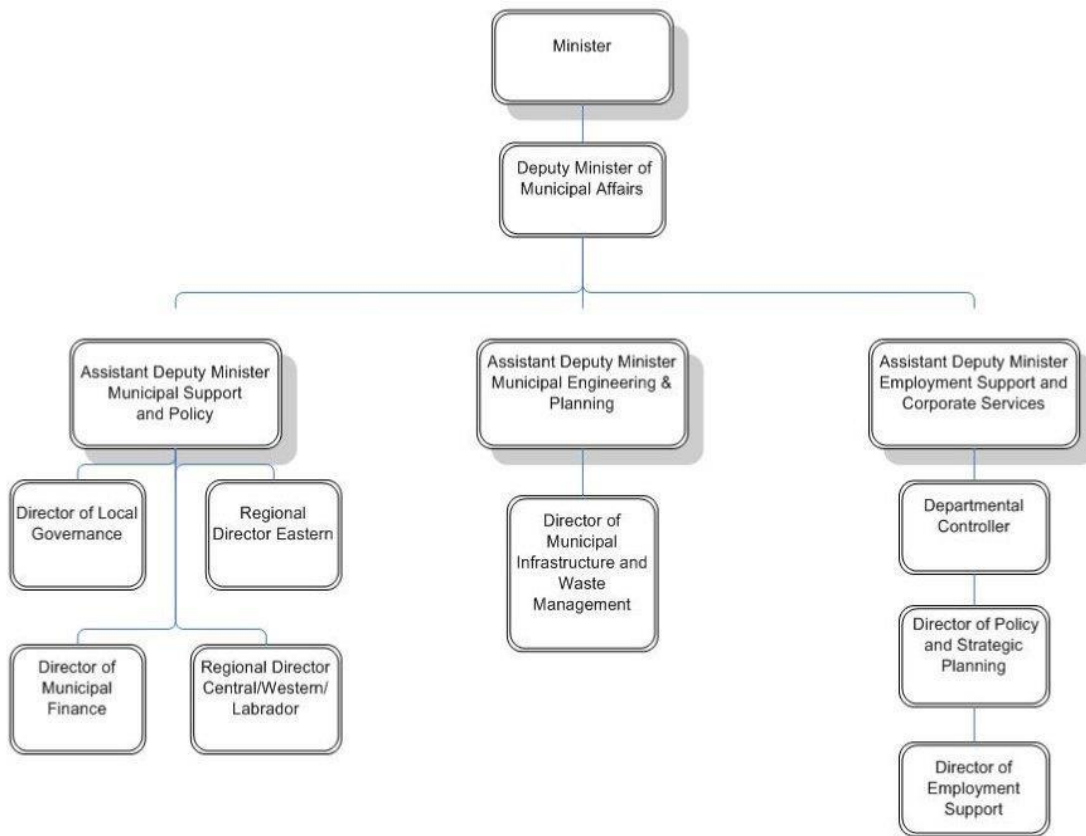
Further, subsection 4(3) of the *Executive Council Act* designates the Registrar General of the Province to be the keeper of the Great Seal of the Province.

## 5. Financial Services

The Strategic Financial Management Division supported financial management in the following government departments and agencies: the former Department of Municipal Affairs; Service Newfoundland and Labrador; Department of Environment and Conservation; Department of Innovation, Business and Rural Development; Department of Tourism, Culture and Recreation; the Government Purchasing Agency; and Fire and Emergency Services - Newfoundland and Labrador (FES-NL).

## Organizational Structure

In fiscal year, 2013-14, the department delivered its lines of business through three branches: Municipal Support and Policy, Municipal Engineering and Planning, and Employment Support and Corporate Services. The Minister of Municipal Affairs was accountable for eight public entities that plan and report in accordance with the *Transparency and Accountability Act*. These entities are listed in Appendix C.



## Budget and Expenditures

The department's approved budget for 2013-14 was \$240.6 million. Approximately \$233.1 million or 96.9 per cent was budgeted for financial assistance to municipalities through such programs as financial support for municipal infrastructure development, municipal operating grants, debt relief and special assistance. The remaining \$7.5 million, or 3.1 per cent, was directed to expenditures in salaries and operating costs to deliver programs and services. The



department's 2013-14 budget included federal revenues of \$37.8 million and provincial revenues of \$0.90 million, to offset total funding such that the net provincial funding is \$201.9 million. Net expenditures for fiscal 2013-14, after revenue, totaled \$171.5 million. For further budget details see Appendix B – Financial Statements.

## Staff Complement

As of March 31, 2014, the department staff complement was 118 (63 females and 55 males). This also includes 16 financial management positions that provide support to four other government departments and two agencies. The educational backgrounds and skills of departmental staff are diverse and reflect the department's role in providing expertise to local governments in the areas of financial management, municipal administration, engineering, land use planning, employment support, legislative interpretation, and training for elected and non-elected municipal officials.

The department's headquarters is located in St. John's. Primary public services offered through this office are: municipal programs and policy development; project management for municipal infrastructure projects; waste management; industrial water supply; land use planning; municipal financing support; legislative development and interpretation; municipal training; and short-term employment creation.

Four regional offices are located in: St. John's (Eastern Region), Gander (Central Region), Corner Brook (Western Region) and Happy Valley–Goose Bay (Labrador Region). Primary services offered by the regional offices are: municipal infrastructure project assessments and project management; municipal training; and legislative and administrative support.

The department also has a staff member in Clarenville, whose primary function is to provide municipal infrastructure project assessments and project management with respect to water systems projects.

The staff complement by location as of March 31 2014, was as follows:

Location	Staff Complement
St. John's - Headquarters	78
St. John's - Eastern Regional Office	16
Clarenville	1
Gander	9
Corner Brook - Western Regional Office	8
Happy Valley – Goose Bay	6
<b>Total</b>	<b>118</b>

## Shared Commitments

The former Department of Municipal Affairs collaborated with a number of provincial and federal government departments, in addition to local governments. Collaboration was necessary to achieve common interests in areas such as: land use planning; infrastructure development; the environment; regional services; water quality; waste water treatment; waste management; employment support; and local governance. The importance of these collaborative efforts remains the same under the new department structure.

