

Questions from UMNB and Answers

- 1. Municipalities feel that they have been left out of the loop with respect to changes happening at the RSC level. What will the municipal role be in the next steps of the development of the new RSC model?**

Each RSC has an advisory committee which includes some mayors. Additionally, there is a committee of municipal administrators being convened to advise on the technical aspects as described in the white paper. There will also be regulatory changes to make in the coming months and we will be looking for input from the municipal associations.

- 2. ESIC and RSC - With the announcement that RSCs will be getting a community transportation/poverty lens, what will be the relationship between the RSCs and ESIC? How much control will ESIC have on the RSCs, or the RSC's on ESIC?**

ESIC is proposing to enter into agreements with each RSC so that the funding that is currently supporting Community Inclusion Networks be directed to RSCs in support of the new community development mandate. This will be done through agreements between each RSC and ESIC which will open channels of funding and close collaboration with ESIC, but there is no intent to impose control by ESIC on the RSC, nor the other way around.

- 3. What will the mandated staffing level of the new RSCs look like? What positions will the RSCs require and how many new positions will need to be created? Who will be paying for these new staff members?**

The CEO position is the only new position required to be filled. Additional staffing requirements will differ between regions based on how the mandates will be undertaken (in-house by the RSC or done via agreement with a local government or 3rd party).

- 4. There is a fear of the lack of coordination between committees. It is our understanding that there is an administrative committee, an elected officials committee, and an RSC Committee with an advisory group of senior municipal officials. Each of these committees would benefit from greater collaboration between committees (i.e., Staff joining elected officials, senior municipal staff joining the RSC committee, etc.). Is there an intention to have these three committees come together at some point and, if so, when would that be? The RSC staff and executive committee has been combined in most regions as part of the Transition Advisory Committee mentioned above (response to question 1).**

The committee of municipal administrators will be asked to advise on technical aspects that could impact local governments and it will allow them to advise

mayors. The transition facilitators will bring them together if and when that is appropriate.

- 5. Considering changing deadlines and information being provided to municipal officials and staff on the reform process which we believe is creating unneeded stress, mistrust and animosity between municipalities, facilitators and ELG, can you and your department provide a detailed timeline of next steps in the reform process and who is responsible to complete those steps? As an example, changing time frames for the final development of municipal boundaries / maps and council composition have had significant impacts on the level of unease experienced in many communities.**

A workback schedule that outlines the key decisions that need to be made by facilitators in coordination with their advisory committees will be available in the next week.

- 6. What services will be provided by RSC and what will be provided by municipalities? We have been advised previously that municipalities that can provide such services at an acceptable standard would be permitted to continue to provide such services however, that no longer appears to be the case. Please advise on who will be making these decisions and when they will be made?**

The transition facilitators will be working with the region to identify the regional service delivery method that is most appropriate with an eye of not duplicating nor starting from scratch if the service already exists (utilizing the local government service that can be expanded to be regional or a 3rd party will be selected in many regions). The mandated services are clearly outlined in the White Paper.

Revenues

- 1. It has been announced that the residents of the LSD's will continue to pay the same tax rate they have paid in the past for at least the first year. Where will existing LSD taxes go? Will they go to GNB or to the new entities under which the LSD's have been placed?**

There is no commitment for freezing tax rates. Tax rates change yearly in LSDs based on cost of services today. What is committed to is to have different tax rates based on services and phasing in major impacts.

- 2. If the LSD tax rates don't change in year one, then will municipalities and their existing taxpayers be expected to subsidize LSD offerings or will GNB be providing additional funding? (See explanation in question 1).**

- 3. What will happen to existing regional formulas (SJ Facilities Commissions, Envision SJ, etc.)? Will they all be replaced? Will there be one cost sharing formula for all RSCs? When will new formulae be expected to be in place?**

The new formulas will take effect January 1, 2023 and will be outlined in regulation.

- 4. If LSD rates are not increased, how will increased RSC mandates be paid for? (See response to question 1)**

- 5. We understand the existing assets, reserves and debts will stay within the communities in which they were located, but for how long will that be the case?**

Until the debts are paid or reserve utilized.

- 6. In previous discussions, we were advised that between \$400-600 million was quoted as the government's costs for transition. Can you advise on where that money will be allocated? How much will be provided to assist municipalities that will be absorbing LSD residents and providing them with services?**

That figure has never been quoted by a government official or the minister, to our knowledge. The services will be paid for by local property taxation, there will however be different tax rates based on services.

- 7. As you have stated several times on reform, one of the fundamental priorities was that there would be fair taxation of residents for the services they receive. Is this still a priority? Given that it has been announced that LSD residents will not experience a tax increase in year one of the reform process, how will that be addressed?**

There is no tax freeze commitment. The commitment is to ensure different tax rates based on services.

- 8. We have been advised previously that there would be changes made to the Unconditional Grant formula. What is the status of the new formula? With new and bigger municipalities coming into existence, will the fund be increased? How will municipalities and municipal organizations be consulted on this change? Will revenue from any new grant formula be incorporated into regional cost sharing formulae?**

This is currently under discussion and a path forward will be required before budget season. The associations will be brought into those discussions at the appropriate time.

Existing Councils

- 1. What happens to existing councils after the Nov. 28 Election? There will be lame-duck period between Nov. 28 and Jan. 1 as exists in the Elections Act? How will ELG govern this period?**

This will be the same situation as when councils are between a regular municipal election and when the new council takes office. The rules are outlined in legislation.

New Entities

- 1. Many council members have advised us that they are concerned about the tight timelines and lack of notice. Council composition is a delicate subject in some entities, and they will need time to discuss and arrive at a conclusion. Can municipalities get extensions?**

The number of council seats was required by the February 16th. The ward boundaries are needed in early March. We know some may need a few extra days which has been built into the timeline.

