

# Municipal Affairs

Annual  
Report  
2015-16  
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**2016**

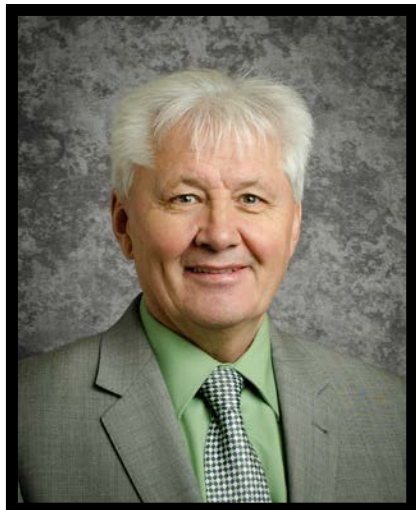
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## Message from the Minister



It is my pleasure to present the 2015-16 annual performance report for the Department of Municipal Affairs. This report was prepared in accordance with the *Transparency and Accountability Act* requirements for a category one government entity.

Due to departmental restructuring in December 2015, the Department of Municipal and Intergovernmental Affairs was dissolved, resulting in the separation of the Department of Municipal Affairs and the Intergovernmental Affairs Secretariat into individual entities. The Vision, Mission, Mandate, Lines of Business and report on performance presented in this report reflects the recent realignment of services.

The department's 2014-2017 Strategic Plan focuses on municipal capacity building and municipal service delivery. My signature below is indicative of my accountability for the reported results in these focus areas.

I would like to acknowledge the efforts of departmental staff and our community partners in accomplishing this year's objectives.

In August 2016, government announced that Fire and Emergency Services-Newfoundland and Labrador (FESNL) will become part of the Department of Municipal Affairs. Moving forward to 2016-17, the Department of Municipal Affairs will include in their annual reporting, FESNL's performance in meeting their objectives.

Sincerely,

Eddie Joyce  
Minister

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## Departmental Overview

The Department of Municipal Affairs provides programs and services that contribute to the overall governance and sustainability of the province's communities. The department supports municipalities in their delivery of efficient and effective municipal services by providing financial and administrative tools to increase community capacity, regional cooperation, and sound municipal governance. The department is responsible for the lease, licence, grant, reservation and protection of Crown, public and other lands.

Due to departmental restructuring in December 2015, the Department of Municipal and Intergovernmental Affairs was dissolved, resulting in the separation of the Department of Municipal Affairs and the Intergovernmental Affairs Secretariat into individual entities. The Vision, Mission, Mandate, Lines of Business and report on performance presented in this report reflects the recent realignment of services.

### Mandate

The mandate of the department is derived from the Department of Municipal and Provincial Affairs Notice, 2003, under the Executive Council Act, and is informed by the legislation set out in the schedule which outlines the powers, duties and functions of the minister, who is also appointed Registrar General. Appendix A provides a list of legislation for which the department is directly responsible.

### Vision

The vision of the Department of Municipal Affairs is of sustainable communities led by strong local governments.

### Mission

The mission statement identifies the priority focus area of the minister over two planning cycles. It represents the key longer-term result that the minister and the department will be working towards. The department's mission is:

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

## Lines of Business

Lines of business are the major programs, products or services provided to our primary clients. The department has four main lines of business.

### 1. Municipal Support

The Municipal Support Branch is responsible for local governance policy and strategic planning issues including financial supports to local governments, training and advice to municipalities on legislative and administrative matters, and supporting regional cooperation initiatives. The department supports strong local government through:

#### **Municipal Finance Support:**

- Administering grants and subsidies for community infrastructure and municipal operations;

#### **Regional Offices:**

- Examining local governments' financial operations;
- Monitoring financial position and projected financial capacity;
- Providing operational support;
- Conducting reviews of municipal administrative matters;

#### **Local Governance:**

- Providing training opportunities to elected and administrative officials;
- Providing assistance in the development of municipal by-laws;
- Supporting local government officials;
- Participating in inter-provincial policy development and knowledge sharing;

#### **Regional Cooperation:**

- Supporting regional cooperation initiatives; and
- Supporting the formulation and administration of regional approaches to service delivery

### 2. Municipal Infrastructure and Engineering Services

The Municipal Infrastructure and Engineering Services Branch assesses infrastructure needs, funds municipal infrastructure projects, and implements the Provincial Solid Waste Management Strategy.

#### **Engineering:**

- Provides professional engineering, administrative, and technical support services

to facilitate the provision of sustainable, suitable and affordable municipal infrastructure in a manner that will result in greater autonomy for communities;

- Negotiates and manages federal-provincial agreements for municipal infrastructure funding; and
- Invests in clean and safe drinking water projects.

**Waste Management:**

- Leads the implementation of the Provincial Solid Waste Management Strategy;
- Works closely with other government partners, such as the Department of Environment and Conservation, Service NL, and the Multi-Materials Stewardship Board (MMSB);
- Works with local governments to find sustainable waste management solutions;
- Invests in waste management infrastructure; and
- Provides administration and engineering oversight of waste management infrastructure.

### 3. Lands

The department is responsible for the administration and management of the province's Crown lands resource and land use planning.

**Crown Lands Administration:**

- Manages and allocates the province's Crown lands resource in an environmentally responsible manner to meet the social and economic development needs of the public and private sectors.

**Land Management:**

- Develops and administers provincial Crown lands policy and provides support to other divisions and departments in government with respect to Crown lands management;
- Implements the provincial Cottage Lot Development Program;
- Administers the Land Use Atlas geographic information system, the internal repository for Provincial Government land use and jurisdictional information;
- Coordinates the Interdepartmental Land Use Committee (ILUC), which is the internal referral and review committee for government administered or sponsored projects;
- Provides a land valuation service to ensure fair market value sales of Crown lands; and
- Administers community infilling limits which limit development on provincial

highways to preserve their function as safe and efficient conveyors of traffic.