The department has successfully established positive, ongoing relationships with stakeholders to improve policies, services and programs which support the strategic directions of government. These stakeholders include, but are not limited to:

- Municipalities Newfoundland and Labrador (MNL);
- Professional Municipal Administrators (PMA);
- Combined Councils of Labrador;
- Regional Joint Councils;
- Regional Service Boards;
- Royal Canadian Legion;
- Provincial Government departments including Environment and Conservation; Transportation and Works; Service NL; Health and Community Services; Fisheries and Aquaculture; Tourism, Culture and Recreation; Finance; Labrador and Aboriginal Affairs; and the Office of Public Engagement;
- Newfoundland and Labrador Municipal Safety Council;
- Multi-Materials Stewardship Board (MMSB);
- Infrastructure Canada;
- Atlantic Canada Opportunities Agency (ACOA);
- Atlantic Canada Water Works Association;
- Lending institutions;
- Educational institutions;
- Professional Engineers and Geoscientists of Newfoundland and Labrador;
- Newfoundland and Labrador Construction Association;
- Heavy Civil Association of Newfoundland and Labrador;
- Planning Consultative Committee (Trans Labrador Highway Phase 3 Zoning Plan); and
- Consulting Engineers of Newfoundland and Labrador.

Together with these organizations, the department has made significant progress towards its strategic directions of “appropriate infrastructure investment” and “local government sustainability.”

## Highlights and Accomplishments

### *Amendments to City of St. John's Act, City of Corner Brook Act, City of Mount Pearl Act and Municipalities Act, 1999*

In fiscal year 2013-14, the department introduced into the House of Assembly, *Bill 6, "An Act to Amend the City of Corner Brook Act, the City of Mount Pearl Act, the City of St. John's Act and the Municipalities Act."* The Bill subsequently passed in May 2014.

One of the principal focuses of these amendments was to increase youth representation on council by allowing for the addition of non-voting youth representatives who will be able to observe council proceedings and participate in debate on key issues. Through this new discretionary authority, councils now have an additional means available to them to engage youth in their community. This will bring a fresh perspective to the council table, and help create a mentoring atmosphere to develop the next generation of municipal councilors. In addition, the amendments were aimed at enabling the use of modern technologies, including video conferencing and the use of internet communications, where appropriate, by providing councils the discretionary authority to allow councilors to remotely attend council meetings. This enables flexibility for councilors who are balancing council participation with family and work commitments, or who work from non-traditional locations or are on an irregular work schedule.

The department's 2011-14 Strategic Plan identified modern legislation as a component of the strategic direction, "local government sustainability."

## Municipal Operating Grants

The department continued to provide support to communities through annual Municipal Operating Grants (MOG). In addition to supporting the day-to-day operations of communities, these grants fund recreation, maintenance and other programs. Following consultations with Municipalities Newfoundland and Labrador in 2012, a new MOG formula was announced in Budget 2013 which saw \$22 million provided to municipalities and Inuit Community Governments across the province effective January 2014.

The new MOG formula is transparent, equitable and sustainable for all municipalities. It removes the seven largest municipalities (St. John's, Conception Bay South, Mount Pearl, Paradise, Corner Brook, Gander and Grand Falls-Windsor) from the formula and uses a remoteness index along with the number of occupied dwellings to proportionately allocate the MOG funding across the remaining municipalities. Through the new allocation, approximately 80 per cent of small to medium sized municipalities have received an increase in funding and none will see a decrease. Additional information regarding MOG's and the remoteness index is available online at: <http://www.miga.gov.nl.ca/for/mog>.

## Gas Tax Agreement

Through the Canada/Newfoundland and Labrador Gas Tax Agreement, the Federal Government provides funding to support environmentally sustainable municipal infrastructure. The Department of Municipal Affairs administers this funding. The current agreement will provide \$206.9 million to municipalities and Inuit Community Governments over the period 2006-2014. Eligible project categories include: drinking water, waste water management, solid waste management, public transit, community energy systems, municipal capacity building, and transportation infrastructure (roads and bridges).

More than 1,000 projects benefited from funding through the Gas Tax Fund Agreement in Newfoundland and Labrador. For example, during the 2013-14 construction season, the Gas Tax Fund supported:

- Advanced Drinking Water System for the Town of Isle aux Morts;
- Waste management projects such as the new Central Newfoundland Waste Management Facility, located in Norris Arm; and
- Phase 44 of water and sewer upgrades for the Town of Conception Bay South.

In fiscal year 2013-14, the department approved 382 projects totaling \$15.3 million. This brought the total number of approved gas tax projects to 1919, totaling \$136 million. In 2013-14, approximately \$22.7 million of gas tax funds was paid out to municipalities and integrated community groups.

The department's administrative support of the Gas Tax Agreement contributed to the strategic direction of "appropriate infrastructure investment."

## Municipal/Community Infrastructure

Municipalities throughout Newfoundland and Labrador are facing a variety of infrastructure challenges. New and evolving environmental standards in areas such as wastewater and water quality place significant demands on local government infrastructure. Climate change and more extreme weather events, such as hurricanes, rising sea levels and coastal erosion, are also creating infrastructure problems for many communities in the province. Adding to these challenges are shifting population levels as well as increasing infrastructure costs. The department recognizes that this places pressure on both the financial and human resource capacity of communities. As such, government's 2013-14 budget provided for \$148.8 million in provincial investment for municipal infrastructure. Of this amount, \$31.5 million was invested in drinking water related projects including new and upgrading of water treatment infrastructure, distribution systems and feasibility studies.

Over \$73 million in provincial funding was approved for eight new recreational facilities throughout the 2011-14 period. Projects are in various stages of construction with all anticipated to be completed by 2017. They are:

- Four arenas: Paradise, Conception Bay South, Harbour Grace and Makkovik
- Two aquatic facilities: Marystown and Lewisporte
- Two multi-purpose recreation facilities: Hopedale and Pasadena

Additional provincial funding was approved for numerous smaller projects such as upgrades to existing recreational facilities or redevelopment of sports fields and parks such as the redevelopment of Cobb's Pond Rotary Park in Gander.

In addition, throughout the 2011-14 planning period, the department invested a provincial amount of \$345 million in 592 infrastructure projects including 150 in roads and bridges, 265 in drinking water treatment and distribution, 85 in sewage collection and treatment systems, and 53 in recreation facilities.

## Safe Drinking Water

Delivering clean and safe drinking water to the residents of Newfoundland and Labrador continues to be a top priority of the Provincial Government. A number of key drinking water projects were announced across the province in fiscal year 2013-14, including:

- \$1,000,000 for new water mains in Bonavista;
- \$466,700 for upgrades to intake and chlorination system in Twillingate;
- \$524,200 for water main upgrades in Whitbourne;
- \$580,200 for water and sewer upgrades in New-Wes-Valley;
- \$440,600 for replacement of water and service laterals in Badger;
- \$831,000 for new water and sewer system in Port Anson; and
- \$243,000 for drinking water projects in Hawke's Bay, Port au Choix and Port Saunders.

