

Response to The Minister of Local Government and Local Governance Reform on the Green Paper On Local Governance Reform, May 25, 2021

1.0 INTRODUCTION:

The **Committee on Local Governance Reform** of the Coalition of Concerned Citizens appreciates the opportunity to offer a response to the Green Paper on Local Governance entitled “Working Together for Vibrant and Sustainable Communities”.

The Committee is an independent, non-political, knowledgeable group of individuals who have keen interest in, and been working together over the past three years on, the Local Governance issue. Collectively, have extensive experience in dealing with every aspect of local governance over the past 30 to 40 years. They have worked with and for provincial, regional, municipal governments, LSDs as well as municipal and rural agencies and commissions. They have contributed to major reports and studies related to local governance issues. (A short description of their experience is presented at the end of this response.)

The Committee contends that the opportunities to deal with local governance have been numerous in the past. The issues and consequences of inaction have grown worse and now is the time to take action, if we are to ensure a sustainable future for New Brunswick and all its residents.

We feel the **Green Paper presents a good overview** of the present system of local governance in the Province, its ills, its challenges and its opportunities to enhance the quality of life of all New Brunswickers.

We obviously agree with **the Vision** presented in the Green Paper of creating vibrant and sustainable communities collaborating and working together to enhance their viability and quality of life. We also agree with **the principles** stated to guide the renewal process. We must never abandon the principles of the Equal Opportunity Program that work towards fairness, equity, efficiency, and accountability for communities. It does require collaboration and cooperation to create the opportunity for communities to increase their capacity and to

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succeed. We also agree that community identities (names, history, culture, and language) can be retained while also at the same time reducing the number of local governance entities. That being said, the approach taken in our response is to concentrate on opportunities or options presented in the Green Paper under the four pillars of Structure, Collaboration, Land Use Planning and Finance. The following sections will examine the prerequisites that should be in place in order to establish a successful local governance restructuring followed by our Committee's recommendations related to each of the four pillars. Each section on the four pillars will also describe which opportunities presented in the Green Paper support or do not support our Committee's recommendations. There is table at the end of the discussion which summarizes the recommendations and compares them to the Opportunities presented in the Green Paper.

2.0 PREREQUISITES FOR SUCCESS

Before dealing with the opportunities, we believe there needs to be some very **basic building blocks** that the Provincial Government must have in place in order for the renewal of local governance structure and process to succeed.

Although the structure of provincial/regional/local government varies from province to province in Canada (as explained in the Green Paper), most provinces have some common basic elements. These structures and related processes of governance work best when the **top-down** provision of goals, objectives and policies is matched by a **bottom-up** process of meaningful local involvement and participation. **In New Brunswick there has never been an effective top-down or bottom-up process.** Those trying to govern and grow their communities find themselves stuck in this dilemma. They are trying to do this without any overall appreciation for what the Province is trying to achieve since **there is no overall leadership or direction** in the form of a Provincial Plan which outlines its goals, objectives and policies. For 30 percent of the

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Province's population there **is no duly elected local representation** to ensure that they have a meaningful way to participate in an effective decision-making process at the local level through the current LSD structure. Without this, it is difficult to have an effective bottom-up process which is necessary to have credibility, accountability, meaningful participation, and acceptance at the local level. This situation is the major reason why the Regional Service Commissions in New Brunswick have not been effective, many are dysfunctional, and one RSC Board has been replaced by Trustee appointed by the Province.

From this discussion, the following are prerequisites that are required for success of the local governance initiative.

1) An Overall Plan

Measures such as those discussed in the Green Paper can be successfully implemented only if they are part of an overarching structural plan.

The Province has had some very **comprehensive and detailed overall plans** associated with local governance prepared in the past, but it has never had the political will to implement them. The Finn Report was the latest one to have a detailed restructuring of local governance at the regional and local levels. Previous to that, the Commission on Land Use and the Rural Environment had comprehensive recommendations for coordinated restructuring at the provincial, regional, local and rural levels. Some components of these past plans have been put in place (such as regional service commissions and rural communities), but they were done on a piece meal basis and never in a coordinated and complete fashion as they were intended.

Restructuring has to start at the top (the Provincial level) and then funnel down through regional, local and rural levels. Plans at every level have stated goals, objectives, and policies. Most municipalities have comprehensive plans with these goals, objectives and policies in place that guide their growth and development. However, before plans can be done for regions or

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unincorporated areas, the Province must first provide leadership and guidance in the form of **Statements of Provincial Interest and Provincial Policies.** (The Committee was pleased to see that Statements of Provincial Interest are mentioned as an opportunity under the third pillar on Land Use Planning.) Provincial policies must cover settlement (development) issues, resource issues and environmental issues that also reflect social and cultural matters. In order to do this effectively, the Province needs the input and support from all government departments. **This could best be handled through each department and funnelled through a committee of Deputy Ministers for approval and implementation.** A committee is necessary because the policies of each department not only affect the growth and development of all communities and rural lands in the Province, but they also overlap with, and affect, the policies of other departments. It is critical that the final policies have universal understanding, support, and commitment.