**Surveys and Mapping:**

- Coordinates the provincial geomatics strategy and facilitates integration of geo-spatial data by providing standard services in topographic mapping, geodetic surveys, aerial photography, and geographical names.

**Land Use Planning:**

- Administers the *Urban and Rural Planning Act, 2000*, and related sections of the *Municipalities Act, 1999* with respect to:
  - The review and registration of municipal planning documents;
  - The development of provincial zoning plans and associated amendments;
  - Maintenance of the official registry for plans and regulations; and
  - Provision of advice and support to government on matters related to land use planning, municipal planning, expropriations by municipal councils, purchase notices, etc.

#### 4. Corporate Services and Policy

The Corporate Services and Policy Branch is responsible for departmental policy and strategic planning including corporate planning and policy development, information management and access to information requests. The branch is also responsible for financial management to five departments and two agencies. Employment Support Programs were part of this branch in 2015 including the coordination of interdepartmental efforts to develop and deliver services to workers of fish plants designated by government as closed.

**Employment Support:**

The employment support section works with local, community-based sponsors to create short-term employment initiatives that provide enduring benefits to communities.

**Policy:**

The policy section develops policy and strategic planning initiatives, which aid the department in realizing its vision of communities with viable sustainable municipal services led by strong local governments.

**Strategic Financial Management:**

The strategic financial management section functions as a shared service providing financial management and general operations services to the following departments and agencies:

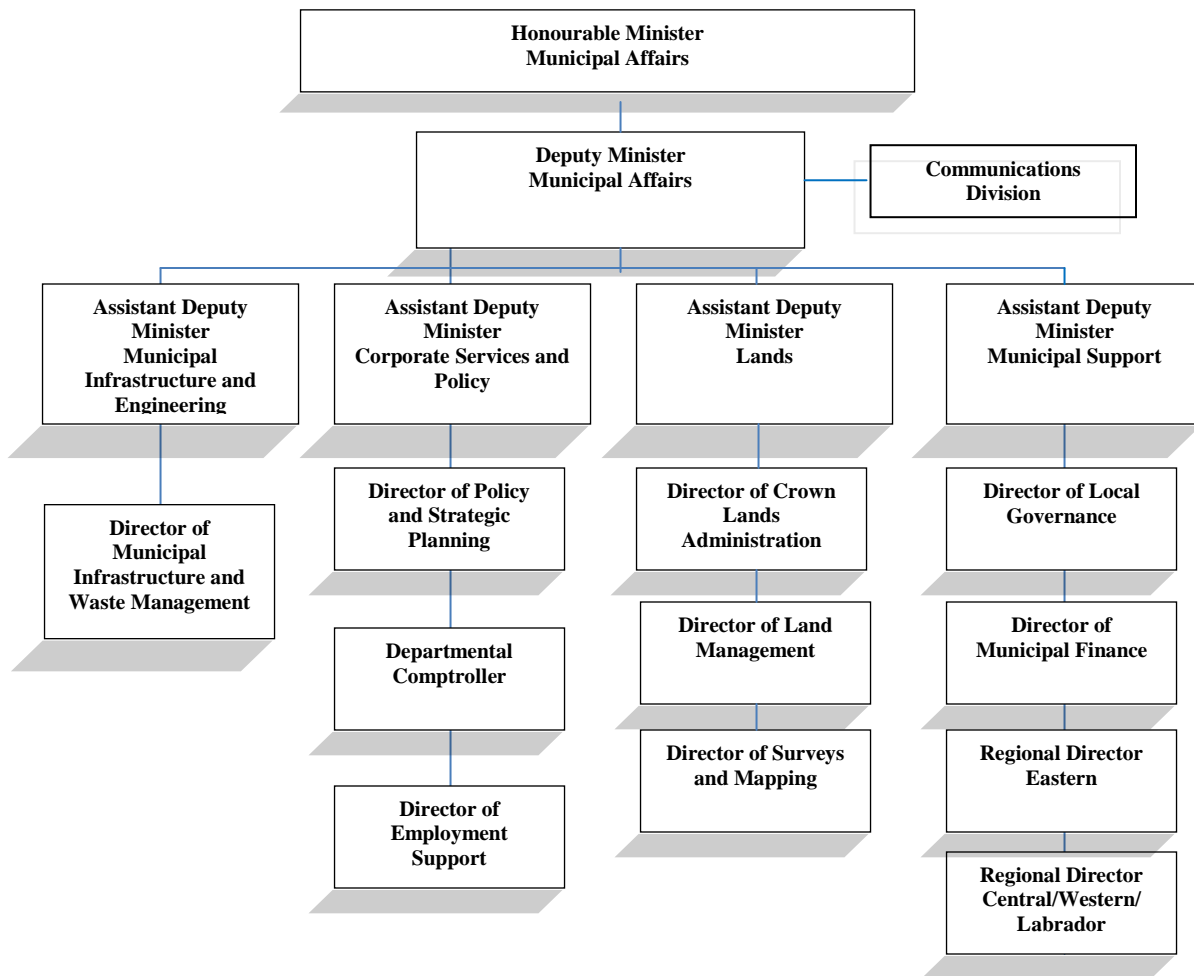


- Municipal Affairs;
- Service NL;
- Business, Tourism, Culture and Rural Development;
- Environment and Conservation;
- Seniors, Wellness and Social Development;
- Labour Relations Agency; and
- Government Purchasing Agency.