In addition, the department supported the Provincial Government's Rural Drinking Water Safety Initiative by providing access to high quality drinking water through the construction of Advanced Drinking Water Systems. In 2013-14, three systems were made operational and construction progressed on eight other systems. These systems are small-scale water treatment systems which pump and treat water from the municipal supply, store the treated water and allow residents to manually collect the water from a small shelter. A total of 10 Advanced Drinking Water Systems were made operational throughout the 2011-14 planning period for a total approved funding amount of \$2.9 million by the Province.

## Provincial Solid Waste Management

Total expenditures for the Provincial Solid Waste Management Strategy in fiscal year 2013-14 were \$12.5 million. As of March 31, 2014, a total of \$157.6 million was invested in the strategy (\$95.1 million from the province and \$62.5 million through Canada/Newfoundland and Labrador Gas Tax Agreement). Progress relating to the five goals of the strategy as of March 31, 2014 include:

1. 50 per cent waste diversion:
  - Approximately 50 per cent of the population now has access to recycling facilities.
  - Approximately 28 per cent of waste is currently being diverted from landfills.
  - A new Material Recovery (recycling) Facility is under construction in Central.
  - A review of provincial composting options has been undertaken.
2. Reduce number of waste disposal sites by 80 per cent:
  - As of March 31, 2014, 63 per cent, or 148 of 236 waste disposal sites have been closed.
3. Eliminate open burning/incineration at waste disposal sites:
  - As of March 31, 2014, 80 per cent, or a total of 140 waste disposal sites eliminated open burning and/or incineration.
4. Phase out of unlined landfills:
  - As of March 31, 2014, 63 per cent, or 133 of unlined landfills have been closed.
  - Approximately two-thirds of the province's population are disposing of waste in one of two lined/equivalent to lined landfills with leachate collection.
5. Province-wide implementation by 2020:
  - Provincial implementation is on target for 2020.

In addition, three new Regional Service Boards were established in Western, Bonavista (Discovery) and Burin Peninsula Regions in fiscal year 2013-14, bringing the total number of regional service boards providing regional waste management services to six.

## Employment Support

The department works with local, community-based sponsors to create short-term employment initiatives that provide ensuring benefits to communities. In 2013-14, the department delivered an employment support program that served approximately 1,500 workers in rural communities who were facing significant employment challenges. These individuals worked on approximately 235 different projects, with a total cost of approximately \$5.7 million.

In addition, the department through the Fish Plant Worker Employment Support Program, assisted in providing short-term employment to approximately 150 workers from three fish plants that were deemed permanently closed. This program is administered by the department on behalf of the Department of Fisheries and Aquaculture.

## Fiscal Framework

As part of Budget 2013, the department announced it would begin working with Municipalities Newfoundland and Labrador on a comprehensive review of the provincial-municipal fiscal framework. The goal of this review is to examine the existing framework to identify options for more efficient and effective ways for services to be delivered, paid for, and shared in the province. This review is on schedule for completion in time to inform the development of Budget 2015.

An important part of this review is holding consultations with various stakeholder groups and the general public to ensure that the views of municipalities, local service districts, residents of unincorporated areas, and all who utilize municipal services are considered. Phase one of this consultation included 16 round table discussions which were held across the province from January 2014 to April 2014 and involved over 470 registrants from Municipalities Newfoundland Labrador, Professional Municipal Administrators, Local Service District Committees and Regional Councils of the Rural Secretariat. There have also been 108 online surveys completed and numerous written responses received to date. The department has also conducted a jurisdictional review of other provinces and territories, to obtain information about their provincial-municipal fiscal relationships and governance structures. This information will allow the department to ensure that the new fiscal framework is informed by best practices from across this country.

In addition, significant work has been undertaken to gather baseline information, and an assessment of alternate revenue sources is being completed. Detailed analysis of the findings and information gathered to date, including the input received from consultations, is ongoing, and development of recommendations for a new framework has begun.

These efforts contributed to the strategic direction “strengthened local government.”

# Report on Performance

The following section describes the outcomes of the department's 2011-14 goals and 2013-14 annual objectives, fulfilling requirements outlined in the *Transparency and Accountability Act* to report to the people of Newfoundland and Labrador on the department's progress.

## Issue 1: Appropriate Municipal Infrastructure

Municipal infrastructure refers to the basic structures needed to provide services to a community's residents and businesses such as sewer, water and waste disposal systems. Local governments build, own and maintain most of the infrastructure that supports their community. This means that local governments not only contribute to the initial capital cost, but also provide ongoing funding to operate and maintain the infrastructure over its lifespan.

The department recognizes it is critical that local governments are supported in selecting the best infrastructure to meet their needs. The more information that local governments have about the short-term and long-term costs of infrastructure projects, the better able they are to optimize their infrastructure investments. With that in mind, the department's 2011-14 Strategic Plan sought to support local governments through the implementation of a 'design-build model.' This model is intended to increase the design options for local governments to consider for a particular project and to provide up front each option's "lifecycle costing" information (i.e. construction, operating and maintenance costs). The design-build model is the preferred alternative to tendering for complex projects where the local government is seeking proposals on the design as well as the construction.

A framework of policies, processes, engineering guidelines and training was needed prior to adopting this model within the province. In 2011-12, the Municipal Engineering and Planning Branch developed the Optimal Value Framework which was piloted in 2012-13. The framework was modified based on the pilot's findings and in 2014 it was applied to infrastructure projects, where appropriate, within the categories of water treatment, waste water treatment, water storage tanks, recreation facilities and recycling facilities.

