

Strategic Plan 2008-09 to 2010-11




**Newfoundland
Labrador**
MUNICIPAL AFFAIRS

Message from the Minister

It is my pleasure to present the strategic plan for the Department of Municipal Affairs for 2008-09 to 2010-11. The plan defines our vision, mission, lines of business and operational characteristics. It identifies and defines the strategic issues facing the Department and describes our goals for the future.

The Department of Municipal Affairs is dedicated to fostering and supporting the long-term sustainability and viability of communities by strategically investing in a variety of projects to strengthen services for residents throughout Newfoundland and Labrador. We remain committed to investing in our communities and ensuring that residents have access to reliable, effective and efficient services for today, and in years to come.

This plan is about addressing major issues in our municipal systems and moving forward on a path that will lead to strengthened local government with increased capacity to improve services for Newfoundlanders and Labradorians.

We have prepared this plan in accordance with the *Transparency and Accountability Act* and the government's accounting policies. As Minister, I am accountable for the preparation of this plan and for achieving the goals and objectives it identifies.

Sincerely yours,



Dave Denine
Minister



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Plan at a Glance

Vision:

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

Mission:

By March 31, 2011, the Department of Municipal Affairs will have improved the efficiency of municipal service delivery.

Goals and Objectives:

Goal 1: By March 31, 2011 the Department of Municipal Affairs will have increased regional cooperation initiatives and assessed regional service delivery opportunities throughout the Province.

Objective 1.1: By March 31, 2009 the Department of Municipal Affairs will have completed assessment reports on regional cooperation initiatives for those communities that have expressed an interest in regionalization initiatives.

Objective 1.2: By March 31, 2010 the Department of Municipal Affairs will have facilitated regional cooperation initiative agreements with communities that want to share services.

Objective 1.3: By March 31, 2011 the Department of Municipal Affairs in cooperation with Municipalities Newfoundland and Labrador, will have identified opportunities for other communities throughout the Province to engage in regional cooperation initiatives.

Goal 2: By 2011, the Department of Municipal Affairs will have implemented a new municipal fiscal framework.

Objective 2.1: By 2009, the Department of Municipal Affairs will have developed a fiscal framework plan.

Objective 2.2: By 2010, the Department of Municipal Affairs will have implemented a transitional plan for a new fiscal framework.

Objective 2.3: By 2011, the Department of Municipal Affairs will have implemented a new municipal fiscal framework.

Goal 3: By 2011, the Department of Municipal Affairs will have a municipal asset management plan for municipalities.

Objective 3.1: By 2009, the Department of Municipal Affairs will have piloted municipal asset management systems.

Objective 3.2: By 2010, the Department of Municipal Affairs will have evaluated and selected a province-wide asset management system.

Objective 3.3: By 2011, the Department of Municipal Affairs will have a municipal asset management implementation plan for municipalities.

Departmental Overview

The Department of Municipal Affairs envisions a Province where people live in communities with viable, sustainable municipal services led by strong local governments. The Department supports the financial stability and viability of municipalities and the efficient and effective delivery of municipal services. It assists municipalities in meeting their infrastructure needs and provides financial and administrative tools to support sound municipal governance.

The Department is currently organized into three branches: Municipal Support and Policy; Engineering and Land Use Planning; and Employment Support. In 2006-07, Government established a new agency, Fire and Emergency Services – Newfoundland and Labrador (FES-NL), to mitigate against, prepare for, respond to, and recover from major emergencies and disasters that may occur in the province. While the new agency remains accountable to the Minister of Municipal Affairs, creation of the agency resulted in the transfer of staff from the Emergency Measures Organization and the Fire Commissioner's Office to Fire and Emergency Services – Newfoundland and Labrador.

