



Municipality of the District of Argyle

Item: Facilitated conversation with
Yarmouth County – Municipal
Reform - consolidation

Date: January 11, 2020

VISION

We see Argyle as home to a healthy and thriving rural population. Our municipality promotes and supports economic and social opportunities for the region and engages in the active expression of our unique Acadian heritage. We are a place of choice for rural living and are widely recognized for our warm hospitality and joie de vivre. Surrounded by fresh air and cool ocean breezes, we work and play in the great outdoors. People choose to live in Argyle because of our commitment to each other, to our community and to our neighbors. Argyle is a place we are proud to call home.

Background:

The idea of municipal amalgamation, or more recently, named consolidation has been the topic of conversation at many provincial and regional tables for some time now. With the Ivany Report indicating a need for an improved regulatory framework (reduced red tape etc) there has been renewed energy in this discussion.

Equally influential are the recent dissolutions of a number of towns in NS, along with the newly consolidated Windsor-West Hants. The Minister of the Department of Municipal Affairs and Housing is tasking his staff to talk to municipal leadership interested in pursuing a fact-finding mission for municipal reform.

Before getting into the details, it should be noted that there is a difference between Amalgamation and Consolidation. Amalgamation is understood to be the creation of one municipal unit from two or more existing units, through an application with the UARB.

Consolidation is the same concept, however, using the newly passed legislation in the Municipal Government Act. Windsor-West Hants is the recent and only example of consolidation using the MGA. Using the MGA instead of the UARB allows for a more direct control from the municipal units in its development. The UARB process is more complicated and takes longer. Often, UARB processes are triggered by the will of the residents.

Amalgamation, Consolidation and Dissolution are all tools available to municipal government under municipal reform. Recently, there was talk about other municipal modernization opportunities – some refer to a hybrid model that would address regional affairs regionally, and local government would retain a form of autonomy and independence for local initiatives. Some municipalities consider cost sharing a form of municipal reform; and it is – as it attempts to deliver either a better service, or a less expensive service for residents.

Let's chat about regional collaboration and shared services

Our local history of collaboration has focused primarily on joint service delivery. The Municipality of Yarmouth and the Town of Yarmouth share in a couple of municipal services that we have chosen to deliver on our own – such as Recreation, and a partial sharing of Fire

services. Only recently have we created a Regional EMO, thereby eliminating the work of Yarmouth EMO (2 units) and Argyle EMO (1 unit) and creating a regional approach.

Other examples of cost sharing included the District Planning Commission, which in its peak had 4 municipalities cost sharing a planner, a GIS specialist and a half time support. At the time of the closure of local municipal dumps, Yarmouth County units concluded that one landfill, one transfer station, and one construction and debris location was the smartest, more effective way to deliver solid waste delivery. It was the right conclusion for that service; over \$2,000,000 was invested in the facility. Alone, Argyle would have required to invest 100% of these funds.

We have many more cost shared services that we deliver – those that are traditional municipal delivery are often less challenging – for example, funding for Mariners Center is generally considered a key investment by recent Councils, seeing as it is a key asset used by many of our residents. There is no alternative provided to our residents inside our community.

Downloading of government services and its impact

The delegation, disposition and divestiture of properties and services by Federal/Provincial governments has forced local government to engage in hard decisions for the community. In 1997, a local community non-profit organization took over the Yarmouth Airport and were given slightly above 2 million that was to last 10 years. The committee had good intentions, but in the end the money lasted 8, and municipalities in the County were asked to take over. The County agreed to take over to save the service. Fast forward another 15 years, and we are paying double the original subsidy, with many unsuccessful attempts to bring the airport to another level – to actually meet its potential.

The elimination of the ferry service by the NDP government spelled devastation for Yarmouth. This at the same time as the lobster prices were abysmal. While the ferry terminal was in the Town, there was no doubt the three municipal units were going to chip in as the tourism impact was region wide. We all chipped in at 33% each for the costs associated with many initiatives to have the service return. We shared our best business leaders in finally convincing government that the service needed to be restored.

One of the larger items was to accept ownership of the Ferry Terminal, which was subleased to Bay Ferries by the Federal government and left in terrible disrepair. Once again, funds were obtained from other levels of government to retrofit and restore operations, but at a price to municipal units. Furthermore, the partnership that was once 1/3 each is no longer – Argyle is investing 10% in the terminal retrofit and is not an owner.

Federal/Provincial government decisions to eliminate/download services resulted in local partnerships, which are uneasy at times, partnerships built somewhat on local desperation to save important services that Federal and Provincial governments chose to stop delivering.

Both transportation infrastructures happen to be located outside our community. In both of the above noted examples, our history of working with Yarmouth County units was influential in

our decision to support those assets. Other neighboring units were either not interested, or were not asked to participate at that time, despite being as close geographically. There is no doubt that our history of collaboration has been in the County.