**Goal 1: By March 31, 2014 the Department of Municipal Affairs will have enhanced measures to obtain optimum value in municipal infrastructure investments.**

**Performance Measure:** Enhanced measures to obtain optimum value in municipal infrastructure investments.

INDICATORS	PROGRESS AND ACCOMPLISHMENTS
Developed framework for obtaining optimum value infrastructure.	In 2011-12, the department developed a draft framework for obtaining optimal value infrastructure. As part of the framework, it was determined that a life cycle analysis would be



	<p>required as part of the project evaluation process for the following types of infrastructure: drinking water treatment systems, water storage tanks, waste water treatment systems and sewage lift stations. It was further determined that, where appropriate, some recreation facilities and solid waste management facilities may also require life cycle analysis. In addition, it was decided that the standard tendering process would still be the best approach for obtaining optimum value for other categories of infrastructure such as roads, water distribution and wastewater collection systems.</p> <p>In 2012-13, the department piloted the draft framework. It was applied to 28 infrastructure projects that had received funding approval. Using the framework, it was determined that six of these projects were suitable for a Request for Proposal Design Build model of procurement.</p> <p>The framework was modified based on an evaluation of the pilot and in 2014 the framework was applied to 23 infrastructure projects within the categories of water treatment, wastewater treatment, water storage tanks, recreation facilities and recycling facilities. Using the framework, it was determined that eight of these projects were suitable for a Request for Proposal Design Build model of procurement.</p>
<p>Implemented policies on life cycle analysis.</p>	<p>In 2011-12, draft policies were developed for each of the infrastructure categories, specifying the criteria for the types of projects which will be subject to life cycle analysis. The policies outline the responsibilities of the municipality, engineering consultant and the department with respect to the life cycle analysis process. These policies were implemented in 2012-13, when the department piloted the draft framework.</p>

<p>Increased number of infrastructure projects utilizing life cycle analysis.</p>	<p>In 2012-13, the first year of implementation, a total of six infrastructure projects utilizing life cycle analysis were approved. Twelve projects utilizing life cycle analysis were approved in 2013-14, four of which did not have the full optimum value framework applied due to the smaller size and scope of these projects. In these instances, a life cycle analysis was conducted either in a study or pre-design stage before tendering.</p>
<p>Assessed all infrastructure projects with optimum value infrastructure framework.</p>	<p>All infrastructure projects between April 1, 2011 and March 31, 2014 were assessed with the optimum value infrastructure framework. The total number of approved projects was 592. Of these, it was determined that the framework applied to a total of 51 infrastructure projects. The remaining 541 projects were approved outside of the five categories of infrastructure which the optimum value framework was applied.</p> <p>The department monitors the effectiveness of the framework as the projects continue to be developed.</p>
<p>Conducted staff training on framework and life cycle analysis.</p>	<p>In 2012, training on the draft optimum value municipal infrastructure framework and life cycle analysis was delivered to departmental staff, including engineering, technical, management and administrative staff.</p> <p>In 2014, departmental staff attended a 'Design Build' workshop delivered by the Design Build Institute of Canada which focused on the policies and processes of the framework and life cycle analysis.</p> <p>On January 29, 2014, the Director of Engineering delivered a presentation to all engineering staff regarding the optimum value municipal infrastructure framework and life cycle analysis.</p>

<p>Conducted initiatives to communicate new municipal infrastructure policy requirements.</p>	<p>A formal presentation regarding the new municipal infrastructure policy requirements was delivered by the department at the Municipalities Newfoundland and Labrador (MNL) Conference in 2013. Over 300 municipal representatives were in attendance. A follow up presentation regarding life cycle costing was also prepared for the May 2014 MNL conference.</p> <p>In addition, circulars were sent to municipalities regarding project timelines in accordance with the new municipal infrastructure policy requirements. This information was also communicated in the department's funding approval letters.</p>
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**2013-14 Objective:** By March 31, 2014 the Department of Municipal Affairs will have applied the optimum value municipal infrastructure framework to all municipal infrastructure projects.

**Performance Measure:** Optimum value municipal infrastructure framework applied to all municipal infrastructure projects.

**Discussion of Results:** Whereas the 2013-14 objective and associated measure states that the framework will be applied to all municipal infrastructure projects, the policy developed for the framework in 2011-12 stated that the framework was to be applied to all municipal infrastructure projects, where appropriate, within the following six selected categories: water treatment, waste water treatment, water storage tanks, recreation facilities and recycling facilities. An evaluation of the pilot framework in 2012-13 determined that applying the framework to sewage lift station projects did not result in any of the projects being directed to the RFP Design-Build procurement model. These projects are typically not complex designs (i.e. less defined engineering specifications) and/or are often a smaller part of a larger infrastructure project. Therefore, the low cost of the project in relation to the high cost of preparing and assessing an RFP Design-Build submission did not warrant further consideration under the framework. As a result, in 2013-14, the department implemented the policy that sewage lift stations will no longer be considered as a category under the framework.

INDICATORS	PROGRESS AND ACCOMPLISHMENTS																												
Total number of funded projects in each of the five selected categories of infrastructure.	In 2013-14, the department applied the optimum value municipal infrastructure framework to 23 infrastructure projects that had received funding approval in each of the five selected categories of infrastructure.																												
Total number of funded projects in each of the five selected categories of infrastructure to which the framework was applied.	<p>Using the framework, it was determined that eight of the 23 projects were suitable for a Request For Proposal (RFP) Design-Build model of procurement. In addition, there were four projects that, due to the relatively small size and particular nature of these projects, did not have the full optimum value framework applied but a life cycle analysis was conducted either in a study or pre-design stage before tendering.</p> <table border="1" data-bbox="613 825 1338 1192"> <thead> <tr> <th data-bbox="620 833 841 884">Infrastructure Category</th> <th data-bbox="841 833 1003 884"># considered</th> <th data-bbox="1003 833 1166 884"># required to be RFP'd</th> <th data-bbox="1166 833 1338 884"># not required through RFP</th> </tr> </thead> <tbody> <tr> <td data-bbox="620 915 841 945">Water Treatment:</td> <td data-bbox="841 915 1003 945">2</td> <td data-bbox="1003 915 1166 945">2</td> <td data-bbox="1166 915 1338 945">0</td> </tr> <tr> <td data-bbox="620 945 841 974">Wastewater Treatment:</td> <td data-bbox="841 945 1003 974">4</td> <td data-bbox="1003 945 1166 974">0</td> <td data-bbox="1166 945 1338 974">4</td> </tr> <tr> <td data-bbox="620 974 841 1003">Water Storage Tanks:</td> <td data-bbox="841 974 1003 1003">4</td> <td data-bbox="1003 974 1166 1003">4</td> <td data-bbox="1166 974 1338 1003">0</td> </tr> <tr> <td data-bbox="620 1003 841 1033">Recreation Facilities:</td> <td data-bbox="841 1003 1003 1033">11</td> <td data-bbox="1003 1003 1166 1033">0</td> <td data-bbox="1166 1003 1338 1033">0</td> </tr> <tr> <td data-bbox="620 1033 841 1062">Recycling Facilities:</td> <td data-bbox="841 1033 1003 1062">2</td> <td data-bbox="1003 1033 1166 1062">2</td> <td data-bbox="1166 1033 1338 1062">0</td> </tr> <tr> <td data-bbox="620 1136 841 1165"><b>Total</b></td> <td data-bbox="841 1136 1003 1165"><b>23</b></td> <td data-bbox="1003 1136 1166 1165"><b>8</b></td> <td data-bbox="1166 1136 1338 1165"><b>4</b></td> </tr> </tbody> </table>	Infrastructure Category	# considered	# required to be RFP'd	# not required through RFP	Water Treatment:	2	2	0	Wastewater Treatment:	4	0	4	Water Storage Tanks:	4	4	0	Recreation Facilities:	11	0	0	Recycling Facilities:	2	2	0	<b>Total</b>	<b>23</b>	<b>8</b>	<b>4</b>
Infrastructure Category	# considered	# required to be RFP'd	# not required through RFP																										
Water Treatment:	2	2	0																										
Wastewater Treatment:	4	0	4																										
Water Storage Tanks:	4	4	0																										
Recreation Facilities:	11	0	0																										
Recycling Facilities:	2	2	0																										
<b>Total</b>	<b>23</b>	<b>8</b>	<b>4</b>																										