The Province already has some excellent policies in place dealing with such areas as wellfield protection, watershed protection and others, but it needs other policies in place. This could include, for example, DTI policies such as protection of the integrity of our arterial and collector highway network from being compromised by continuing sprawl and ribbon development along our highways. Similarly, it needs policies in place dealing with the provision of water and sewage issues, especially in those areas adjacent to our existing municipalities (such as having more stringent policies in place within a certain radius of municipalities) so, in the event of consolidations and sharing of services in the future, these services can be extended or provided in a more efficient and less costly manner instead of continuing to allow individual wells and septic tanks that facilitate the continuation of sprawl and ribbon development. A very current example is the need for universal and consistent floodplain policies to prohibit development in our lowest lying areas, to require relocation or floodproofing measures for existing development or in areas that flood periodically. It also needs reasonable incentives/

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disincentives to assist good development and penalize poor development. This will be referred to again under the land use planning opportunity.

The Committee hopes to see the White Paper, which is proposed to be released by the end of this year, outline the components the Province proposes as part of this Overall Plan.

2) Elected Local Representation

From the discussion above, the second prerequisite is that some form of local elected representation be introduced to enable rural residents in the LSDs to have meaningful representation in local decision-making. We referred to this as “**full municipalization**” of the whole Province in past reports. This situation is described in the Green Paper but no options or opportunities are presented to correct this situation. The lack of local elected representation is also one of the major reasons the Regional Service Commissions (RSC) have not been effective. Any decision-making body that is set up with elected representatives (such as the municipal representatives on the SRC Boards who are duly elected by, and accountable to, their citizens), combined with appointed representatives (such as the LSDs are on the RSC Boards, who are neither duly elected nor accountable to their citizens for decisions) is doomed to failure. Any form of structure that is chosen must ensure local elected representation for every Provincial resident is included.

3) Mandatory not Voluntary

Whatever form of structure is eventually selected, participation by all entities in the proposed structure must be mandatory. Relying on voluntary participation or having opt-out clauses has not worked in the past and, continuing with this approach, only leads to fracturing, inequity and inconsistency across the Province. It is a form of abdication of responsibility. The Province has the responsibility and authority, hopefully after meaningful consultation, to mandate the direction in which local governance should proceed in the best interests of a sustainable future for all New Brunswickers.

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4) Implemented in Phases

The government has recognized in the Green Paper that the status quo is no longer acceptable and that the changes required in the structure and process of local governance are significant. To be successful, the form of structure selected must also be achievable (realistic and practical), affordable (recognizing the fiscal constraints facing all levels of government) and acceptable (resulting in a more consistent and equitable delivery of services to all residents). One way of ensuring this is to proceed with implementation based on an incremental or phased approach. Many aspects of the selected approach will realistically require varying time frames to set up and implement. The proposed changes must first be anchored in legislation. In some cases, there will likely be periods of transition as new structures and processes are put in place.

It is important to note that a phased approach does not mean a piece meal approach. All the changes must occur in accordance with the Overall Plan so that the parts or components all fit together over a reasonable timeframe.

5) Communication Plan

The Province must effectively communicate local governance restructuring to its residents, especially to residents of the unincorporated areas. It needs to ensure that there is both education and awareness that should be a critical component of the Overall Plan. This means that the **intent, the benefits, and the true costs** associated with restructuring are communicated effectively, so that all residents can understand the consequences of proceeding or not proceeding with the needed reforms. They also need to understand the seriousness of the situation and the dire **consequences** to the Province, its communities and its residents from not proceeding with reform of our local governance system. Hopefully, the White Paper that results from the current process of review and input on the Green Paper will address (include) a communication strategy as part of the restructuring.

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6) Implementation and Timing

The final prerequisite before restructuring is able to occur is to consider the steps and timing that are required to implement the restructuring plan. Once the White Paper is released by the end of 2021, as stated in the Green Paper, there are several steps to be undertaken before the eventual restructuring (as hopefully will be described in the White Paper) can be undertaken. This will depend on what is contained in the White Paper, but it is envisaged that at least the following measures will have to be undertaken. The exact order or priority will be subject to change as the process unfolds.