A historical view of other partnerships

While dealing with downloads, more corporations were formed (or pre-existed) to address regional matters, with more layers of governance and service needs. Over time, unintentionally, the three units created a governance nightmare; multiple intermunicipal agreements and corporations, all with their version of administrative costs, policy development etc.. (see appendix 1 for a high-level summary of those corporations).

Costs are mounting, with only local taxation revenues to offset them. The irony is that more regional or even provincial collaboration is a solution to develop alternative forms of revenue generation. Alone we can do it quickly, but together, projects like wind, solar and other renewable energy revenues are much more durable and successful.

In many cases, the CAO's and elected officials sitting at these decision tables are stretched in multiple ways, asked to be experts in airport management, solid waste.... Also, responsible to represent their district residents – those responsible for electing them in the first place. The multi-faceted roles often cause conflict, and elected officials understandably will want to focus on “local” government issues; the same can be said of the CAO's and local staff – as that is where they work. Staff answers to CAO, CAO answers to Council, Council to the electorate.

Our current structure for addressing regional priorities causes major frustration. The best one-word description for how decisions are supported, contemplated and made at the regional level would be: broken. This is a big problem for the County – arguably the biggest problem to solve. We require a repair of our regional structure so that new and existing regional initiatives can move forward effectively.

All councils and individual councilors are well-intentioned, but it is clear there are cultural, personality, financial and other issues that cannot be resolved in this current structure. All intermunicipal agreements are tired – CAO's are also well-intentioned but they too are the cause of slowdown and disagreement. CAO's spend between 40 and 50% of their time on contract renegotiations, supporting (often) local interests at a regional table and attempting to problem solve from the corners of their desk, serving in some cases as interim management. It is not that this time isn't required, it is that it can be unproductive, and the result may not resolve regional matters in a clear unified way.

Regional issues, therefore, become cumbersome and often easier to ignore and criticize, even if they may be the most important to our electorate. Our electorate is not well informed of our multiple investments and why we would be engaged in them. Especially those investments that appear to be outside our region. The electorate is also not necessarily informed of all the inter municipal work that we are already undertaking, and so their idea of local government may not be what is happening.

The regional leadership is tired and frustrated and wants to lead meaningful change in this community more than ever before; and it is understandable why the concept of consolidation would be attractive at this time.

What is our current level of service to our residents?

In my personal view, before looking at where you may be headed, we should take a moment and understand where we are, in an honest self-reflection. Financially, there would be no cause for panic – Argyle has reserves that would be considered healthy for the size of our population. We have been historically frugal and careful in our capital investments, often waiting for partnership from other levels of government before proceeding. This attitude precedes me as CAO and appears to be consistently applied by many Councils now and in the past. So, in short, we are careful and methodical financially, and this has resulted in years of operating surplus, and using these surpluses for strategic investments, EVEN when we are investing in major investments regionally.

However, there are recent and future trends that should alarm our residents and Council. Rural Canada is experiencing a population decline – the further away communities are from the major population centers, the more dramatic the decline is predicted to be. Second, our population is aging. All developed countries are experiencing this – Baby boomers are entering retirement, and there are less people in our communities to pick up the gap. Health and other services will need more investment to address this group of individuals as they age. The municipal services will be impacted – accessible access will become even more critical.

The combination of less people with a growing population on a fixed retirement income means that there will be a reduced financial ability to absorb increased costs of municipal services (and they are increasing!)

Another layer of fact is that the complexity of municipal government has dramatically changed. Behind our popular Recreation programs, Community Development, festivals, celebrations and cultural events, there are a multitude of issues pressing Argyle and municipalities to plan and implement. For example, Climate Change mitigation and adaptation, regional investment of Rural Broadband, new legislative requirements of Accessibility, Health and Safety, Procurement, Building Inspection, Fire inspection, Environmental... to name a few. It is safe to predict that our sphere of work is only going to become more complex, particularly if we are to continue to improve and apply a growth mindset to our Municipality and region.

Many of these projects will require resources that we may or may not have, and if required, are best to consider as regional resources, not just local answers for Argyle.

As this is for preliminary discussions, I have omitted many elements of where we are currently. I have added in appendix 2 a quick look at our budget, and which services are currently regional, which are local, and which are forced upon us by a higher power. In short, it looks like its close to a 50-50 split between local delivery (including staff costs) and the mandated and regional services.

The importance of local representation

We learned at our last boundary review, and also in our work to preserve our francophone provincial riding, that local representation is still very important to our residents. Also, our residents speak with their ballot; our municipal and provincial voting percentages are almost always amongst the highest in the Province, we have seen a percentage as low as 60% and as high as 88% in municipal elections and byelections. This compared to 40-50% in the rest of the County.