## Issue 2: Strong Local Governments

The department supports local governments in their authority to deliver services by setting a framework of provincial laws, policies and procedures that guide their operations. Over time, through experience, education and technology, new and better ways of doing things are discovered that require aspects of the framework to be reviewed and updated so as to continue to strengthen local governments' ability to be effective and efficient.

As part of its 2011-14 Strategic Plan, the department sought to enhance its policies and procedures in order to strengthen support to local governments. In 2011-12, the department conducted a review of its policies and procedures. In 2012-13, the department focused its efforts on developing and revising policies and procedures in select priority areas in an effort to facilitate efficient, transparent services to municipal clients. In 2013-14, where required, the department conducted municipal training on new policies and procedures.

“Local government sustainability” is a strategic direction of the Provincial Government related directly to this area of the department’s mandate. In addition, policies and procedures are critical components for achieving the outcome of “strengthened local government.”

**Goal 2:** By March 31, 2014 the Department of Municipal Affairs will have enhanced policies and procedures to strengthen support to local governments.

**Performance Measure:** Strengthened support to local governments.

INDICATORS	PROGRESS AND ACCOMPLISHMENTS
<p>Enhanced departmental policies and procedures.</p>	<p>The department reviewed policies and procedures associated with a wide range of its programs and services. It was determined that some programs required revisions to existing policies or significant new policy development to facilitate efficient, transparent service to municipal clients. For some programs, enhancements to internal policies and procedures were required; for other programs policy development or updating was required with respect to issues which would have direct impact on stakeholders. Criteria used for identifying policy and procedure priority areas focused primarily on if they were: outdated, redundant, or not currently in existence.</p> <p>As a result of the review, new internal policies and procedures regarding the administration of the following program areas were developed and documented:</p> <ul style="list-style-type: none"> <li>• Gas Tax;</li> <li>• Coat of Arms;</li> <li>• Local Government Grants;</li> <li>• The Great Seal of the Province;</li> <li>• Community Relocation; and</li> <li>• Municipal Long Service Awards.</li> </ul> <p>These policies and procedures were developed in an effort to facilitate efficient and transparent service within the department for the benefit of its stakeholders and clients.</p>

<p>Enhanced local government financial and operational accountability.</p>	<p>Existing policies and procedures regarding the administration of the following program areas were revised and documented in an effort to enhance local government financial and operational accountability:</p> <ul style="list-style-type: none"> <li>• Municipal Operating Grants</li> <li>• Debt Servicing</li> <li>• Applications to Borrow</li> <li>• Public Sector Accounting Board Standards Administration</li> </ul> <p>In addition, new cash statements and gas tax statements were developed for municipalities.</p> <p>For some programs, enhancements to internal policies and procedures were required. For other programs, updating was required with respect to issues which would have direct impact on the department's external clients and stakeholders.</p> <p>These enhancements improved accountability by assisting local governments in their ability to present useful, comprehensive, comparable and consistent financial and operational information. As a result, various stakeholders of local governments are now better able to make informed decisions and the communities themselves are better able to deliver on long-term plans for sustainability and viability while having a wider variety of means and methods to inform and engage the public.</p>
<p>Conducted municipal training.</p>	<p>Since 2011, the department has coordinated communications pertaining to training opportunities to local governments in conjunction with the Municipal Training and Development Corporation's stakeholders. As a result, over 60 municipal training events have been offered on a variety of topics including, but not limited to:</p> <ul style="list-style-type: none"> <li>• legislative requirements;</li> </ul>

	<ul style="list-style-type: none"> <li>• roles and responsibilities;</li> <li>• municipal infrastructure;</li> <li>• budgeting;</li> <li>• sustainability planning;</li> <li>• municipal elections; and</li> <li>• councillor orientation.</li> </ul> <p>In 2012, these municipal training opportunities were made accessible through the department's web site <a href="http://www.ma.gov.nl.ca/ma/training/">http://www.ma.gov.nl.ca/ma/training/</a>. Training circulars were also mailed to all municipalities to increase awareness of the training opportunities and funding assistance available.</p> <p>Other areas of municipal training conducted throughout the 2011-14 planning period included gas tax training sessions, optimum value municipal infrastructure framework and life cycle analysis sessions, infrastructure funding sessions and regional cooperation information sessions. These sessions were delivered to departmental staff and municipal representatives, where applicable.</p>
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**2013-14 Objective:** By March 31, 2014 the Department of Municipal Affairs will have conducted municipal training on new policies and procedures.

**Performance Measure:** Municipal training conducted on new policies and procedures as required.

INDICATORS	PROGRESS AND ACCOMPLISHMENTS
Number of sessions conducted on community relocation, as requested.	Community relocation sessions are conducted by the department on an as requested basis only. As a result, two sessions were conducted in August 2013. These sessions were conducted in the communities of Gaultois and McCallum.