## Organizational Structure

In 2015-16, the department delivered its lines of business through four branches: Municipal Support, Municipal Infrastructure and Engineering, Lands, Corporate Services and Policy and Policy

In 2015-16, the minister was accountable for 8 public entities that plan and report in accordance with the *Transparency and Accountability Act*. In 2014-15 the minister was accountable for fourteen entities however as of April 2015, board members of regional service boards are no longer appointed by government and therefore the 6 regional service boards responsible to the minister are no longer entities under the *Act*.



## Budget and Expenditures

The department's approved budget for 2015-16 was \$245.4 million. Approximately \$227.8 million or 92.9 per cent was budgeted for financial assistance to municipalities through such programs as financial support for municipal infrastructure development, gas tax, municipal operating grants, and special assistance. Another \$15 million was directed to expenditures in salaries and operating costs to deliver programs and services, and \$2.5 million was directed to expenditures under Intergovernmental Affairs (prior to restructuring). The department's 2015-16 budget included federal revenues of \$35.4 million and provincial revenues of \$6.7 million, resulting in net provincial expenditures of \$203.3 million.

The department's complete financial statements are provided in Appendix B.

## Staff Complement

As of March 31, 2016, the department payroll statistics indicate the department had 183 employees (78 women and 105 men). This also included 15 financial management positions that provided support to four other government departments and two agencies.

The department's headquarters is located in St. John's and regional offices are located across the province.

Location	Staff Complement
St. John's – Confederation and Howley Buildings	136
Clareville	2
Gander	16
Grand Falls-Windsor	2
Corner Brook	17
Happy Valley – Goose Bay	10
<b>Total</b>	<b>183</b>

## Shared Commitments

The department collaborated with other provincial departments and established positive ongoing relationships with community stakeholders to improve policies, services and programs. Examples of 2015-16 collaborative efforts are as follows.

Joint Municipal Infrastructure Committee – Through membership on the committee the department collaborated with Municipalities Newfoundland and Labrador (MNL), Professional Municipal Administrators (PMA), the Heavy Civil Association of NL, the Consulting Engineers of Newfoundland and Labrador (CENL), and a representative municipality, the Town of Paradise. The committee supported the sustainability of municipalities through maximizing infrastructure value in relation to cost. In 2015-16, the Committee contributed to:

- Reviewing the master technical specifications used for water/wastewater, sewer and roads tenders / construction projects;
- Implementing a more robust financial assessment of infrastructure projects that allows for infrastructure solutions to be selected based on operating and maintenance costs as well as construction costs; and
- Improving project delivery timelines.

The department collaborated with the Department of Environment and Conservation to implement initiatives around infrastructure for solid waste management and clean, safe drinking water. Through the Community Sustainability Partnership both departments worked with regional service boards and municipalities to pilot the services of regional water/wastewater operators and engaged a consultant to focus exclusively on solutions to reduce the number of boil water advisories.

The department collaborated with the Departments of Health and Community Services, and Seniors Wellness and Social Development to provide municipal recreational infrastructure and program grants.

The department collaborated with the PMA to organize consultations on the Community Sustainability Partnership's blended commercial realty tax initiative.

In 2015-16, the department partnered with MNL and the Municipal Assessment Agency (MAA) to begin a review of the *Assessment Act 2006*. This review is an identified priority in the December 2015 mandate letter of the Minister of Municipal Affairs. The review,

expected to continue into the 2016-17 fiscal year, is focusing on the timing of assessments, assessment criteria and implementation of the associated mil rate.

As directed by the December 2015, Minister's Mandate Letter, the minister, in collaboration with his colleagues, began the task of organizing an annual Premier's Forum on Local Government where community leaders will be invited to discuss issues of concern to their municipalities. This work will be undertaken in conjunction with Municipalities NL and the Combined Councils of Labrador. The department also engaged the PMA, and the Office of Public Engagement in preparing for the Premier's Forum on Local Government which is to be held in this province in 2016. This forum is an invitation to community leaders to come together to discuss issues of concern with departmental officials.

The department partnered with PMA to provide training to municipal elected officials and staff. This ongoing initiative is an important component of enhancing municipal capacity. In 2015-16, training covered issues such as: handling cash, conducting effective council meetings, conflict of interest, councilor orientation, municipal budgeting, public tendering and municipal legislation.

The department partnered with regional service boards, communities, and waste disposal committees to advance the objectives of the Solid Waste Management Strategy. In 2015-16, the department developed tendering specifications for infrastructure, financed planning and infrastructure, and liaised with other departments (e.g. Environment and Conservation and Service NL) and industry experts (e.g. engineers, contractors and suppliers) to ensure communities attained the most appropriate systems to meet their requirements. These efforts advanced the strategy in the following ways:

- The Eastern Regional Service Board completed construction of the Clarenville Transfer Station and operations began in January 2016. As well, planning and design work for the construction of the Whitbourne Waste Recovery Facility was underway;
- The Discovery Regional Service Board continued planning for consolidated collection within their region;
- The Burin Peninsula Regional Service Board operationally closed the remaining six local waste sites. As of July 1, 2015 the board began waste collection for the entire region and operated one local landfill site at Jean De Baie;
- The Western Regional Service Board awarded the contract for construction of the regional waste management infrastructure;

- The department continued to work with the Labrador Straits Committee to complete the required environmental assessments for the development of a new landfill site for the region; and
- The department worked with the Labrador North Coast Committee to develop a request for proposals (RFP) to complete a study of solid waste management options for the North Coast.