- a) The **White Paper** will need time for review and feedback by municipalities, LSDs, other stakeholders as well as the general public. The input will have to be considered by the Provincial Government and a Final Restructuring Plan produced. Such a plan must either be part of the White Plan or produced immediately following its release.
- b) The Province needs time to **amend existing legislation** to enable restructuring to proceed. This could include, but not limited to the Local Governance Act, the Community Planning Act, the Community Funding Act, the Elections Act, the Real Property Tax Act, the Finance Act, the Police Act and many others. Each Act review will require preparation, translation, legal drafting, etc. (This could take 2-5 years or more).
- c) Over that time the Province could be **working on the new Provincial Policy Statements and Planning Policies**. More staff and budget would be required, or consultants would need to be hired to work with existing staff.
- d) **New regions and municipalities will have to be created** in accordance with the restructuring plan. This would include the number of municipalities and their boundaries.

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- e) The **sharing of services and infrastructure**, as hopefully will be laid out in the White Paper, must be confirmed with Provincial departments, RSCs, municipalities and regions, as well as with various agencies that will be responsible for providing those services (police agencies, fire departments, etc.)
- f) **Elections** will need to be planned and held in all municipal jurisdictions.
- g) Once established, the regions should have 3-5 years to **prepare regional plans**. These could include the plans for infrastructure and facilities/services as referenced in e) above.

3.0 PILLAR 1: RESTRUCTURING

There are again a few basic measures we believe should be included in the local governance restructuring plan. **The Province has to have a consistent regional framework** which we believe should be based on the improvement and enhancement of the current **Regional Service Commission (RSC) model**. The RSCs have not worked effectively in the past. However, it does have positive attributes and more constructive changes could be added. There are unique characteristics and features existing in various regions around the Province and we feel the existing RSC boundaries are generally reflective of “communities of interest’ in terms of geographic, physical, social, cultural and language features that residents expect within their regions. They also represent boundaries that have existed for some time, residents have had time to adjust to them and the Province would not be starting from scratch in attempting to define boundaries. **It is proposed that the name of these restructured entities be changed to Regional Service Districts to distinguish it from Regional Service Commissions.**

The improvements would come from the Province having an **overall plan** with Provincial policies that would provide leadership, guidance and consistency in the development of **Regional Plans**, that have been badly needed in the Province for many years. **The major reason the Regional Plan is so important is that it ties all of the aspects of local governance together- economic development, immigration,**

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transportation, physical land use growth, provision of regional community facilities and services, a strategy for the provision of regional water and sewer systems, environmental protection and climate change adaptation, and coordinated regional cost-sharing and financing. This encourages and requires regional cooperation and collaboration to be successful. It is the vehicle for accomplishing so many of the local governance principles and objectives. The benefits of the Regional Plan have always been underappreciated by the Provincial government, its municipalities, and its residents because it has never existed or been experienced by any of these entities. It is finally time to create this tool and utilize its benefits for the future sustainable development of the Province.

Therefore, once it is adopted, the Regional Service District (RSD) should be required to have a Regional Plan prepared within 5 years. This requires the input and cooperation of all the new municipalities who would work together to develop a common regional plan that would be done in keeping with the Overall Provincial Plan and its policies, especially on issues like transportation, economic development, environment, and climate change that all overlap municipal boundaries and require sound and coordinated regional approaches. This is also why all government departments must be involved in the drafting of Provincial Policies as well as being consulted during the preparation of the Regional Plans.,

The other major improvement or modification to the RSC structure would be the restructuring of the membership on the Regional Boards by having **all members being duly elected** creating more equitable and accountable decision-making, which is a major flaw in the current RSC model. This would be accomplished by merging and consolidating the existing 236 Local Service Districts (LSD's) with surrounding municipalities to create approximately 50 new municipalities where every provincial resident would be a citizen of a municipality and thus have a legitimate vote in duly electing their Municipal Council. The LSDs would become part of wards within the new municipalities and would have the opportunity to elect or be elected as a ward councillor on the Municipal Council. This would mark the first time that every New Brunswicker, including the approximately 30 percent of residents living in LSDs or non-incorporated areas, would have the opportunity to vote in a municipal or local government election.

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In addition to these improvements within the regions, **the Province should establish meaningful incentives and disincentives** to encourage and foster the efficient consolidation of municipalities with the smaller municipalities and consolidated LSDs that surround them. If these measures did not result in consolidations in a timely manner, the Province would step in and mandate the consolidations.

Since all of the required measures to plan and pass required legislation to permit an increased number of local elections may not be possible before the 2024 municipal elections. As a stop gap measure and in the interests of time, the Councillors in the new wards (formed by the merging and consolidation of LSDs and municipalities) could be elected initially at a public meeting or by Ministerial appointment. Full “Municipalization” could occur when the representatives are eventually elected in subsequent municipal elections. (Municipalization refers to the legitimate elected representation of all residents of the Province.)