<p>Number of sessions conducted on regional cooperation.</p>	<p>A total of 19 sessions were held with communities throughout the province regarding regional cooperation. These sessions were conducted on an individual and collective basis, where deemed necessary. They are intended to ensure the long term viability of their community and that the provision of local services is in keeping with the community's needs, wants and ability to pay.</p>
<p>Number of sessions conducted on administering Local Government Gas Tax Agreements.</p>	<p>A session on administering Local Gas Tax Agreements was delivered at the Professional Municipal Administrator's conference in April 2013 which was attended by 179 municipal administrators from across the province. The purpose of this session was to provide municipal administrators with advice regarding how to resolve issues relating to compliance, project eligibility, capital investment plans, annual audited expenditure reports, project applications and adjustments, project management and outstanding documents.</p>

### Issue 3: Local Government Sustainability

Many local governments are facing sustainability challenges as a result of decreasing populations and tax revenues coupled with increasing demands for services. The Department of Municipal Affairs recognizes these challenges and therefore the importance of identifying sustainability opportunities available to local governments.

The department developed assessment frameworks on community capacity and regional cooperation to guide informed decision making on sustainability opportunities. Through the development of community capacity and regional cooperation opportunities assessments, the department identifies specific opportunities tailored to community and regional needs and communicate these results to communities. Communities have the option to further explore these opportunities, including working collaboratively with each other to increase the sustainability of local governments.

In general, the Community Capacity Assessments have revealed that many communities are experiencing challenges with changing demographics, retaining council members, cost increases for infrastructure, and cost increases in delivery of municipal services. Regionalization could provide efficiencies of scale, improved delivery of services and local governance, and an increased ability to identify and access government funding programs and undertake regional initiatives.



Individual community assessments are also used to further assess regional cooperation opportunities. For example, many communities do not have the resources to provide firefighting services to their citizens. However, if they pool their resources (volunteers, equipment, training and financial), they may be able to provide the service at a regional level.

Local governments have the option to further explore or develop identified opportunities for local government sustainability. While the department encourages regional efforts, it only becomes involved in regional cooperation discussions when communities express interest and make a written request. For example, in fiscal year 2011-12, the department received a request to complete a feasibility report into the merger of Cottlesville, Summerford and the Local Service District of Virgin Arm-Carter’s Cove-Parkview. An independent feasibility study was subsequently completed and presented to the communities. The department is waiting on a decision from the communities whether they wish to proceed to the next step of the regional cooperation process.

“Local government sustainability” is a strategic government direction related to the department. Community capacity assessments are a critical component for achieving the outcome of “strengthened local governments.”

**Goal 3:** By March 31, 2014 the Department of Municipal Affairs will have identified options for local government sustainability.

**Performance Measure:** Identified options for local government sustainability.

INDICATORS	PROGRESS AND ACCOMPLISHMENTS												
Conducted 130 community capacity assessments.	<p>The department conducted 133 community capacity assessments in all regions of the province, as follows:</p> <table border="1" data-bbox="748 1365 1265 1654"> <thead> <tr> <th data-bbox="755 1371 836 1394">Region</th> <th data-bbox="1057 1371 1230 1394"># of Assessments</th> </tr> </thead> <tbody> <tr> <td data-bbox="755 1419 836 1442">Eastern</td> <td data-bbox="1127 1419 1159 1442">56</td> </tr> <tr> <td data-bbox="755 1455 836 1478">Central</td> <td data-bbox="1127 1455 1159 1478">33</td> </tr> <tr> <td data-bbox="755 1491 836 1514">Western</td> <td data-bbox="1127 1491 1159 1514">26</td> </tr> <tr> <td data-bbox="755 1526 836 1549">Labrador</td> <td data-bbox="1127 1526 1159 1549">18</td> </tr> <tr> <td data-bbox="755 1562 813 1585"><b>Total</b></td> <td data-bbox="1117 1562 1169 1585"><b>133</b></td> </tr> </tbody> </table>	Region	# of Assessments	Eastern	56	Central	33	Western	26	Labrador	18	<b>Total</b>	<b>133</b>
Region	# of Assessments												
Eastern	56												
Central	33												
Western	26												
Labrador	18												
<b>Total</b>	<b>133</b>												
Conducted 40 regional cooperation opportunities assessments.	The department conducted 41 regional cooperation opportunities assessments involving 138 communities.												

	<p>Regional cooperation opportunities assessments are conducted based on various factors such as community capacity assessments, community interest, geographical proximity and the number of communities in a particular region.</p> <table border="1" data-bbox="750 424 1263 730"> <thead> <tr> <th>Region</th> <th># of Assessments</th> <th># of Communities</th> </tr> </thead> <tbody> <tr> <td>Eastern</td> <td>20</td> <td>58</td> </tr> <tr> <td>Central</td> <td>10</td> <td>37</td> </tr> <tr> <td>Western</td> <td>10</td> <td>40</td> </tr> <tr> <td>Labrador</td> <td>1</td> <td>3</td> </tr> <tr> <td><b>Total</b></td> <td><b>41</b></td> <td><b>138</b></td> </tr> </tbody> </table>	Region	# of Assessments	# of Communities	Eastern	20	58	Central	10	37	Western	10	40	Labrador	1	3	<b>Total</b>	<b>41</b>	<b>138</b>
Region	# of Assessments	# of Communities																	
Eastern	20	58																	
Central	10	37																	
Western	10	40																	
Labrador	1	3																	
<b>Total</b>	<b>41</b>	<b>138</b>																	
<p>Number of meetings with communities regarding community capacity assessments and regional cooperation opportunities assessments.</p>	<p>Following analysis of all components of the community capacity assessment, staff advised communities of any issues to be addressed regarding legislative compliance, operational practices, and/or strengthening sustainability, including regional cooperation opportunities.</p> <p>Meetings regarding regional cooperation opportunities were held with communities on an individual and collective basis, where deemed necessary.</p> <p>Meetings were held with communities in 2013-14 to discuss community capacity assessments and/or regional cooperation opportunities, as follows:</p> <table border="1" data-bbox="750 1444 1263 1717"> <thead> <tr> <th>Region</th> <th># of Meetings</th> </tr> </thead> <tbody> <tr> <td>Eastern</td> <td>64</td> </tr> <tr> <td>Central</td> <td>44</td> </tr> <tr> <td>Western</td> <td>11</td> </tr> <tr> <td>Labrador</td> <td>2</td> </tr> <tr> <td><b>Total</b></td> <td><b>121</b></td> </tr> </tbody> </table> <p>In addition to meetings, staff consulted regularly with community representatives by phone, fax and email to collect data and address issues associated with the assessments.</p>	Region	# of Meetings	Eastern	64	Central	44	Western	11	Labrador	2	<b>Total</b>	<b>121</b>						
Region	# of Meetings																		
Eastern	64																		
Central	44																		
Western	11																		
Labrador	2																		
<b>Total</b>	<b>121</b>																		

**2013-14 Objective:** By March 31, 2014 the Department of Municipal Affairs will have identified local government sustainability opportunities by undertaking an additional 50 community capacity assessments, 15 regional cooperation opportunities assessments, and meeting with communities to discuss opportunities.