## Highlights and Accomplishments

Support for municipal governments is evident through the department's municipal infrastructure funding programs, advancement of the Provincial Solid Waste Management Strategy, and the implementation of the Community Sustainability Partnership (CSP). The department strengthens municipal capacity through technical and training supports related to these initiatives as well. Further details about the department's achievements in key program areas are outlined below.

### **MUNICIPAL/COMMUNITY INFRASTRUCTURE**

Investing in infrastructure promotes economic development and supports the provincial economy. The department partners with the federal and municipal governments to identify and to cost share priority infrastructure. Typical capital works projects include water/wastewater treatment, roads, recreational facilities and various community initiatives.

In 2015-16, the department received approximately 350 applications for the New Building Canada Fund (federal program) and the Municipal Capital Works Program (provincial program). The department assessed these applications and submitted approximately 70 projects to Infrastructure Canada for approval for federal funds.

For every dollar municipalities invest in infrastructure, the Provincial Government invests between \$1.50 and \$6.60, depending on a municipality's population. Lower contributions for municipalities make infrastructure more affordable for them and easier to finance their share.

In 2015-16, there were approximately 700 projects at various stages of completion in communities throughout Newfoundland and Labrador where the department was a

funding partner. In 2015-16, the Provincial Government made a financial contribution of over \$130 million to municipal infrastructure projects.

## **PROVINCIAL SOLID WASTE MANAGEMENT**

The Department of Municipal Affairs continues to be key partner in the implementation of the Provincial Solid Waste Management Strategy (PSWMS) that was released in April 2002. In 2015-16, the department worked with community representatives to assist in the development of regional waste management plans and regional governance. The Coast of Bays Regional Service Board was established to begin planning for the construction and operation of regional waste management services. In the Baie Verte/Green Bay area a regional committee worked to develop long-term waste management plans and has recommended a governance structure for the region.

Other accomplishments of the PSWMS as of March 31, 2016 include:

- Approximately two-thirds of the province's population is disposing waste in one of two lined landfills with leachate collection and almost 65 per cent of the population has access to recycling facilities;
- All teepee incinerators identified in the strategy are now closed, and 84 per cent of open burning activity has been eliminated;
- The waste diversion rate has increased from seven per cent in 1992 to 27 per cent in 2013; and
- One hundred sixty disposal sites have been closed representing a 68 per cent reduction in the number of disposal sites relative to 2002, which is significant progress towards the strategy's goal of 80 per cent disposal site closure.

## **THE COMMUNITY SUSTAINABILITY PARTNERSHIP**

Partnership initiatives support all regions of the province, especially rural communities, as they develop social and economic activities and initiatives to support, maintain and grow their communities. The department conducted a review of the provincial- municipal fiscal framework which led to the creation of a Community Sustainability Partnership (CSP) in 2015. The CSP signified an investment from the Provincial Government of over \$46 million in additional funding to communities over three years. This partnership is more than just fiscal in nature; it enhances supports to communities and strengthens the social and economic fabric of our regions.

There has been significant progress on several key initiatives under the CSP in 2015-16 including:

- Appointment of members to an advisory committee to explore regional governance models;
- Notification of all municipalities of a Crown lands reserves initiative, which provides municipalities with the ability to reserve Crown lands for social and economic development purposes for a five-year period;
- Provision of funding for three regional service boards to engage regional water/wastewater operators. These operators worked with a pilot group of communities to address their water/wastewater infrastructure operations and monitoring challenges. To further assist communities in the area of clean and safe drinking water, a consultant was engaged in fiscal year 2015-16 to focus exclusively on solutions to reduce the number of boil water advisories. While boil water advisories are necessary to reduce the risk of water contamination and protect residents, many can be eliminated through proper operation and maintenance of water disinfection systems already owned by those communities. This initiative provided needed guidance to help communities identify the steps required to lift a boil water advisory;
- Completion of consultations regarding the potential expansion of the authority for municipalities to allow for blending of business and realty taxes; and
- Introduction of new accountability measures for municipalities to access municipal operating grants and the provincial gas tax revenues. These include submission of a summary of the municipality's taxes receivable balances to the Department of Municipal Affairs, along with a plan to adequately collect taxes receivable. Municipalities must also maintain own source revenue levels on a per capita basis.

## **EMPLOYMENT SUPPORT**

The department worked with local, community-based sponsors to create short-term employment initiatives that provide long-term benefits to communities. In 2015-16, the department delivered an employment support program that served nearly 1,400 workers in rural communities who were facing significant employment challenges. These individuals worked on approximately 231 different projects, with a total cost of \$5.7 million.



## **THE LANDS ACT REVIEW**

In 2015-16, the department initiated and completed a review of the *Lands Act*, which guides the management and allocation of the province's Crown lands. The purpose of the review was to develop informed recommendations on how to modernize the *Act* and make the Crown lands application process simpler and the service delivery model more effective.

In June 2015, the department released the *Lands Act* review "What We Heard" document [http://www.ma.gov.nl.ca/lands/pdf/what\\_we\\_heard.pdf](http://www.ma.gov.nl.ca/lands/pdf/what_we_heard.pdf). Consultations were led by a review committee consisting of individuals with considerable knowledge, experience and education in the areas of law, policy and process improvement. The Office of Public Engagement facilitated the *Lands Act* Review consultation sessions.

Over 170 participants attended the province-wide consultation sessions, including residents and individuals representing a variety of industries and organizations such as agriculture, tourism, municipal government and the business community. The department also received 20 responses to the online discussion guide as well as over 45 written submissions.