The Council from each of the 50 new municipalities would appoint one or more of their Councillors to sit on the RSD Board. This is a big improvement over the existing RSC Boards which are a mixture of elected members from municipalities and appointed members representing the LSDs. This has resulted in dysfunctional boards in some of the RSCs. The **boundaries** of the 50 new municipalities could be selected initially by the Province in order to get them up and operational and then the new Councils could work together to select new names and possibly tweak boundaries, if required.

With respect to the new municipalities, this consolidation would result in the 340 local entities in the Province being reduced to the more reasonable number of approximately 50 municipalities. Based on its research, the Finn Report specifically recommended 53 municipalities based on the 8 existing cities and 45 other consolidated municipalities. The report went further and suggested the new municipalities would all have a minimum population of 4000 people and a minimum tax base of \$200 million and would, with the proposed transfer of tax room from the Province, result in all the communities being financially viable. This would increase municipal revenue capacity and they would be essentially

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autonomous financially. There would be no need for a grant to municipalities, except possibly for a small equalization grant to some municipalities. (Our committee agrees the exact numbers cited in the Finn Report may vary somewhat from the figures presented at the time, but the concept and those numbers are still reasonable and valid).

There would be savings as the result of creating efficiencies in municipal operations and infrastructure. There would be **compulsory sharing of regional services** such as land use planning, solid waste services, policing, economic development and immigration. Major sport, recreation and cultural facilities would be planned and financed on a regional basis. **Such a province-wide structural reform would provide a solid and consistent base for tax reform.**

With regard to the **provision of services** within the restructured regions, initially the municipalities would continue to deliver services to its former residents as well as to the additional areas that would be added out to the point where it was financially feasible to do so. In the more sparsely settled rural areas outside this feasibility limit, it is expected that the Province would continue to provide some services during a transitional period. Summer and winter maintenance of local roads in this dispersed area would be a reasonable example.

The mandate of the new Regional Service Districts could **initially include the softer services**, such as they do at present, combined with some additional services. This could include planning, solid waste, fire protection, police protection, regional recreation, and economic development. This would provide an opportunity for the urban and rural residents, living in the new consolidated municipalities, to collaborate and have the chance to develop a trust and confidence in working together on the softer services **until they were ready to consider taking on some of the harder and more expensive services**, such as roads and streets and water and sewer infrastructure, which initially could be provided by the Province during the transition phase.

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With respect to **financing** within the new structure, the RSD would be funded by contributions from the 50 new municipalities (which would include it as a budget item in their annual municipal budgets) as well funds from the Province from the transfer of tax room as suggested under the section on Finance.

With respect to the 7 opportunities for structure as outlined in the Green Paper:

Many of the opportunities are **not mutually exclusive**, some overlap, and they have common components. **What our Committee is advocating is a combination of Opportunity D, new or reconfigured local governments (which is largely drawn from the Finn Report recommendations) with Opportunity F, regional form of service delivery structure based on modification of current RSCs.** Those components drawn from the Finn Report include:

- **New communities** based on a minimum tax base and population which, with the transfer of tax room from the Province, would render them economically viable and, also, reflect larger communities of interest.
- **Merging existing LSD's, rural communities, and local governments** to reduce the large number of entities and to bring local government to the whole Province and, thereby, permit the 30 percent of rural residents, who have never had the opportunity before, to have duly elected local representation.

Opportunity A, Strengthening Service Hubs, can certainly be integrated with our suggested model (through merging of smaller municipalities and LSDs, as well as adjusting boundaries of adjacent cities and larger towns), which will create a larger area within which the collaboration and sharing of services are mandatory for success.

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Opportunity B (rural regional local governments) generated much discussion among our Committee members. In the end it was not favoured since it did not address some of the principles identified in the Green Paper such, as local/regional collaboration and cooperation and would also perpetuate and further entrench the separation of urban and rural residents. It would also not result in local governments that would meet the economic viability criteria to be self-autonomous as would be the case with model supported by our Committee and in the Finn Report as described in earlier sections. We also didn't think that creating large rural governments(Opportunity B), such as done in Nova Scotia, is much of a step forward and is not working well for some N.S. communities. Nova Scotia did not jump directly into this model from non-incorporated areas since it had a form of county municipalities, which is a form that was wiped out when the province implemented the Program of Equal Opportunity.

Opportunity C (Regional Municipalities) might be a reasonable long-term solution for the Province, however, it is not favoured at the present time, since it was considered too radical to be accepted given the political challenges it would face.

Opportunity E, combining LSDs only into larger local entities (similar to the Rural Community) doesn't go far enough to solving many of the existing issues for rural areas and **is not favoured**.