**Performance Measure:** Identified local government sustainability opportunities.

INDICATORS	PROGRESS AND ACCOMPLISHMENTS																		
Completed 50 community capacity assessments.	<p>The department conducted 53 community capacity assessments in all regions of the province.</p> <table border="1" data-bbox="756 690 1273 984"> <thead> <tr> <th>Region</th> <th># of Assessments</th> </tr> </thead> <tbody> <tr> <td>Eastern</td> <td>22</td> </tr> <tr> <td>Central</td> <td>15</td> </tr> <tr> <td>Western</td> <td>2</td> </tr> <tr> <td>Labrador</td> <td>14</td> </tr> <tr> <td><b>Total</b></td> <td><b>53</b></td> </tr> </tbody> </table>	Region	# of Assessments	Eastern	22	Central	15	Western	2	Labrador	14	<b>Total</b>	<b>53</b>						
Region	# of Assessments																		
Eastern	22																		
Central	15																		
Western	2																		
Labrador	14																		
<b>Total</b>	<b>53</b>																		
Completed 15 regional cooperation opportunities assessments.	<p>The department conducted 16 regional cooperation opportunities assessments involving a total of 50 communities.</p> <table border="1" data-bbox="756 1207 1273 1514"> <thead> <tr> <th>Region</th> <th># of Assessments</th> <th># of Communities</th> </tr> </thead> <tbody> <tr> <td>Eastern</td> <td>7</td> <td>20</td> </tr> <tr> <td>Central</td> <td>4</td> <td>14</td> </tr> <tr> <td>Western</td> <td>4</td> <td>14</td> </tr> <tr> <td>Labrador</td> <td>1</td> <td>2</td> </tr> <tr> <td><b>Total</b></td> <td><b>16</b></td> <td><b>50</b></td> </tr> </tbody> </table>	Region	# of Assessments	# of Communities	Eastern	7	20	Central	4	14	Western	4	14	Labrador	1	2	<b>Total</b>	<b>16</b>	<b>50</b>
Region	# of Assessments	# of Communities																	
Eastern	7	20																	
Central	4	14																	
Western	4	14																	
Labrador	1	2																	
<b>Total</b>	<b>16</b>	<b>50</b>																	
Number of meetings with communities regarding community capacity assessments and regional cooperation opportunities assessments.	Meetings were held with communities to discuss community capacity assessments and/or regional cooperation opportunities as follows:																		

Region	# of Meetings
Eastern	29
Central	16
Western	0
Labrador	0
<b>Total</b>	<b>45</b>

In addition to formal meetings, staff consulted regularly with community representatives by phone, fax and email to collect data and address issues associated with the assessments. For example, 32 phone calls were recorded in the Western region and eight were recorded in Labrador.

Meetings regarding regional cooperation opportunities were held with communities on an individual and collective basis, where deemed necessary.

Following analysis of all components of the community capacity assessment, staff advised communities of any issues to be addressed regarding legislative compliance, operational practices, and/or strengthening sustainability, including regional cooperation opportunities.

## Opportunities and Challenges Ahead

There are many opportunities and challenges ahead as the Department of Municipal and Intergovernmental Affairs moves forward with addressing the needs of municipalities and advancing the interests of the province in Confederation and abroad. In particular, the department has developed a new Strategic Plan for 2014-17 which will focus on key issues affecting municipalities and the province's intergovernmental interests over the next three years.

With respect to the municipal affairs branch of the department, the following highlights a number of opportunities and challenges for the upcoming year.

Maintaining and replacing aging infrastructure is a challenge for many communities. While Government has continued to make strategic infrastructure investments, the average age of our infrastructure is steadily increasing. New and evolving environmental standards, climate and weather changes, shifting population levels, as well as increasing infrastructure costs are also creating infrastructure challenges for many communities in the province. The department is committed to assisting all communities to meet the needs of their residents in the most efficient and effective way possible. For example, as part of Budget 2014, the Provincial Government will provide funding to communities throughout Newfoundland and Labrador through a new three-year \$200 million capital works program.

Through the federal Gas Tax Fund, municipalities and Inuit Community Governments across Newfoundland and Labrador continue to build, renew and upgrade infrastructure to make communities better places for residents and families. A new Gas Tax Fund agreement, worth in excess of over \$155 over the next five years will allow communities to continue to identify key projects each year, which will deliver real and tangible benefits to residents. The new agreement expands eligible categories to include sports, recreational, cultural and tourism infrastructure, as well as disaster mitigation which will broaden the benefits of municipalities from this funding. In addition, through this agreement, the province will continue to support the ongoing work of the Newfoundland and Labrador Provincial Waste Management Strategy.

The department, in consultation with Municipalities Newfoundland and Labrador, also continues to review the provincial-municipal fiscal framework to identify and recommend options to change the way services are delivered, paid for, and shared, to better position local governments in Newfoundland and Labrador to meet the needs of citizens now and into the future. The objective of the review is to determine a fair and sustainable fiscal framework that is suitable for all local governments. A significant component of this review is the consultation process. With phase one of the consultation process now complete, phase two will occur throughout 2014-15. These consultations will target stakeholders involved in municipal service delivery such as economic development, recreation, waste collection/disposal, environmental protection, infrastructure, firefighting, bylaw enforcement and land-use planning. The review will incorporate opportunities to enhance

collaboration and the sharing of regional services in order to achieve economies of scale and provide an appropriate level of service to residents.

The department will also continue to deliver new regional projects and provide assistance to communities and organizations as they deliver programs and services to residents. We are committed to building communities with viable, sustainable municipal services led by strong local governments and look forward to working with municipal councils, community leaders and other stakeholders to make this vision a reality.