A legislative and business process jurisdictional scan was completed including the provinces of Nova Scotia, New Brunswick, Ontario, Manitoba, Saskatchewan and Alberta. The completed *Lands Act* review document was posted on the department's website in October 2015 [http://www.ma.gov.nl.ca/lands/lands\\_act/lands\\_act\\_review.pdf](http://www.ma.gov.nl.ca/lands/lands_act/lands_act_review.pdf).

## Report on Performance

The department's 2014-2017 Strategic Plan identifies three priority issues; however, only Municipal Capacity Building and Municipal Service Delivery will be reported on by the Department of Municipal Affairs. The remaining strategic issue of Advancing the Province's Interests will be reported on separately by the Intergovernmental Affairs Secretariat.

This annual report compares the 2015-2016 objectives, for both priority issues, against the department's activities. Each objective has a measure and a series of indicators that if met, indicate that the objective has been successfully achieved.

### Issue 1: Municipal Capacity Building

Municipal capacity refers to the efforts and activities that improve and enhance a municipality's ability to govern and sustain it over time. In 2015-16, the department initiated activities toward strengthening municipal capacity. For example, Budget 2015 saw significant enhanced funding to communities, provided training opportunities, increased the availability of Crown lands for economic development, and funded three regional service boards to hire regional water/wastewater operators. Details of these and other initiatives are provided below.

**GOAL 1:** By March 31, 2017, the Department of Municipal Affairs will have strengthened municipal capacity to enable healthy, safe and sustainable communities.

**2015-16 Objective:** By March 31, 2016 the Department of Municipal Affairs will have continued to undertake activities to strengthen municipal capacity to enable healthy, safe and sustainable communities.

**Performance Measure:** Continued to undertake activities to strengthen municipal capacity

INDICATORS	PROGRESS AND ACCOMPLISHMENTS
Enhanced Municipal Training Initiatives	<p>The department worked with both PMA and MNL in 2015-16 to offer training and information sessions at their regional meetings and annual conferences.</p> <p>In fiscal year 2015-2016, MA delivered 30 sessions on seven distinct topics, in 12 distinct locations across the province, with</p>

	<p>a total of 549 people attending.</p> <p>By way of comparison, in fiscal year 2014-2015, MA delivered eight training sessions on two distinct topics, in eight distinct locations across the province, with a total of 85 people attending.</p>
<p>Provided enhanced funding supports to communities.</p>	<p>In 2015, a new Community Sustainability Partnership (CSP) was established that includes an additional investment of over \$46 million over the next three years to assist communities in ensuring they can provide quality services to the residents and businesses of Newfoundland and Labrador.</p> <p>These investments included a partial rebate of the provincial portion of the Harmonized Sales Tax (HST), the sharing of provincial gas tax revenues, a three-year commitment to municipal operating grants at the level of \$22 million annually, and funding for a pilot project for regional water /wastewater operators.</p>
<p>Implemented utilization of provisions in the <i>Lands Act</i> to assist municipalities in acquiring Crown lands.</p>	<p>In 2015-16, the department utilized a provision in the <i>Lands Act</i> to change practice with regards to the granting of Crown lands to municipalities for the purposes of economic development. As part of the CSP, the department allows municipalities to reserve Crown land. Under the reserve option, municipalities pay market value but they can purchase parcels of Crown lands within the reserve area in phases over a five-year period as demand and the towns' finances warrant.</p> <p>This new practice is anticipated to result in less regulatory requirements as the application process for subsequent grants to individual parcels (phases) of land within the approved reserve would not require further referrals.</p>
<p>Established accountability measures to ensure municipalities maximize revenue levels.</p>	<p>The CSP introduced new accountability measures for municipalities to access municipal operating grants and the provincial gas tax revenues. As of 2015-16, communities seeking access to municipal operating grants and the provincial gas tax revenues, must:</p> <ol style="list-style-type: none"> <li>1. Submit a summary of its tax receivable balances to the department along with a plan to adequately collect those tax receivables, and</li> <li>2. Have maintained their own sources of revenue levels on a per capita basis.</li> </ol> <p>Municipalities identified for the water/wastewater initiative must participate.</p>
<p>Supported three regional service boards to engage regional water and waste water operators.</p>	<p>The Provincial Government committed to invest approximately \$1 million over a 3.5 year period beginning October 1, 2015, to March 31, 2019, to provide funding for three regional service boards (Eastern, Central and Western) to engage regional</p>

	<p>water/wastewater operators.</p> <p>In October 1, 2015, government advanced funding to the three regional service boards. All three boards hired operators in 2015-16. These operators worked with a pilot group of communities to address their water /wastewater infrastructure operations and monitoring challenges.</p>
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**Discussion of Results:**

Municipal Affairs accomplished its objective to undertake activities to strengthen municipal capacity to enable healthy, safe and sustainable communities by focusing on activities identified as priority areas by the fiscal framework review of 2014-15. In 2015-16, \$15 million in new funding was committed to communities across the province; select regional service boards were provided funding to pilot regional water/wastewater operators; and the provision under the *Lands Act* was promoted to allow municipalities to purchase parcels of Crown lands (within a reserve area) in phases over a five-year period as demand and the towns’ finances warrant. The department in return implemented additional financial accountability measures for municipalities.

The department also enhanced the capacity of individual town councils and professional administrators through contributing funds for travel expense to attend training opportunities and enhanced training opportunities through offering additional workshops. In fiscal year 2015-2016, Municipal Affairs delivered more training sessions on more topics, in more locations across the province, with more people attending.

**2016-17 Objective:** By March 31, 2017 the Department of Municipal Affairs will have undertaken further activities to strengthen municipal capacity to enable healthy, safe and sustainable communities.