- 2. This process has been difficult, particularly for smaller communities. Municipal staff are overwhelmed and need additional support to handle the day-to-day and reform plan. What is the plan to support these smaller communities?**

We anticipate the work to be manageable, especially since those staff members won't be preparing a 2023 budget for the current local government and will help the facilitator create one for the new entity for 2023.

- 3. Can new entities enter the election as entity 45, for example, or do they need to have their new name?**

A name will need to be chosen.

- 4. How will Policing work with entities who have different policing services (MPSA, PPSA, Municipal force)?**

We will be having those discussions with the local entities as we move past the council composition and ward deadlines. It can be expected that on day one, the current arrangements will continue as discussions to change those policing arrangements will require JPS engagement and approval.

- 5. During the consultation process, we were advised that municipalities would be provided with HR, Legal, and accounting support to assist in transitional**

issues. Can you provide an update on when municipalities can expect to have access to these supports?

The transition facilitators will have access to those supports. They are doing work for the department and will be available when the process reaches the stage of considering HR changes or legal issues.

- 6. Please advise on who will be responsible for preparing and modifying municipal by-laws? Upon review of the list of facilitators, it would not appear that they do not have that experience or skillset. We understand experts will be provided to municipalities to assist in this process. When can we expect an update on this?**

The bylaws that are necessary to operate initially will be modified, but other by-laws will continue as per transitional provisions that will be in the regulation and will only apply to the whole entity once the new council modifies it to consider the entire area.

- 7. Please advise on who will be responsible to pay severance if municipal employees are cut during re-structuring?**

We will be doing our utmost to ensure everyone has a meaningful role but we will look at these on the factors at play, if that time comes.

- 8. We have heard several concerns relating to the potential loss of experienced municipal employees, with the AMANB advising that as many as 55 senior officials may be forced out of their positions because of amalgamations. These officials don't want to leave the field of local governance but they are not getting any direction on how positions will be assigned – who is responsible for the hiring, when does that happen, when will administrators be advised if it is necessary for them to reapply for a position, what happens with pensions if they decide to leave instead of taking a less senior position, etc. What are the impacts if that knowledge base is lost? Who will advise new Councils? Many of these officials have provided their experience to assist with the transition but have not been retained to assist with this process. We cannot emphasize enough that ensuring a strong municipal administrative sector must be a core component of the reform.**

Those in positions where the local government is growing with LSDs will remain in place. When two local governments are brought together, the transition facilitator will advise on an approach based on the realities on the ground. It could be that there is only one senior official between the entities, in that case a competition may not be required. If there is to be a competition, we are lining up the timeline to have the individual in place in the new role for September 2022. We will be engaging an HR firm who will work with Transition facilitators and an advisory sub-committee on the appointment process. Conversations around next steps for Administrators

will be occurring in the next few weeks. We have also retained the services of an HR Strategic Advisor who will help us navigate questions related to pensions, etc.

9. What happens to Indigenous communities who are within a new municipal boundary?

In most cases, Indigenous communities are not within the boundaries of the local government except in pre-existing situations.

a) What is the engagement plan for first nations communities in municipal reform?

We will continue informing and offering engagement. We have had interest of late and recent meetings have been held.

10. We've heard from councils that certain facilitators have told staff and elected officials not to report committee discussions or developments to councils. They have also been told that they are responsible for communicating with the public. Can we get a clarification on the role of facilitators and communications? We believe it is imperative that advisory committee members (both elected and non-elected) be able to communicate with their municipalities on the status of the committee processes.

The meetings are not confidential. They are closed but reports to council and LSD committees are expected and necessary.

11. It is our position that the government must be more directly involved in communicating reform to residents in the LSDs for meaningful reform to take place. We were previously advised that education and awareness programs would be developed and released to the public to help inform them on why municipal reform is needed and what it will mean to them. New municipal Councils should not be responsible for this process – especially if there is a lack of engagement and consultation with them throughout the transition process as has been experienced to date. This sets the stage for very difficult relationships at the municipal Council level as we move forward – especially at a time when existing municipalities want to have meaningful engagement with their new residents.

The efforts from 2021 will continue in 2022. Budgets were posted online and will be again this year. There have been direct communications and we are planning on doing that again. Efforts will also be made around the November elections to ensure all residents who can put their names forward for elected office are aware of that opportunity and in partnership with Elections NB they will be informed of their voting options.

12. What will the process be for ensuring that new boundaries are reflected in Statistics Canada data?

When boundaries are finalized, we will be providing the boundaries to Statistics Canada and requesting the official population count in each of the entities.

Roads

- 1. How will taxes for roads be collected? Will revenue go to the province or municipalities? Will Transportation and Infrastructure be required to provide real costs to deliver the service?**

The current arrangement will continue for the former LSDs and rural communities that are not responsible for roads. DTI will continue to own and maintain those assets. And the taxation structure will remain (41 cents charged to owner-occupied properties only). In 2025, there is a commitment to review the costing/recovery arrangement.

- 2. Will a formula be established for transfer of roads? There's a feeling that these discussions should take place now so municipalities can be ready for the transfer.**

There is no plan to transfer the roads.

- 3. Have any discussions taken place on what will happen when roads aren't up to standard in new municipalities? Will the province be responsible for bringing roads within new municipal boundaries up to standard?**

The former LSD roads will continue to be maintained by DTI.

- 4. The White Paper noted that the Province funds an annual deficit for local roads in LSDs of ± \$55M; what is the path forward to address this?**

As stated above, there is a commitment to review the costing/recovery arrangement as part of phase 2 of the financial reforms.