The Department's head office is located in St. John's. There are four regional offices located in St. John's (Eastern Region), Gander (Central Region), Corner Brook (Western Region), and Happy Valley–Goose Bay (Labrador Region). The Department also maintains one staff member in Clarenville, who reports to the Eastern Regional Engineer. Head office concentrates on policy, planning, and support services, with regional offices primarily providing service delivery.

Staff Complement

The Department has a permanent staff complement of 95 positions (47 females, 38 males, and 10 currently vacant) and employs a number of temporary and contractual staff. The educational backgrounds and expertise of Departmental staff are relatively diverse and reflect the Department's role in providing technical expertise to municipalities in areas of financial management, municipal administration, engineering, and planning and policy. Departmental staff also help establish and provide training programs for elected and non-elected municipal officials.

Budget

In fiscal year 2008-09, the Department has a gross budget of \$225.3 million. Approximately \$218 million or 97 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 \$7.3 million or 3 per cent was directed to expenditures in salaries and operating costs to deliver programs and services. The Department

has budgeted for revenues of \$32.7 million from federal and provincial sources. The remaining \$192.6 million is provided by the provincial government.

Mandate

The mandate of the Department of Municipal Affairs 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 (see Appendix B for a list of Acts under the Schedule) which outlines the powers, duties and functions of the Minister who is also appointed Registrar General and Minister responsible for Fire and Emergency Services.

The Department of Municipal Affairs is directly responsible for all matters relating to municipal and provincial affairs.

Lines of Business

Lines of business are the major programs, products or services provided to our primary clients. The Department of Municipal Affairs has four main lines of business. These lines of business are set forth below and include a description of the associated parameters for each.

1. Local Governance

The Department strengthens local governance by:

- formulating land use policy and regional approaches to service delivery
- providing municipal training to elected and administrative officials and legislative interpretation assisting in the development of municipal by-laws
- advising local government officials
- conducting reviews of municipal administrative matters
- administering grants and subsidies for community infrastructure
- examining local governments' financial operations
- monitoring levels of debt
- providing operational support
- participating in inter-provincial policy development and knowledge sharing
- supporting regional cooperation initiatives

2. Municipal Infrastructure and Engineering Services

The Department guides 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
- advocating to the Federal Government, on behalf of municipalities, to secure long-term sustainable funding

3. Employment Support

The Department works with local, community-based sponsors to create short-term employment initiatives that provide enduring benefits to communities. Additionally, government has assigned to 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 workers affected by permanent fish plant closures.

4. Provincial Affairs

The Department has statutory responsibilities in relation to the following provincial affairs:

- coordinating annual ceremonies to honor our veterans
- approving the use of legislated provincial identification symbols
- prescribing and evoking *Newfoundland Daylight Time*
- Great Seal of the Province

Primary Clients

The primary clients of the Department of Municipal Affairs are the 283 municipalities and 182 Local Service Districts which represent approximately 96 per cent of the Province's population. In addition to these, there are approximately 130 unincorporated communities throughout Newfoundland and Labrador. The Department has a broad range of stakeholders in municipal matters as well as related concerns that are of a wider provincial interest.

Values

The core values explain the character the Department wants to promote. The strategic values ensure the core values are visible throughout the organization by identifying specific actions that can be observed during the period of this strategic plan. In recognizing that the action statements may change in the next strategic plan, it was decided that the actions which need to be enhanced during the subsequent three years could be articulated as follows:

Core Values

Strategic Value Action Statements

| | |
|----------------------------------|--|
| <i>Excellence</i> | <i>Each individual performs each task to the best of their ability.</i> |
| <i>Respect</i> | <i>Each individual provides opportunities for others to express their opinion in an open and safe environment.</i> |
| <i>Life long learning</i> | <i>Each individual seeks out learning opportunities to improve their skills.</i> |
| <i>Teamwork</i> | <i>Each individual seeks to fulfil their role in the Department's mission of improving the efficiency of municipal service delivery.</i> |

Vision

The vision of the Department of Municipal Affairs is 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 the next two 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 Government. The statement also identifies the measures and indicators that will assist both the entity and the public in monitoring and evaluating success.