In fiscal 2016-17 the department will continue arrangements to host a Premier's Forum on Local Government where community leaders will be invited to discuss issues of concern to their municipalities. This work will be undertaken in conjunction with MNL, PMA, the CCL and the Office of Public Engagement. The Premier’s Forum is scheduled for October 5, 2016.

The department will also undertake a review of additional land transfer options for municipalities including long-term leasing and lease to own arrangements.

The department will continue to work with federal and local governments to fund important infrastructure investments. The department issues calls for municipal infrastructure projects. Projects submitted to the province in response to these calls are analyzed by the department's officials, prioritized and funding recommendations are made to the federal government. Those projects not approved for federal funding are reassessed for provincial funding on a cost shared basis with the local government. Provincial and federal infrastructure funds, for approved projects, are administered and progress is monitored by the Department of Municipal Affairs.

**Performance Measure:** Undertaken further activities to strengthen municipal capacity

**Indicators:**

- Partnered with MNL, PMA, CCL and the Office of Public Engagement to host a Premier's Forum on Local Government.
- Reviewed land transfer options for municipalities.
- Department invested provincial infrastructure funding that leveraged federal infrastructure funding.
- Department invested in municipal infrastructure through a cost-shared arrangement with communities.

## **Issue 2: Municipal Service Delivery**

In 2015-16, the department initiated efforts toward strengthening support for municipal governments. As the department responsible for supporting municipal affairs, improving the overall efficiency of municipal service delivery in Newfoundland and Labrador is a key priority for the department. Municipal services are services provided at the local community level and may include services such as water/wastewater and sewer, waste disposal, street lighting, fire protection, recreation, roads maintenance, and bylaw establishment and enforcement.

During the 2015-16 fiscal year, the department reviewed the province's municipal service delivery framework and recommended a number of options intended to support strengthened municipal service delivery.

**GOAL 2:** By March 31, 2017, the Department of Municipal Affairs will have assessed and begun implementation of options for more efficient delivery of municipal services throughout the province.

**2015-16 Objective:** By March 31, 2016, the Department of Municipal Affairs will have begun implementing measures to effect more efficient delivery of municipal services.

**Performance Measure:** Begun implementing measures to affect more efficient delivery of municipal services.

INDICATORS	PROGRESS AND ACCOMPLISHMENTS																														
Established an advisory committee to lead research and stakeholder consultations regarding an appropriate regional governance structure to facilitate efficient and effective shared service delivery.	An advisory committee was established in 2015 and met on one occasion.																														
Developed recommendations regarding a potential new regional governance model to facilitate efficient and effective shared service delivery.	In 2015-16, the new administration reviewed the terms of the committee. Recommendations regarding a potential new model were not developed in 2015-16. It is anticipated that recommendations will be developed in the upcoming fiscal year.																														
Provided funding to three regional service boards to pilot regional wastewater operator service in a selection of communities.	<p>In 2015-16, government committed to invest approximately \$1 million over a three and a half year period from October 1, 2015 to March 31, 2019 to provide funding for three regional service boards (Eastern, Central and Western) to engage regional water /wastewater operators. In 2015-16, the boards began regional operator service in the following communities:</p> <table border="1" data-bbox="613 1423 1365 1839"> <thead> <tr> <th data-bbox="618 1430 818 1503">Eastern Region</th> <th data-bbox="823 1430 1057 1503">Central Region</th> <th data-bbox="1062 1430 1360 1503">Western Region</th> </tr> </thead> <tbody> <tr> <td data-bbox="618 1509 818 1535">Aquaforte</td> <td data-bbox="823 1509 1057 1535">Cottlesville</td> <td data-bbox="1062 1509 1360 1535">West Bay</td> </tr> <tr> <td data-bbox="618 1541 818 1566">Biscay Bay</td> <td data-bbox="823 1541 1057 1566">Herring Neck</td> <td data-bbox="1062 1541 1360 1566">Piccadilly Head</td> </tr> <tr> <td data-bbox="618 1572 818 1598">Brigus South</td> <td data-bbox="823 1572 1057 1598">Stoneville</td> <td data-bbox="1062 1572 1360 1598">Flat Bay West</td> </tr> <tr> <td data-bbox="618 1604 818 1629">Ferryland</td> <td data-bbox="823 1604 1057 1629">Crow Head</td> <td data-bbox="1062 1604 1360 1629">Sheaves Cove</td> </tr> <tr> <td data-bbox="618 1635 818 1661">Avondale</td> <td data-bbox="823 1635 1057 1661">Port Albert</td> <td data-bbox="1062 1635 1360 1661">Flat Bay East</td> </tr> <tr> <td data-bbox="618 1667 818 1692">Garden Cove</td> <td data-bbox="823 1667 1057 1692">Badger</td> <td data-bbox="1062 1667 1360 1692">Isle aux Morts</td> </tr> <tr> <td data-bbox="618 1698 818 1724">Goobies</td> <td data-bbox="823 1698 1057 1724">Buchan's Junction</td> <td data-bbox="1062 1698 1360 1724">Fox Roost – Margaree</td> </tr> <tr> <td data-bbox="618 1730 818 1755">North Harbour</td> <td data-bbox="823 1730 1057 1755">Buchans</td> <td data-bbox="1062 1730 1360 1755">Burnt Islands</td> </tr> <tr> <td data-bbox="618 1761 818 1787">Swift Current</td> <td data-bbox="823 1761 1057 1787">Millertown</td> <td data-bbox="1062 1761 1360 1787">Black Duck Siding</td> </tr> </tbody> </table>	Eastern Region	Central Region	Western Region	Aquaforte	Cottlesville	West Bay	Biscay Bay	Herring Neck	Piccadilly Head	Brigus South	Stoneville	Flat Bay West	Ferryland	Crow Head	Sheaves Cove	Avondale	Port Albert	Flat Bay East	Garden Cove	Badger	Isle aux Morts	Goobies	Buchan's Junction	Fox Roost – Margaree	North Harbour	Buchans	Burnt Islands	Swift Current	Millertown	Black Duck Siding
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	Fermeuse	Tizzard's Harbour	Piccadilly Slant– Abrahams Cove
	Georgetown	Merritt's Harbour	Rose Blanche – Harbour Le Cou
	Marysvale	Purcell's Harbour	Ship Cove – Lower Cove – Jerry's Nose
	Renews-Cappahayden		
Consulted with towns and cities with a population above 11,000 to identify provisions in their legislation that may be made more enabling and recommended changes to legislation.	<p>In January 2016, the Local Governance Division consulted with the province's seven largest communities (three cities and four towns) regarding potential new municipal legislation that would be more flexible and enabling than their current prescriptive legislation. Individual meetings were held with each stakeholder, to better understand their written submissions. Group discussions began in March 2016, to determine common areas. These discussions will continue into 2016-17.</p> <p>Due to the complexity of some amendments requested by the cities and the process in terms of drafting new legislation, the Local Governance Division is now exploring potential interim legislative amendments, which would address, in the short-term, some of the legislative issues being experienced by the cities. These amendments are largely the same amendments made previously to the <i>Municipalities Act, 1999</i> which were not made to the Cities Acts.</p>		