Opportunity G, creating service level benchmarks or performance measures is fine and can be done for any structural option. We believe this would provide an effective incentive or disincentive to encourage the chosen form of structural change.

4) PILLAR 2: REGIONAL COLLABORATION

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The opportunities for **regional collaboration and cooperation are absolutely necessary** as the Province moves forward. **The Committee feels strongly that regional planning and service sharing must be compulsory and must be entrenched in legislation.** We have already endorsed **Opportunity B** in our suggested model by expanding and modifying the RSCs to improve and enhance the delivery of services on a regional level including more non-traditional roles such as immigration settlement and retention which supports population growth and economic development; and, contributing to regional emergency management which overlaps and spills over municipal boundaries.

Opportunity A, increasing inter-community and regional collaboration should be part of any option. Opportunities are there to pool resources, reduce duplication, cooperate on regional climate change adaptation planning, watershed planning, transportation planning and recreation and cultural planning. This will result in benefits to all communities in the region.

Similarly, **Opportunity C, the creation and adoption of provincial, regional and local service standards and metrics, should also be part of every structural option.**

5.0 PILLAR 3: LAND USE PLANNING

The whole topic of land use planning was dealt with in detail by the 1992 **Commission on Land Use and the Rural Environment**. It recognized the many of N.B.s problems for planning and local governance were largely because of sprawl and ribbon development that had been rapidly increasing since the 1960s. This resulted in a large increases in rural population and growth of urban-type uses (residential, commercial, industrial and institutional) in unincorporated rural areas, especially on the periphery of cities and towns all across the Province. This created conflicts between land uses, had negative impacts on our natural resources and negative

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impacts on the environment. This situation was recognized then, and is even more evident today, as being unsustainable. This pattern of growth was not creating positive economic development nor was it protecting our natural resources or our environment. It was also exacerbating social issues with respect to the provision and cost of health, recreation and education.

CLURE was cautious to point out that these problems in rural areas were not the fault, or to be blamed on, the residents of rural areas. The problems were due to the inadequacies in the provincial planning system that permitted sprawl and its related problems to occur. A tag line of CLURE was that residents in N.B. should be allowed to live wherever they chose, with respect to urban or rural areas, provided they did not create problems for their neighbours (i.e., compatible use), did not create negative impacts for our natural resources or our environment and that they were willing to pay the true cost associated with the servicing of their choice of location.

One of the key prerequisites mentioned in Section 2) stated that correcting this structure must start at the top (the Provincial level) and continue down through the hierarchy of regional, municipal, and rural entities. This includes an **Overall Plan** with Provincial Policies that would provide the leadership, direction and consistency for comprehensive land use planning throughout the Province.

In addition, if the Province were to put **Provincial Statements and Policies** in place, it would negate the need to do plans in many rural areas or LSDs since many are so small and sparse that the Provincial Land Use Policies would be all that is needed to guide growth in those areas. Likewise, if Regional Plans were prepared for each of the restructured RSDs, in accordance with the Provincial Policies and other policies that recognize the individual characteristics of each region, then that would further negate the need to prepare local plans for many more LSDs,

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since the Regional policies would be at a finer level of detail to cover their circumstances. Better still, if LSDs were eliminated altogether or merged into larger units, less time, effort and money would be wasted on plans for smaller rural areas that do not really need them since they would be well covered by the Provincial and regional plans described above. Larger LSDs would have plans prepared by virtue of being part of the larger municipalities which already have Municipal Plans in place which would be amended and expanded, not only to be consistent with the Provincial and regional plan policies, but to cover the adjacent LSDs. Geographically, this would complete the hierarchical development of consistent land use planning for the entire Province. According to Provincial statistics, there are approximately 28 LSDs with a population of less than 100 people, 116 total LSDs with less than 500 people, a total of 182 with less than 1000, and only 5 with more than 5000 people. Surely, it only makes sense that many of these could be eliminated or merged into meaningful size units as advocated by many past reports.

Some of the Green Paper statements with respect to land use planning reflect, and would perpetuate, some of the past problems or obstacles with the process of land use planning in the Province. The Province, in its planning and implementation, has always concentrated on the negative aspects of planning for rural areas, with its emphasis on land use control, largely through zoning regulations.