One of the biggest challenges facing all municipalities in the Province is providing appropriate levels of municipal services in a cost effective manner. There are approximately 3500 kilometers of municipal water line and 3000 kilometers of municipal sewer line.

Another challenge is the fiscal impact of new waste management practices. Costs are expected to increase, in part, as a result of updated environmental regulations that require new landfills to be lined with a leachate collection and treatment system to ensure protection of the environment. Changes to environmental standards are also expected in the areas of water treatment and waste water treatment. These too will lead to increased demand and costs for services.

Lastly, to guide these future infrastructure and capital investment costs municipalities will need to develop and/or revise municipal land use plans and sustainability plans. Given these challenges, the long term outcome is:

By March 31, 2011, the Department of Municipal Affairs will have improved the efficiency of municipal service delivery.

Performance Measure: Improved efficiency of municipal service delivery

Indicators:

- Increased investment in regional service delivery
 - solid waste disposal sites
 - water supply
 - waste water disposal
- Expansion of regional service boards across the Province
- Completion of regional land use plans for the Northeast Avalon and Humber Valley regions
- Increased investment in the development or enhancement of water and waste water treatment plants
- Increased number of communities with a debt-service ratio of 30% or less
- Increased cost-sharing ratio of provincial to municipal investment in capital infrastructure
- Implementation of new threshold standards pertaining to average per unit cost of water and sewage services funded in any way by the Department

Issues

In consideration of Government's strategic directions and the mandate and financial resources of the Department, the following areas have been identified as the key priorities of the Minister for the next three years. The goals identified for each issue reflect the results expected in the three year timeframe while the objectives provide an annual focus. Measures and indicators are provided for both the goal and the first year's objective to assist both the Department and the public in monitoring and evaluating success. Targets and benchmarks will be developed in this planning cycle. Gender based analysis will be conducted on all measures and indicators and gender breakdowns will be reported where applicable.

Regional Service Delivery

Municipalities provide a range of services to their residents such as clean drinking water, garbage pick up, solid waste and waste water disposal, snow clearing, fire protection, street lighting, recreational facilities, etc. However, some municipalities within the Province are increasingly challenged to efficiently and effectively provide these services. The cost of delivering municipal services is steadily increasing at a time when municipal revenues are decreasing. There are 283 municipalities and 182 local service districts throughout the province.

Over the past number of years, a number of communities have strengthened their local governance simply through a sharing of services to achieve greater financial viability and greater efficiency in service delivery. Assessments of service sharing have clearly demonstrated more effective ways of delivering municipal services. Currently, 47 communities in 10 locations throughout the Province have expressed an interest in an open dialogue on regional service delivery. To support regional service delivery, Government has announced \$1M in funding and it has dedicated senior staff and financial resources to facilitate community discussions on regional cooperation initiatives. In partnership with Municipalities Newfoundland and Labrador, the Department has allocated \$250,000 to support the Community Cooperation Resource Center in deploying its self-assessment toolkit on municipal sustainability. The Department will also finance a five-year pilot project in regional governance to test the practicality of delivering municipal services over a broad geographic area.

Goal 1: By March 31, 2011 the Department of Municipal Affairs will have increased regional cooperation initiatives and assessed regional service delivery opportunities throughout the Province.

| Performance Measure | Indicators |
|---|---|
| Increased regional cooperation initiatives | Number of regional cooperation initiatives such as: <ul style="list-style-type: none"> • Integrated community sustainability plans • Water supply • Fire Departments • Solid waste management • Regionalization of water system maintenance and operations • Mergers • Regional governance structures • Snow clearing • Administration services • Recreation facilities |
| Assessment of regional service delivery options | <ul style="list-style-type: none"> • Assessment report document |

Objective 1.1: By March 31, 2009 the Department of Municipal Affairs will have completed assessment reports on regional cooperation initiatives for those communities that have expressed an interest in regionalization initiatives.

| Performance Measure | Indicators |
|---------------------|--|
| Assessment | Number of assessment reports completed |

| | |
|---------|--|
| reports | |
|---------|--|

Objective 1.2: By March 31, 2010 the Department of Municipal Affairs will have facilitated regional cooperation initiative agreements with communities that want to share services.