### Discussion of Results:

In 2015-2016, the Department of Municipal Affairs partially accomplished its objective of implementing measures to effect more efficient delivery of municipal services. In an April 29, 2015 news release, government committed to establishing an advisory committee to explore a regional governance structure. A committee was formed and met once in fiscal 2015-16. The new administration reviewed the terms of the committee in late fiscal 2015-16. The work of the committee is anticipated to continue beyond the time frame of this report.

In 2015-16, the department provided funding and select regional service boards hired regional water/ wastewater consultants to pilot regional service delivery.

In 2015-16 the department consulted with the province's three cities and four largest towns regarding potential new municipal legislation. This review is ongoing.

**2016-17 Objective:** By March 31, 2017, the Department of Municipal Affairs will have further implemented measures to effect more efficient delivery of municipal services.

In order to build, grow and sustain our municipal infrastructure and deliver improved municipal services within Newfoundland and Labrador, the Department of Municipal Affairs will have supported capital works throughout the province. Capital works encompasses a wide range of municipal infrastructure including such things as water/wastewater treatment, roads, and recreational facilities.

**Performance Measure:** Implemented measures to effect more efficient delivery of municipal services.

**Indicators:**

- Engaged a consultant to develop a work plan for the creation of guidelines to be used in a future asset management system.
- Assessed the feasibility of providing municipalities with infrastructure funding under a multi-year framework.
- Facilitated the work of the Advisory Committee to prepare recommendations regarding a new regional governance model.



## Opportunities and Challenges Ahead

There are many opportunities and challenges ahead as the Department of Municipal Affairs moves forward with addressing the needs of its stakeholders.

### LEGISLATION UPDATES

Updating legislation is an ongoing challenge for the department. The Minister of Municipal Affairs is responsible for a significant number of statutes as is illustrated in Appendix A. In addition, there has been a trend in writing legislation from prescriptive style to progressive style. In Newfoundland and Labrador, there are three cities each with their own legislation and a municipal act that provides authority to municipalities. Some statutes are more progressive than others and this is cause for concern. For example, in some situations updates to the *Municipalities Act, 1999*, have resulted in broader authority being provided to municipalities than is provided to cities. In 2016-17 the department will continue to consult with our city and large-town stakeholders to review their legislation to identify what changes are required.

There is an opportunity in 2016-17, with the conclusion of the *Lands Act Review* to improve the Act and associated business processes which will benefit the residents of the province.

### ASSET MANAGEMENT

Another challenge for the department is the ongoing need for infrastructure funding. The December 2015, Ministers Mandate letter directed the minister to develop a strategic plan for addressing the infrastructure gap in Newfoundland and Labrador and establish a committee comprised of representatives from Municipalities NL and the Professional Municipal Administrators to bring forward recommendations for government's consideration.

Much of the infrastructure in the province is in need of repair or replacement and some systems no longer have the capacity or the technology to meet the needs of the current population efficiently. A strategic plan would address such issues as the condition and age of existing infrastructure; the services that will be needed in the future; mechanisms to identify and access the best technologies to meet varying needs; and provide guidance on how to manage capital and operation costs for the life of the infrastructure. In 2016-

17, the department will engage a consultant to establish a work plan towards the development of guidelines that will ensure consistency across the province when managing infrastructure. Asset management will provide municipalities with the information needed to plan for, and to prioritize, infrastructure investments thereby getting the best value from their resource.

In addition to the department's capital works funding, the Federal Gas Tax Agreement, the New Building Canada Fund Agreement and the Federal Governments new infrastructure plan will help to provide much needed investments in municipal infrastructure.

### **LOCAL GOVERNANCE CAPACITY**

The number of communities, the distance between communities, an aging and decreasing population and inconsistent municipal taxation create capacity issues for local governance. Residents of many communities do not pay taxes, are not represented by local governments, and have little or no municipal services other than what is supplied by the province or available in neighbouring communities. Many communities with local governments have difficulty attracting persons to run for council and attracting employees with needed skill sets e.g. accountants, technical trades, etc.

