



August 27th, 2021

Hon. Daniel Allain
Minister
Local Government and Local Governance Reform
c/o Local Governance Reform Team
P.O. Box 6000
Fredericton, NB
E3B 5H1

Sent via email to: VibrantNBDynamique@gnb.ca

Dear Minister Allain,

Re: Local Governance Reform – working together for vibrant and sustainable communities

On behalf of the members of the Union of the Municipalities of New Brunswick (UMNB), we provide the following comments and observations in support of efforts to reform the existing local governance model in New Brunswick and working together for vibrant and sustainable communities.

UMNB commends you and your government for recognizing the importance of local governance reform to the future of New Brunswick. This is an extremely challenging topic and one that has been studied repeatedly over the past 60+ years with little meaningful reform being implemented. Re-naming your Ministry the Department of Local Government and Local Governance Reform was welcomed by the UMNB membership, and we are hopeful that the renewed interest in this area will result in the necessary action. We also appreciate the open working relationship we have with you and your department as we work towards the best possible version of local governance reform.

Drawn from our members' advice, their participation in green paper working groups and committees, and a scan of studies from previous efforts to reform our local governance model over the decades, our submission focuses on two key elements laid out in the green paper: eliminating systemic barriers to building sustainable communities and reducing duplication. UMNB members appreciate the opportunity to share our thoughts on these key areas.

To make local governance reform work, the province must eliminate the systemic barriers inherent in the existing local governance model. We will lay these out under each of the four pillars listed in the green paper to identify where positive changes may be considered that, we believe, would eliminate such barriers and lead to the goal of building sustainable communities.



Land use planning

Our members have clearly identified one of the most important aspects of meaningful municipal reform to be *the provision of well-defined land-use policies and practices for all parts of the province*. They believe that the lack of such policies and practices has resulted in unplanned and uncontrolled sprawl and ribbon development happening at an accelerated pace since the late 1960s. This has contributed to large increases in rural population and the growth of urban-type uses (residential, commercial, industrial and institutional) in unincorporated rural areas, especially on the periphery of municipalities all across the province. This pattern of growth does not create positive economic development, nor does it protect our natural resources or our environment. The 1992 Commission on Land Use and Urban Environment (CLURE) noted that these problems in rural areas were not the fault of, or to be blamed on, the residents of rural areas, but that they are created by the inadequacies in the provincial planning system that permit sprawl and its related problems to occur.

Our members identified the need of the province to provide leadership and guidance in the form of Statements of Provincial Interest and Provincial Policies, and to that end UMNB was pleased to see Statements of Provincial Interest included as an opportunity under the third pillar on Land Use Planning.

Climate change is the key issue that the world must address. Statements of Provincial Interest must take climate change into account and make corresponding appropriate land-use recommendations. Provincial policies should also cover settlement (development) issues, resource issues, and environmental issues that reflect social and cultural matters. 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. We believe that 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. This committee should be open to receiving input from municipalities and organizations, such as the UMNB, to ensure local perspectives are also considered in the decision-making process. It is critical that the final policies have universal understanding, support, and commitment.

Furthermore, if the province were to put Provincial Statements and Policies in place, it would augment and clarify the community and land use planning for rural areas, LSDs and some smaller communities. This would be of great benefit to UMNB members.

Our members want greater guidance on resource development and management. For many communities, primary industries such as fisheries, agriculture, forestry, and mining are the foundations of their local economies. Striking a balance between these important environmental and economic interests are important in any land use planning discussion.



The province already has some excellent policies in place dealing with areas as such wellfield protection and watershed protection, but it needs other policies in place. This could include, for example, DTI policies to protect the integrity of our arterial and collector highway network from being compromised by continuing sprawl and ribbon development along highways. This will be particularly important if the province is to join communities of interest in fostering regional collaboration and cooperation versus duplication of services or infrastructure. Similarly, it needs policies in place dealing with the provision of water and sewage issues, especially in areas adjacent to our existing municipalities (such as having more stringent policies in place within a certain radius of municipalities.)

Another key opportunity identified by our members is the need for minimum professional standards when it comes to land use planning. However, minimum standards create new questions to be considered, such as: who will be responsible for enforcement of the standards?; who will pay for the standards?; how do we ensure equitable standards across the province? It will be necessary to answer these questions to preserve the spirit of Equal Opportunity as laid out in the green paper to ensure consistent and fair standards across the province.

By addressing these concerns, we would reduce barriers and increase collaboration opportunities between communities. Reducing sprawl and supporting densification policies would allow for better service delivery from first responders, schools, transportation, and many other services.

Finance

UMNB members have been very clear in their concerns regarding aspects of the present property tax system. Some parts of the system are supported (i.e. the current property tax assessment and collection is a very beneficial service provided to communities) and should remain. The primary concern for municipalities is that New Brunswick residents are not taxed equitably for the services they receive. This is a fundamental problem that must be addressed. UMNB members believe that if all residents of the province were fairly charged for their services received, it would eliminate a structural disincentive to collaboration. Operating from the principle that everyone pays the same for services will create more opportunities / desire for cooperation across the four pillars listed in the green paper.

An additional concern that the green paper has shed light on is the significant difference between the tax rates enjoyed by Local Service Districts versus those of incorporated municipalities. One example of these inequities is who pays into the designated highway fund. We can see no defensible rationale for cottage owners, apartment owners and industries residing in LSDs to not contribute to the cost of local roads. Equal opportunity includes the responsibility of equal contribution. Even if greater equity is achieved throughout these classifications, the \$0.41 rate remains a significant deficit having not changed since 1984. This too needs to be addressed. However, any provincial government cost-savings from this additional revenue should stay in the



system to the benefit of New Brunswick property owners and not simply go to the government's bottom-line.