This is not what is traditionally recognized as land use planning. **True community land use planning concentrates on the positive or proactive aspect of planning** where plans are prepared on the basis of research of the existing situation in the communities. Planners then work with residents to develop a plan for the future of the area that has policies and proposals for future development that recognizes the vision that the residents have for their community. Residents are then more likely to accept a land use plan for their area (be it urban, rural or mixed). Only after such acceptance is obtained

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and it is explained to residents why some sort of control tools is needed in order to accomplish the plan vision and objectives they have identified earlier in their community plan, should zoning and land use controls be developed and imposed on the community. The Plan is a general, long range and policy document while the zoning map or by-law is a more detailed, short term document that is the legal tool used to implement or guide the community in the direction of the long-term plan. Most times in the past, the Province, in its haste to introduce planning to unincorporated areas, has put the cart before the horse, and has emphasized the land use control side before the positive planning side. Rural residents especially, have always resisted this more negative approach. It is time for the Provincial Planning Act to be revised to encourage and enable this more positive planning approach in land use planning for all entities and jurisdictions.

With respect to the opportunities for land use planning in the Green Paper:

Opportunity A, with respect to planning tools, such as zoning, are described in the paragraphs above, which favour a more positive approach to planning in rural areas rather than the negative regulatory approach often pursued in the past.

Opportunity B, better coordination, and collaboration in planning for urban, suburban and rural areas, would be accomplished through the preparation and adoption of the Overall Provincial Plan (including Provincial Policies) and Regional Plans, which would be prepared with the cooperation and collaboration of all of the entities within each region (RSD) and each municipality.

Opportunity C, consistent approach and minimum delivery standard, would be addressed as stated above through the provision of Provincial Policies, which would create consistency

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throughout the Province and between regions. This would require revisions to the Community Planning Act and the Local Governance Act to require and enable this to occur. Some Provinces, such as Nova Scotia and Newfoundland and Labrador, have developed common templates for Plans, Zoning and Subdivision by-laws, that can be used as a guide or model for the content of these documents and, thereby, create consistency with the various municipalities and regions in the province. The regions and municipalities can adapt or change these components of the templates where required to reflect the uniqueness or specific circumstances within the individual regions or municipalities.

Opportunity D, Statements of Provincial Interest, should be the priority opportunity. It is a Provincial responsibility required for consistent, equitable and sustainable development within the Province and all its regions and municipalities.

6.0 PILLAR 4: FINANCE AND TAXATION

Finance and taxation have been a topic of discussion in all past studies related to local governance. All have suggested needed reforms to facilitate restructuring and consistent, equitable planning and treatment of all residents of the Province. The Green Paper points out the importance of property taxation to municipalities. It represents 82 percent of their total revenues with the remainder coming from non-tax revenues such as service charges, fees for permits, land or property rentals, licences, etc. (contributing 12 percent of total revenues). The third source of local revenues is government grants (averaging 7 percent of total revenues).

All past reports on local governance recommend and support the continuation or retention of the division of responsibilities between the Provincial and municipal governments that has existed since the adoption of the **Byrne Commission Report on Equal Opportunity** in the 1960s.

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This includes not only provincial responsibility for health, education, justice, and social services, but also for a common property tax assessment and collection system. **Our Committee strongly supports the retention of this division of responsibility.**

The **unconditional grant system** (Community Funding and Equalization Grant) in the Province has been widely criticized in past reports because of the inequality created among municipalities as well as between urban and rural communities.

With a revised taxation system, based on the restructuring proposed by our Committee, which reflects the recommendations of the Finn Report, and with the sharing of tax room by the Province with the municipalities, the grant could be curtailed for almost all municipalities. The exception would be where it might be needed in the interests of equalization in some smaller communities. This was reviewed for all municipalities as proposed in the Finn Report and found that this would result in financially viable communities. With respect to **property tax sharing**, it is recognized that a certain share would have to be retained by the Province in order to provide some of the services that still would be required in the more sparsely settled areas within each municipality or region. The responsibility for the operation and maintenance of local roads, at least on an interim basis, would be an example.

With respect to the opportunities on Finance and Taxation outlined in the Green Paper:

Opportunity A, the lowering of the Provincial property taxes on non-owner occupied residential and non-residential properties depends on many of the selection of chosen opportunities that have been discussed in earlier sections of this submission. This is a complicated issue that has never been fully explored by the Province, but it needs to be seriously considered as part of any restructuring.

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Opportunity B, the transfer of tax room from the Province to local governments is absolutely required with any of the options that result in downloading or transfer of responsibility from the Province to the municipalities. This has also been discussed under previous opportunities and must also be thoroughly studied as part of the restructuring as the various restructuring and service options are decided by the Province. This also affects, or is affected by, any decisions the Province may make with respect to the unconditional grant.

Opportunity C, local flexibility on the rates and classification of properties, is impacted by decisions and choices made by the Province with respect to earlier opportunities discussed above. Municipalities have to be involved in this decision and the Province has to ensure some of the existing fiscal disparities between local governments are corrected. The studies that are still required as mentioned in Opportunities A and B above would have to include the options considered under Opportunity C.