Objective 1.3: By March 31, 2011 the Department of Municipal Affairs, in cooperation with Municipalities Newfoundland and Labrador will have identified opportunities for other communities throughout the Province to engage in regional cooperation initiatives.

Fiscal Framework

Increasing health standards for water quality, emerging environmental standards for waste water disposal and solid waste management, escalating costs associated with an aging infrastructure and construction costs, paying down decades old municipal debts, and meeting an ever increasing range of service delivery demands have created significant fiscal challenges for most municipalities. There are benefits to be realized with more standardized approaches to debt management, service delivery standards for some municipal services, refocusing Government transfers, and enhancing municipal taxation authorities. The Department of Municipal Affairs will work with Municipalities Newfoundland and Labrador and other key stakeholders to review municipal financing authorities, programs and efficiencies in an effort to address the fiscal challenges facing municipalities.

Goal 2: By 2011, the Department of Municipal Affairs will have implemented a new municipal fiscal framework.

| Performance Measure 1 | Indicators |
|---------------------------------|--|
| Development of fiscal framework | <ul style="list-style-type: none"> • Jurisdictional review of municipal fiscal arrangements • Assessment of municipal revenue sources • Assessment of municipal service delivery costs • Assessment of municipal accountability requirements • Fiscal framework |

| Performance Measure 2 | Indicators |
|--|--|
| Implementation of new municipal fiscal framework | <ul style="list-style-type: none"> • Establishment of new fiscal programs • Transitional plan • All provincial/municipal transactions are in line with new fiscal framework |

Objective 2.1: By 2009, the Department of Municipal Affairs will have developed a fiscal framework.

| Performance Measure | Indicators |
|---------------------------------|--|
| Development of fiscal framework | <ul style="list-style-type: none"> • Jurisdictional review of municipal fiscal arrangements • Assessment of municipal revenue sources • Assessment of municipal service delivery costs • Assessment of municipal accountability requirements • Fiscal framework |

Objective 2.2: By 2010, the Department of Municipal Affairs will have implemented a transitional plan for a new fiscal framework.

Objective 2.3: By 2011, the Department of Municipal Affairs will have implemented a new municipal fiscal framework.

Municipal Infrastructure Strategy

Similar to other provinces in Canada, Newfoundland and Labrador constructed the majority of its public municipal infrastructure during the 1950s, 1960s, and early 1970s¹. While Government has continued to make strategic infrastructure investments, the average age of our infrastructure is steadily increasing. Empirical research clearly demonstrates that countries with modern, safe, and efficient infrastructure are more productive and more competitive in global markets². However, the ongoing challenge with infrastructure investments is determining what should be maintained, replaced and/or developed; in particular the priority setting is most challenging. There is a lack of data regarding location, physical condition assessment, remaining service life and replacement costs of infrastructure assets. Moreover, acquiring and utilizing this data is both demanding and complex. Best practices in asset management need to be reviewed and a program developed and piloted to ensure effective and efficient infrastructure investments and maintenance. This asset management approach will provide an analytical tool to assess needs and set priorities to inform, refine, and shape the municipal infrastructure investment strategy.

Goal 3: By 2011, the Department of Municipal Affairs will have a municipal asset management plan for municipalities.

¹ Felio, Guy (2008). *Managing Canada's Infrastructure Gap*. Options Politiques, Dec-Jan.