When we proposed 7 Councilors instead of 9 at our last review, it was met with opposition. While there was a sense in the community that 9 was too many councilors for our small municipality, our residents were not eager to accept an alternative as they perceived other issues would be created. As is the case in any change that is not properly planned or executed, there can be unintended negative consequences.

This fear of loss of representation has been made evident in recent social media communication, expressions of genuine concern of how governance would change in a consolidated environment. Concerns that our voice would be lost in a larger environment, and that financial commitments would not occur in Argyle, and funds would likely funnel to the Town. In short, there appears to be very little information and very little trust amongst residents surrounding the question of consolidation, and that is understandable and important to hear.

Residents' initial feedback does not appear to be asking Council to NOT participate in a discussion, but that would be up to Council to determine.

In short, the community's preference for municipal governance may be in conflict with our need to improve, modernize and reform municipal government. It most certainly appears to be in conflict with a concept of consolidation. Council has the responsibility to find the balance between being the most informed group of residents on the problems facing us and following the wishes of your constituents.

CAO's Recommendation:

Recommend that Council continue its strong tradition of leading and supporting regional thinking and collaboration, and approve the amended resolution attached.

Recommend that we also develop a consistent communication process supporting our conversations and engage our residents at each significant point in the discussion.

Recommend that we examine alternate forms of municipal reform outside of full consolidation, to address the current structural issues identified above.

Suggested motion:

Approve the resolution attached.

RESOLUTION OF COUNCIL

Resolution number 2020-01

Dated January 13, 2020

Whereas the Councils for the Municipality of the District of Argyle, the Municipality of the District of Yarmouth and the Town of Yarmouth recognize the critical importance of regional cooperation to the growth and prosperity of the region;

Whereas Council values the importance of building on past efforts for regional cooperation and understands that further collaboration potentially benefits all residents of the region;

Whereas Council recognizes that municipal cooperation and collaboration shall be improved dramatically with structural and governance reform;

Whereas Council recognizes that there are alternatives to structural and governance reform, one of which includes a full consolidation of two or more units – and wishes to learn more about these options;

Whereas the Councils for the three municipalities agree that discussions should take place with each other to explore opportunities for structural reform, and that these discussions would be most productive if coordinated and facilitated by representatives of the Province of Nova Scotia;

Whereas while municipal structural and governance reform is required for growth and prosperity, the Municipality of the District of Argyle is home to many Acadian residents, in communities that require special consideration for the preservation of minority language and culture.

Whereas the Municipality of the District of Argyle has taken a firm position on the preservation of our provincial riding, and that a court of law has requested that the Province return our Provincial riding to its original boundaries in the interest of protecting and preserving Acadian minority language rights.

And Whereas communication and public engagement is critical to any successful review of structural change, regardless of its form, and Argyle residents have traditionally been actively engaged in municipal government;

Now therefore be it **resolved** that

1. That the Municipality of the District of Argyle submit a formal request to the Minister of Municipal Affairs and Housing for the Province of Nova Scotia to coordinate a facilitated session between the Councils for the Municipality of the District of Argyle, the Municipality of the District of Yarmouth and the Town of Yarmouth to discuss structural reform, including a discussion on a potential consolidation of the three Municipal Units, such session to be held within the next 45 days.
2. That the Municipality of the District of Argyle submit a formal request to the Minister of Municipal Affairs and Housing to include the lens of francophone Acadian minority rights in their facilitated discussion, and to consider the preservation of those rights in their presentation on municipal structural and governance reform.
3. That the Municipality of the District of Argyle ensure that any and all discussions result in open and transparent communication to the public, and that the communication may be coordinated with the other two units or be independent of the units.

CORPORATIONS DELIVERING SHARED SERVICE

Mariners Center	No ownership 33% operating	Multi purpose recreation center - rink
Yarmouth Airport Corp.	31% ownership 29% operating	Airport operations
YASTA	25% ownership 25% operating	Regional tourism promotion and events tourism
Western REN	18.33% ownership 18.33% operating	Regional Economic Development
Yar Area Industrial Comm.	33% ownership 33% operating	Medical clinics, Port of Yarmouth
Yar. Co Solid Waste Authority	31.3% ownership 31.3% operating	Landfill, transfer station and recyclables

Each corporation has a separate board of directors, led by councilors, business leaders or both.

Each has its own HR and governance policies.

Each has an intermunicipal agreement, negotiated by the CAO's in varying timeframes.

No significant work to consider cross corporation efficiencies.

Other regional work includes co-ownership of wind turbines, administered by MODY; REMO administered by Argyle, District Planning as administered by Argyle, Ferry Terminal as owned and administered by Town (no separate corporation, simply intermunicipal agreements).

No Chief Operating/Administrative Officer leading these corporations – CAO's and senior staff from local units provide leadership when they can.