Opportunity D, ensuring all property types in Current LSDs contribute to the costs of local roads through property taxation, must be included in any restructuring. As discussed, anything else would be an incentive to continue urban sprawl. All properties must contribute since all benefit from the construction and maintenance of local roads and from the infrastructure located in them and various services that are provided over them (fire, police, ambulance, school buses, garbage collection, snow removal, etc.).

Local road assets and their maintenance constitute a major obstacle to province-wide municipalization. Several past reports have suggested that the maintenance of local roads, especially in unincorporated areas, remain the responsibility of the Province until such a time as property taxation in the former LSDs has been reformed and reached maturity or until such a

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time as the Province and the newly created local governments can come to a mutual agreement on the subject.

Opportunity E, improving the use of information and technology system sharing is required to enable better decision and more coordinated decision-making by all levels of government and should be included in all restructuring options.

Another taxation suggestion, where the question of difference in service level provision results, or is required, within the same municipality, consideration should be given to creating more taxation sub-districts or **taxing authorities** which could be used to tax properties that receive variable or additional services (such as recreation or street lighting). This would allow for different levels of service within the municipality with properties being taxed accordingly which is currently **done within some municipalities in the Province**.

Please refer to the summary table on the next page for a comparison of our committee's recommendations with the opportunities presented in the Green Paper.

8) CONCLUSION:

The Committee on Local Governance wishes the Minister and his staff well in considering all the input on the Green Paper and preparing the White Paper. We are prepared to meet with the Minister and staff for further consultation, questions, or clarification on our submission. We look forward to reviewing the White Paper and providing further input on the restructuring of local governance.

Members of the Local Governance Committee:

-Jean-Guy Finn, (external advisor to the Concerned Citizens Coalition). Mr. Finn taught political science and public administration at l'Université de Moncton before serving in several senior positions in the Canadian public sector.

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He was Parliamentary Intern in the Canadian Parliament (1970-71). He became Special Advisor in the Canadian Privy Council Office during the ‘patriation’ of the Canadian Constitution (1981 to 1983).

He went to the provincial government of New-Brunswick in 1983 where he served as deputy minister of Advanced Education and Training (1983 to 1988), deputy minister of Health and Community Services (1988 to 1998) and Secretary to Cabinet and Clerk of the Executive Council (1998 to 2001).

He sat on the board of directors of several organizations, including the Health Council of Canada, Forum for Young Canadians, the Maritime Provinces Higher Education Commission, the Institute for Research in Public Policy and l’Université de Moncton. He is currently a consultant in public sector management. Over the years, he has advised governments on public sector organization and management in Canada and abroad. He has been involved in public sector assignments in several countries including South Africa, Qatar, Ethiopia and Jordan.

In 1979, Mr. Finn co-chaired the *Committee on the Organisation and Boundaries of School Districts in New-Brunswick* which led to the establishment of school districts on a linguistic basis in the province. Appointed Commissioner on the Future of Local Governance in 2007, he is also the author of *Building Stronger Local Governments and Regions: An Action Plan for the Future of Local Governance in New-Brunswick* (2008).

- **Frank Flanagan**, P. Eng, FCIP, LPP. is a professional engineer and urban planner, currently employed as a part-time consultant with EXP Services Inc. He has been professional planning consultant for 39 years to the Provincial government, municipalities, LSDs, Planning Commissions, RSCs as well as private sector developers. He was the Executive Director of the Commission on Land Use and the Rural Environment, which included recommendations for restructuring the whole structure and process of planning at the provincial, regional, local, and rural levels in New Brunswick. It also included recommendations on the sustainable development of settlements while also protecting our natural resources and the environment. He was Director of Growth and Community Services for the City of Fredericton for 13 years. He was also a lecturer of Urban Planning courses in

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the Department of Civil Engineering at UNB for 37 years. In 2010 he was appointed as a Fellow in the Canadian Institute Of Planners.

- **Ken Harding:** Ken's entire professional career has been in Local Municipal Government. He has over 40 years of experience at senior levels of Local Government, having recently retired as CAO of the Town of Woodstock (34 years). He holds a Diploma in Public Administration from Dalhousie University and a Level 3 (highest level) Professional Certification from the Association of Municipal Administrators of NB and is a recipient of the T.L. Everett Award of Excellence in Local Government Administration. Since retiring, he continues to be active through teaching Municipal Finance through the Faculty of Open Learning and Career Development at Dalhousie University.
- **Daryl Branscombe,** ex-officio member of the Local Governance Committee and Chairman of the Coalition of Concerned Citizens, is a graduate of UNB with a Bachelor of Teaching degree and was recently awarded an Honorary Doctor of Letters Degree from UNB. He was a teacher for 8 years, a businessman for 35 years, and he has authored three books. His interest and concern in the issues facing local governance, health, education, and the economy led him to form the Coalition of Concerned Citizens.