## Appendix A: Statutory Acts

In fiscal year 2013-14, the Minister of Municipal Affairs was responsible for the following legislation:

- *Assessment Act, 2006*
- *Building Standards Act*
- *City of Mount Pearl Act*
- *Coat of Arms Act*
- *Crown Corporations Local Taxation Act*
- *Evacuated Communities Act*
- *Fire Protection Services Act*
- *Floral Emblem Act*
- *Housing Association Loans Act*
- *Mineral Emblem Act*
- *Municipal Authorities Amendment Act, 1991*
- *Municipalities Act, 1999*
- *Provincial Flag Act*
- *Remembrance Day Act*
- *St. John's Centennial Foundation Act*
- *Standard Time Act*
- *Taxation of Utilities and Cable Television Companies Act*
- *Avian Emblem Act*
- *City of Corner Brook Act*
- *City of St. John's Act*
- *Commemoration Day Act*
- *Emergency Services Act*
- *Family Homes Expropriation Act*
- *Firefighter's Protection Act*
- *Housing Act*
- *Labrador Act*
- *Municipal Affairs Act*
- *Municipal Elections Act*
- *Provincial Anthem Act*
- *Regional Service Boards Act, 2012*
- *City of St. John's Municipal Taxation Act*
- *St. John's Municipal Council Parks Act*
- *Urban and Rural Planning Act, 2000*

## Appendix B: Financial Statements

### Unaudited

#### Annual Report for Municipal Affairs 2013-14\*

	<u>Estimates</u>	<u>Expenditure</u>
<b>Executive and Support Services</b>		
Minister's Office: 1.1.01	\$299,200	\$393,080
Executive Support: 1.2.01	\$904,800	\$891,858
Administrative Support: 1.2.02	\$235,700	\$201,258
Less Provincial Revenue	\$ (5,000)	\$(19,597)
Strategic Financial Management: 1.2.03	\$1,162,800	\$987,869
Administrative Support - Capital: 1.2.04	\$20,000	\$29,595
<b>Total Executive and Support Services</b>	<b>\$2,617,500</b>	<b>\$2,484,063</b>
<b>Services to Municipalities</b>		
Regional Support: 2.1.01	\$1,730,200	\$1,864,410
Less Provincial Revenue	\$(169,000)	\$(160,000)
Municipal Finance: 2.1.02	\$412,800	\$408,446
Policy and Strategic Planning: 2.2.01	\$617,400	\$792,445
Engineering Services: 2.3.01	\$ 725,000	\$655,780
Less Provincial revenue	\$ (4,000)	(1,100)
Industrial Water Services: 2.3.02	\$ 782,800	\$774,206
Less Provincial Revenue	\$(714,300)	\$(890,473)
Urban and Rural Planning: 2.3.03	\$638,300	\$721,913
Less Provincial Revenue	\$(5,200)	\$(7,807)
<b>Total Services to Municipalities</b>	<b>\$4,014,000</b>	<b>\$4,157,820</b>
<b>Assistance and Infrastructure</b>		
Municipal Debt Servicing: 3.1.01	\$6,529,000	\$6,160,946
Municipal Debt Servicing – Principal: 3.1.02	\$22,267,100	\$22,050,635
Municipal Operating Grants: 3.1.03	\$16,020,000	\$16,240,105
Special Assistance: 3.1.04	\$1,200,000	\$2,940,126



Community Enhancement: 3.1.05	\$6,172,800	\$5,858,865
Municipal Infrastructure – Capital: 3.2.01	\$114,297,200	\$92,368,683
Federal/Provincial Infrastructure Programs – Capital 3.2.02	\$39,268,300	\$31,837,573
Less Federal Revenue	\$(6,673,200)	\$(4,602,462)
Canada/NL Gas Tax Program – Capital: 3.2.03	\$33,089,000	\$23,217,861
Less Federal Revenue	\$(31,166,000)	\$(31,166,000)
<b>Total Assistance and Infrastructure</b>	<b>\$201,004,200</b>	<b>\$164,906,332</b>
<b>Total Department</b>	<b>\$207,635,700</b>	<b>\$171,548,215</b>

*\* Expenditure and revenue figures included in this document are un-audited and based on public information provided in the Report on the Program Expenditures and Revenues of the Consolidated Revenue Fund for the Year ended 31 March 2014. Audited financial statements are a requirement at the government level and are made public through the Public Accounts process; however the Department of Municipal Affairs is not required to provide a separate audited financial statement.*

## Appendix C: Ministerial Entities

In fiscal year 2013-14, the Minister of Municipal Affairs was accountable for eight public entities that plan and report in accordance with the *Transparency and Accountability Act*. These were as follows:

- Fire and Emergency Services – Newfoundland and Labrador (FES-NL);
- Municipal Assessment Agency (MAA);
- Central Regional Service Board;
- Northern Peninsula Regional Service Board;
- Eastern Newfoundland Regional Appeal Board;
- Central Newfoundland Regional Appeal Board;
- West Newfoundland Regional Appeal Board; and
- Northeast Avalon Regional (NEAR) Plan Leadership Committee.

Both FES-NL and MAA are considered category two entities as defined by the *Transparency and Accountability Act*. These entities report independently to the minister. As such, each entity prepares an independent annual business report and a three-year business plan. The Central Regional Service Board and the Northern Peninsula Regional Service Board are considered category two entities as defined by the *Transparency and Accountability Act* and each prepares an annual business report and a three-year business plan.

Finally, the Eastern, Central and West Newfoundland Regional Appeal Boards as well as the NEAR Plan Leadership Committee are considered category three entities as defined by the *Transparency and Accountability Act* and each prepares an annual activity report and a three-year activity plan.

The Northeast Avalon Region (NEAR) Plan Leadership Committee did not meet in 2013-14 and therefore did not prepare an Annual Activity Report for this fiscal year. Throughout the 2011-14 planning period, members of the committee held widely divergent views on the fundamental goals and principles regarding the development of a regional plan and therefore were unable to meet their intended goals and objectives. In January 2014, a new committee was established to oversee the development of a regional plan for the northeast Avalon region that will meet the current and future needs of municipalities and the citizens of the region. Based on lessons learned from the previous process, the NEAR Plan Oversight Committee was established with a revised committee structure and terms of reference. The revised committee is comprised of mayors from each of the region's 15 municipalities and is chaired by the Minister of Municipal and Intergovernmental Affairs. In addition, the committee is supported by Municipalities Newfoundland and Labrador, serving in the capacity of project management lead.

As a categorized entity under the *Transparency and Accountability Act*, the NEAR Plan Oversight Committee tabled its first Activity Plan on June 30, 2014 and will report on its progress annually.

FES-NL's tabled plans and reports are available online at:

[www.gov.nl.ca/fes/publications/](http://www.gov.nl.ca/fes/publications/)

Tabled plans and reports of the remaining entities are available online at:

<http://www.miga.gov.nl.ca/publications/>