UMNB strongly endorses a move to elected local government in rural areas. However, to be effective the new local governments must be responsible for expenditure decisions and to do so will require accurate information regarding costs. It is imperative that departments providing services to local governments break down the costs by geographical jurisdiction and not rely on broad provincial averages.

Finally, UMNB continues to support concepts behind the application of equalization principles, but we note that the results of the current formula do not produce results consistent with this philosophy. We hope that through the municipal reform process your government will redesign this mechanism such that the results better reflect "equalization."

Structure

Our membership has spoken very clearly on the inadequacies of the present local governance structure. A governance structure comprised of 340 local entities, including eight cities, 26 towns, 61 villages, eight rural communities, one regional municipality and 236 local service districts (whose residents, despite paying taxes, do not have the right to vote for their local government representatives) for a population of slightly under 800,000 people is obviously inefficient and will not contribute to sustainable communities. UMNB members recognize that tough decisions must be made on this front, but also support the need for municipalization for all areas of the province. To help in this process we suggest that reform look to where strong communities of interest exist as a starting point, particularly suburban unincorporated areas that are very connected to a given municipality.

To identify the optimal structure, we must first clearly understand its function: where we as a province are going, which services will need to be provided under such structure, and how those services can be most effectively provided. We understand that the existing RSC model is being considered as part of the local governance apparatus going forward. We caution that RSCs are still contentious among some of our members, especially if they are going to be organized in a manner that takes autonomy away from municipalities. We have many members that currently provide their own professional and cost-effective services and who are collaborating locally in providing those services to other communities. We have heard from members that choice in service is critical to the success of local governance reform. Municipalities must have choice in service delivery, to self-deliver where appropriate or partner with neighbouring communities. A good example of a successful partnership is Grand Falls and Drummond whose communities have created sustainable service agreements on several key offerings such as water and land-use. However, in certain areas and in context with greater municipalization, RSCs also present an important mechanism to deliver services in conjunction with municipalities and LSDs. Giving options for municipalities is critical for ensuring greater collaboration. Our members have clearly stated that they do not believe that one-size will fit all and that they wish to maintain the ability to choose which service provider is most effective and efficient for them.



We understand that consideration is being given to enhancing the powers of RSCs which could potentially include some form of Regional Municipalities within the RSC boundaries to provide some form of municipalization to LSDs. Provided this model does not impact existing municipal service provision that is working well, our members would support such initiatives. It is important to reiterate that UMNB members are supportive of municipalization with LSDs through the RSC/Regional Municipalities, so long as it does not infringe on municipal autonomy.

If the RSC / Regional Municipalities model that has been discussed is to be used, our members have also been clear in their concern about the administrative shortcomings of the existing RSC model such as inappropriate and unfair voting representation. Such shortcomings must be addressed to ensure an equitable system.

If an enhanced RSC / Regional Municipalities model is promoted, UMNB recommends that regional plans be prepared for each of the restructured LSDs/municipalities, in accordance with the above-noted provincial land use policies and procedures. These plans should also recognize the individual characteristics of each region, which would further negate the need to prepare local plans for each individual LSD, since the regional policies would be at a finer level of detail to cover their circumstances. Larger LSDs would have plans prepared by virtue of being part of the larger municipalities which already have municipal plans in place that could 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.

Regional Collaboration

Regional collaboration is top of mind for members of the UMNB. By addressing issues such as the lack of structure for regional payment for regional facilities, the lack of plans and policies for developing the location and need for regional infrastructure, or even the disparity between tax rates in municipalities and LSD's we would eliminate barriers to collaboration. Again, our members firmly believe that by removing systemic barriers and inefficiencies (including the lack of municipalization in LSDs), we will create a better environment for collaboration. This should also help reduce duplication of services as communities will be incentivized to collaborate. In order to further incentivize collaboration, we believe enticements could be used such as providing advanced standing to infrastructure grant applications that have regional support.

Removing systemic barriers should inform the government's position on municipal reform. If reforms are implemented which raise standards and bring everyone to the same level, then the biggest obstacle for collaboration will be gone, and the stage will be set for greater collaboration and cooperation. By addressing barriers such as full municipalization, a fair and equitable tax system and consistent land-use planning strategies, communities will have more incentives to work cooperatively on behalf of their citizens.



On a final note, members of UMNB fully support **the principles** stated in the green paper 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. UMNB members also recognize that for any meaningful municipal reform to take place, Indigenous peoples must play a central role in the process. By embracing reconciliation and incorporating Indigenous knowledge into the white paper, the government will strengthen the report and improve opportunities for meaningful reforms across the province. UMNB encourages the province to take the recommendations of the Truth and Reconciliation and include them as part of the Municipal Reform process.

On behalf of the board of directors and membership of UMNB, we thank you, your department, and your government again for dedicating time and resources to this important initiative. As we always have, the UMNB remains a willing partner to collaborate in local governance reform. Please do not hesitate to reach out should you have any questions or need for more information.

Sincerely,

A handwritten signature in black ink, appearing to read 'Alex Scholten'. The signature is fluid and cursive, with a large loop at the end.

Alex Scholten, President
Union of the Municipalities of New Brunswick