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COMPONENTS OF THE LOCAL GOVERNANCE MODEL RECOMMENDED BY THE LOCAL GOVERNANCE COMMITTEE COMPARED TO THE OPPORTUNITIES IDENTIFIED IN THE GREEN PAPER

Preferred Model Component	Green Paper Opportunity Favoured	Green Paper Opportunity Not Favoured
Pillar 1: Structure		
<p>1) New or reconfigured local government entities formed by merging all LSDs and smaller existing municipalities with larger municipalities to create approximately 50 new municipalities which cover the entire province. Each new municipality would have a minimum population and tax base to reflect the larger community of interest.</p> <p>2) New wards would be created in each new municipality with councillors in each ward elected to sit on the new Municipal Council thereby bringing duly elected representation to every new Brunswicker.</p>	<p>Reflected in Opportunity D: Establish new or reconfigured local governance entities.</p>	<p>Opportunity B: Create rural regional local governments and Opportunity C: Restructure the Province into Regional Municipalities are too radical to be accepted and are not favoured.</p> <p>Opportunity E: Combine LSDs into local government entities would not create cooperation/collaboration and is not favoured.</p>
<p>3) 12 new Regional Entities formed, based on a modification of the current SRCs, which would provide services and infrastructure required on a regional basis and in accordance with a regional plan.</p>	<p>Reflected in Opportunity F: Creation of new regions based on the RSCs but it is a service provider, not another form or level of government.</p>	
<p>4) Since 8 of the new regions would be based on the 8 existing Cities, some of the Service Hubs, as envisaged recently by the Provincial Government, would contain more than one region.</p>	<p>Reflected in Opportunity A: Focus on recognizing and strengthening service hubs.</p>	

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	Opportunity G: Design service level benchmarks for locally and regionally provided services is part of every Opportunity.	
Preferred Model Component	Green Paper Opportunity Favoured	Green Paper Opportunity Not Favoured
Pillar 2: Regional Collaboration	Opportunity A: Increasing inter-community and regional collaboration; Opportunity B: Strengthen the Regional Service Commissions; and Opportunity C: Develop provincial and locally relevant service standards and metrics, are all part of the model recommended by the Local Governance Committee of the Concerned Citizens Coalition.	
Pillar 3: Land Use Planning		
1) Overall Provincial Plan for Local Governance provides leadership.	Not included in any opportunities but hopefully will be included in the White Paper.	
2) Provincial Policies to provide direction and consistency across the whole Province.	Opportunity D: Provide provincial direction for specific land use planning matters by using Statements of Provincial Interest. These should be expanded to become Provincial Policies to provide more detail and clarity.	
3) Regional Plans in keeping with Provincial Policies and recognizing the uniqueness, challenges characteristics of each region.	Opportunity B: Coordinate the planning, urban/suburban/rural Communities with enhanced collaboration. This would be accomplished with the preparation/implementation of regional plans.	
4) Emphasize the positive proactive side of planning first (the Plan) and not the negative regulatory side (Zoning Regulations)	This could be done through Opportunity A with the proper use of planning tools and Opportunity C with creating minimum service standards.	

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Pillar 4) Financing and Taxation		
1) Retain the division of provincial/municipal responsibilities as established by the Program of Equal Opportunity	This vital component is not part of any of the opportunities but the Province should retain responsibility for health, education, justice, social welfare and the assessment of all property.	
2) Revised taxation system, is an absolute must to facilitate restructuring and create consistent, equitable planning and treatment of all residents. The taxation of all properties and the sharing of tax room may allow the dropping of unconditional grants except for a few small municipalities which may require a small equalization contribution from the Province.		Opportunity A , the lowering of provincial property taxes on non-owner-occupied residents and non-residential properties and Opportunity C , local flexibility on rates and classifications should not be a given and depends on the decisions and choices made with respect to other opportunities.
3) The transfer of tax room from the Province to local governments has to accompany restructuring. The Province should retain some tax room to cover the costs of services they may have to continue to provide to the sparsely settled parts of the new municipalities.	Opportunity B supports the sharing of tax room by the Province.	
4) Every resident should pay for the services they receive through taxation on a fair and equitable basis, including the cost of local roads.	Opportunity D partially supports this principle by requiring current LSDs to contribute to the costs of local roads through property taxation.	
5) The sharing of information technology systems is required to to enable better and more coordinated decision-making by all levels of government.	Opportunity E supports the use of information and technology sharing.	