Budget 2015 provided an opportunity through the development of the Community Sustainability Partnership which introduced a number of revenue-enhancing initiatives, capacity supports, and additional initiatives to support and enhance communities across the province. One such initiative is to explore a model for a new regional governance structure that would further improve sustainability of local governments through sharing resources. An advisory committee was established in Fall 2015 to provide advice on the principles and main components of a potential new regional governance model. In 2016-17, the department will work with the committee in assessing the potential of a new regional governance model.

## Appendix A: Statutory Acts

In fiscal year 2015-16, the Minister of Municipal Affairs was responsible for the following legislation:

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

## Appendix B: Financial Statements

### Unaudited Annual Report for Municipal Affairs 2015-16\*

	<u>Estimates</u>	<u>Expenditure</u>
<b>Executive and Support Services</b>		
Minister's Office: 1.1.01	\$303,700	\$392,247
Executive Support: 1.2.01	\$1,171,900	\$1,079,686
Administrative Support: 1.2.02	\$210,100	\$145,498
Less Provincial Revenue	\$ (5,000)	\$(3,649)
Strategic Financial Management: 1.2.03	\$1,237,600	\$1,146,362
Administrative Support - Capital: 1.2.04	\$8,700	\$0
<b>Total Executive and Support Services</b>	<b>\$2,927,000</b>	<b>\$2,760,144</b>
<b>Services to Municipalities</b>		
Regional Support: 2.1.01	\$1,326,200	\$1,339,990
Less Provincial Revenue	\$(169,000)	\$(160,000)
Municipal Finance: 2.1.02	\$413,500	\$435,924
Local Governance: 2.1.03	\$673,600	\$471,468
Policy and Strategic Planning: 2.2.01	\$681,800	\$587,070
Engineering Services: 2.3.01	\$1,009,000	\$902,571
Less Provincial revenue	\$(4,000)	\$0
Industrial Water Services: 2.3.02	\$688,300	\$663,000
Less Provincial Revenue	\$(390,700)	\$(785,696)
<b>Total Services to Municipalities</b>	<b>\$4,228,700</b>	<b>\$3,454,327</b>

**Lands**

Crown Land: 3.1.01	\$4,490,000	\$3,881,028
Less Provincial Revenue	\$(150,000)	\$(47,988)
Land Management and Development: 3.1.02	\$992,000	\$706,494
Less Provincial Revenue	\$(5,335,000)	\$(11,366,239)
Surveying and Mapping: 3.1.03	\$876,500	\$561,792
Less Provincial Revenue	\$(70,000)	\$(560)
Geomatics Agreements: 3.1.04	\$150,000	\$103,456
Land Use Planning: 3.1.05	\$815,600	\$639,224
Less Provincial Revenue	\$(5,200)	\$(7,100)
<b>Total Lands</b>	<b>\$1,763,900</b>	<b>\$(5,529,893)</b>

**Assistance and Infrastructure**

Municipal Debt Servicing: 4.1.01	\$3,752,800	\$3,422,000
Municipal Debt Servicing – Principal: 4.1.02	\$18,157,700	\$17,979,621
Municipal Operating Grants: 4.1.03	\$22,000,000	\$21,269,207
Special Assistance: 4.1.04	\$4,308,000	\$4,832,671
Community Enhancement: 4.1.05	\$6,192,300	\$5,581,386
Provincial Gas Tax Revenue Sharing: 4.1.06	\$3,550,000	\$3,475,305
Municipal Infrastructure: 4.2.01	\$107,766,300	\$122,977,785
Fed/Provincial Infrastructure Programs : 4.2.02	\$16,700,000	\$15,107,153
Less Federal Revenue	\$(5,500,000)	\$(3,597,024)
Canada/NL Gas Tax Program – Capital: 3.2.03	\$45,365,000	\$23,954,083
Less Federal Revenue	\$(29,865,000)	\$(29,865,107)

<b>Total Assistance and Infrastructure</b>	<b>\$192,427,100</b>	<b>\$185,137,080</b>
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#### **Intergovernmental Affairs**

Executive Support - IGA: 5.1.01	\$1,636,700	\$1,547,353
Less Provincial Revenue	\$(479,500)	\$(479,293)

Intergovernmental Policy Analysis and Coordination: 5.1.02	\$815,400	\$749,334
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<b>Total Intergovernmental Affairs</b>	<b>\$1,972,600</b>	<b>\$1,817,394</b>
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<b>Total Department</b>	<b>\$203,319,300</b>	<b>\$187,639,052</b>
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*\* 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 2016. 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 2014-15, the minister was accountable for 13 public entities that plan and report in accordance with the Transparency and Accountability Act. As of April 2015, that number was reduced to seven. Regional service boards are no longer entities under the Act as board members are no longer appointed by government.

In fiscal year 2015-16, the Minister of Municipal Affairs was accountable for seven public entities that plan and report in accordance with the *Transparency and Accountability Act*. These were as follows:

- Municipal Assessment Agency (MAA);
- Eastern Newfoundland Regional Appeal Board;
- Central Newfoundland Regional Appeal Board;
- West Newfoundland Regional Appeal Board;
- Newfoundland and Labrador Geographical Names Board;
- Humber Valley Regional Planning Advisory Authority (HVRPAA) Leadership Committee; and
- North East Avalon Regional (NEAR) Plan Leadership Committee.

MAA is considered to be a category two entity as defined by the *Transparency and Accountability Act*. As a category two entity, MAA reports independently to the minister by preparing a three-year business plan and an annual business report.

The Eastern, Central and West Newfoundland Regional Appeal Boards, the Geographical Names Board, as well as the NEAR and HVRPAA Leadership Committees are considered category three entities as defined by the *Transparency and Accountability Act*. Each prepares a three-year activity plan and an annual activity report.

Tabled plans and reports of these entities are available online at:

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