² Statistics Canada (February 2007). *Age of Public Infrastructure: A Provincial Perspective*. Catalogue no. 11-621-MIE-No. 067.

| Performance Measure | Indicators |
|---------------------------------|---|
| Municipal asset management plan | <ul style="list-style-type: none"> • Identification of pilot locations • Deployment of asset management systems in pilot locations • Evaluation of piloted municipal asset management systems • Selection of municipal asset management system • Municipal asset management plan |

Objective 3.1: By 2009, the Department of Municipal Affairs will have piloted municipal asset management systems.

| Performance Measure | Indicators |
|---|--|
| Pilot of municipal asset management systems | <ul style="list-style-type: none"> • Identification of pilot locations • Deployment of asset management systems in pilot locations |

Objective 3.2: By 2010, the Department of Municipal Affairs will have evaluated and selected a province-wide asset management system.

Objective 3.3: By 2011, the Department of Municipal Affairs will have a municipal asset management implementation plan for municipalities.

Appendix A

Strategic Directions

Strategic directions are the articulation of desired physical, social or economic outcomes and normally require action by more than one government entity. These directions are generally communicated by Government through platform documents, Throne and Budget Speeches, policy documents, and other communiqués. The *Transparency and Accountability Act* requires departments and public bodies to take into account these strategic directions in the preparation of their performance-based plans. This action will facilitate the integration of planning practices across Government and will ensure that all entities are moving forward on key commitments.

The directions related to Municipal Affairs are provided below. Each strategic direction is comprised of a number of components, or focus areas. These focus areas will be addressed through the Department's strategic plan.

Strategic Direction: **Strengthened Municipal Capacity**
Clarifying Statement: This outcome requires systemic intervention by the Department of Municipal Affairs in the following areas:

| Components of Strategic Direction | Applicable to Other Entities Reporting to the Minister | This Direction is addressed: | | |
|---|--|------------------------------------|--------------------------------------|---|
| | | in the department's strategic plan | in the department's operational plan | in the branch/divisional work plans of the department |
| 1. Asset management systems | | √ | | |
| 2. Regional appeals | √ | | | √ |
| 3. Regional governance | | | √ | |
| 4. Compliance with Public Sector Accounting Board (PSAB) | | | | √ |
| 5. Evidence based allocation of employment support programs | | | √ | |
| 6. Regional land use plans | | | √ | |
| 7. Legislative review | | | | √ |

Strategic Direction:**Clarifying Statement:****Increased Regional Sustainability**

This outcome requires systemic intervention by the Department of Municipal Affairs in the following areas:

| Components of Strategic Direction | Applicable to Other Entities Reporting to the Minister | This Direction is addressed: | | |
|--|--|------------------------------------|--------------------------------------|---|
| | | in the department's strategic plan | in the department's operational plan | in the branch/divisional work plans of the department |
| 1. New fiscal programs | | √ | | |
| 2. Regional service delivery | | √ | | |
| 3. Municipal infrastructure cost sharing | | | | √ |
| 4. Municipal infrastructure investment | | | √ | |
| 5. Waste management | | | √ | |
| 6. Integrated sustainability plans | | | | √ |

Appendix B

Legislative Acts

The Minister is responsible for:

| | |
|--|--|
| Assessment Act | 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 | Emergency Measures Act |
| Evacuated Communities Act | Family Homes Expropriation Act |
| Fire Prevention Act, 1991 | Firefighter's Protection Act |
| Floral Emblem Act | Housing Act |
| Housing Association Loans Act | Labrador Act |
| Mineral Emblem Act | Municipal Affairs Act |
| Municipal Authorities Amendment Act | Municipal Elections Act |
| Municipalities Act, 1999 | Provincial Anthem Act |
| Provincial Flag Act | Regional Service Boards Act |
| Remembrance Day Act | St. John's Assessment Act |
| St. John's Centennial Foundation Act | St. John's Municipal Council Parks Act |
| Standard Time Act | Urban and Rural Planning Act, 2000 |
| Taxation of Utilities and Cable Television Companies Act | |