There is no consistent leadership (elected or staff) across these services.

FINANCIAL REPORT - CATAGORIZED BY SPHERE OF CONTROL

EXPENDITURES	2019-2020 BUDGET	LOCAL CONTROL	REGIONAL CONTROL	MANDATED/ NO CONTROL
GENERAL GOVERNMENT SERVICES				
Interest on Short-Term Debt	\$6,000	\$6,000	\$0	\$0
Legislative - Council	\$260,150	\$260,150	\$0	\$0
Administration	\$386,130	\$361,130	\$25,000	\$0
Information Technology (IT)	\$122,010	\$122,010	\$0	\$0
Employer Benefits	\$203,300	\$203,300	\$0	\$0
Financial Audit	\$24,000	\$0	\$0	\$24,000
Taxation	\$255,250	\$255,250	\$0	\$0
Common Office Expense	\$53,700	\$53,700	\$0	\$0
Election, Conferences and Memberships	\$21,250	\$21,250	\$0	\$0
Grants to organizations	\$300,598	\$140,598	\$160,000	\$0
Assessment Recovery Costs-PVSC	\$198,522	\$0	\$0	\$198,522
	\$1,830,910	\$1,423,388	\$185,000	\$222,522
PROTECTIVE SERVICES				
Police Protection	\$893,250	\$0	\$0	\$893,250
Transfer to Correctional Services	\$104,833	\$0	\$0	\$104,833
Law Enforcement - DNA costs	\$7,500	\$0	\$0	\$7,500
Fire Protection - Operational Grants & Support	\$835,041	\$812,041	\$23,000	\$0
Emergency Management Organization	\$32,500	\$0	\$32,500	\$0
Property Inspection & Public Works	\$349,300	\$254,300	\$95,000	\$0
Animal Control	\$29,700	\$0	\$29,700	\$0
	\$2,252,124	\$1,066,341	\$180,200	\$1,005,583
TRANSPORTATION SERVICES				
Road Transport and Active Transportation	\$47,816	\$0	\$0	\$47,816
Air Operational Support	\$208,650	\$0	\$208,650	\$0
	\$256,466	\$0	\$208,650	\$47,816
ENVIRONMENTAL HEALTH SERVICES				
Sewage Collection & Disposal-(West Pubnico)	\$304,150	\$304,150	\$0	\$0
Sewage Collection & Disposal-(Tusket)	\$38,441	\$38,441	\$0	\$0
Sewage Collection & Disposal-(Wedgeport)	\$7,550	\$7,550	\$0	\$0
East Pubnico Water Utilities	\$48,500	\$48,500	\$0	\$0
	\$398,641	\$398,641	\$0	\$0
Garbage Collection & Disposal	\$730,772	\$452,772	\$278,000	\$0
Other - Unsightly & Dangerous Premises	\$25,000	\$25,000	\$0	\$0
	\$755,772	\$477,772	\$278,000	\$0
TOTAL ENVIRONMENTAL HEALTH SERVICES	\$1,154,413	\$876,413	\$278,000	\$0
PUBLIC HEALTH SERVICES				
Medical Clinic Operations & Doctor Recruitment	\$90,000	\$0	\$90,000	\$0
ENVIRONMENTAL DEVELOPMENT SERVICES				
Planning and Zoning	\$106,850	\$35,000	\$71,850	\$0
Community Development	\$65,400	\$65,400	\$0	\$0
Economic Development and Housing	\$78,752	\$0	\$53,752	\$25,000
Business & Residential Parks	\$7,300	\$7,300	\$0	\$0
Senior Safety Coordinator	\$56,150	\$56,150	\$0	\$0
Regional and Local Tourism Support	\$90,750	\$13,000	\$77,750	\$0
	\$405,202	\$176,850	\$203,352	\$25,000
RECREATION & CULTURAL SERVICES				
Recreation and Active Living	\$355,011	\$310,011	\$20,000	\$25,000
Cultural Bldg & Facilities-Pubnico Library	\$21,700	\$21,700	\$0	\$0
Cultural Bldg & Facilities-Tusket Courthouse/Museum	\$166,900	\$166,900	\$0	\$0
Regional Library	\$54,013	\$0	\$0	\$54,013
	\$597,624	\$498,611	\$20,000	\$79,013
EDUCATION				
Tri-County Regional School Board Operations	\$1,598,416	\$0	\$0	\$1,598,416
TRANSFERS				
Transfers to Reserves & own funds	\$262,272	\$262,272	\$0	\$0
TOTAL EXPENDITURES	\$8,447,427	\$4,303,875	\$1,165,202	\$2,978,350

	LOCAL CONTROL	REGIONAL CONTROL	MANDATED/ NO CONTROL
Percentage of total expenditures	51%	14%	35%

