

Municipal Challenges and Potential Solutions



Municipal Challenges

Life's challenges
are not supposed to worry you

they are supposed to help you
discover who you are

and how far you can go



Municipal Challenges

Challenges facing Urban Municipalities:

- Revenues
- Expenditures
- Demographics
- Retention and attraction of senior staff
- Downloading/additional requirements



Municipal Challenges

Challenges facing Urban Municipalities:

- Public Procurement Act
- Conflict
- Keys to a Successful Council
- Information on LW Consulting



Revenue Challenges



Revenue Challenges

- Federal and Provincial governments are running deficits
- Both will elect new governments in 2019
- Any decreases in funding to lower levels of governments are usually made early in the government's mandate
- Decreases in Federal revenue to Provincial Governments will increase pressure on Provinces to reduce revenue transfers to Municipalities



Revenue Challenges

- Reduction of business taxes by the closure of businesses and the loss of major business establishments
- Seniors tend to have fixed/lower income and require new programs and services
- Ageing population with low and fixed incomes creates pressure on Municipalities to reduce taxes or keep them at current levels;



Revenue Challenges

- This creates challenges on how revenues and existing services can be maintained while providing new services demanded by residents, especially seniors.
- Job losses and the reduction in two (2) income families presents challenges to cope with increases in municipal taxes and fees



Revenue Challenges

- Growing resistance to increased municipal taxes and fees
- Increased expectations from residents for improved and new services and programs
- Additional revenue challenges?????



Potential Solutions



Potential Solutions

- Increased revenue from Provincial/Federal governments
- New sources of revenue
- Increased fees for services that may be subsidized by property and/or business taxes; i.e. water and sewer services; recreation programs and services
- Analysis of existing programs and services to determine what, if any, are subsidized and by what amount

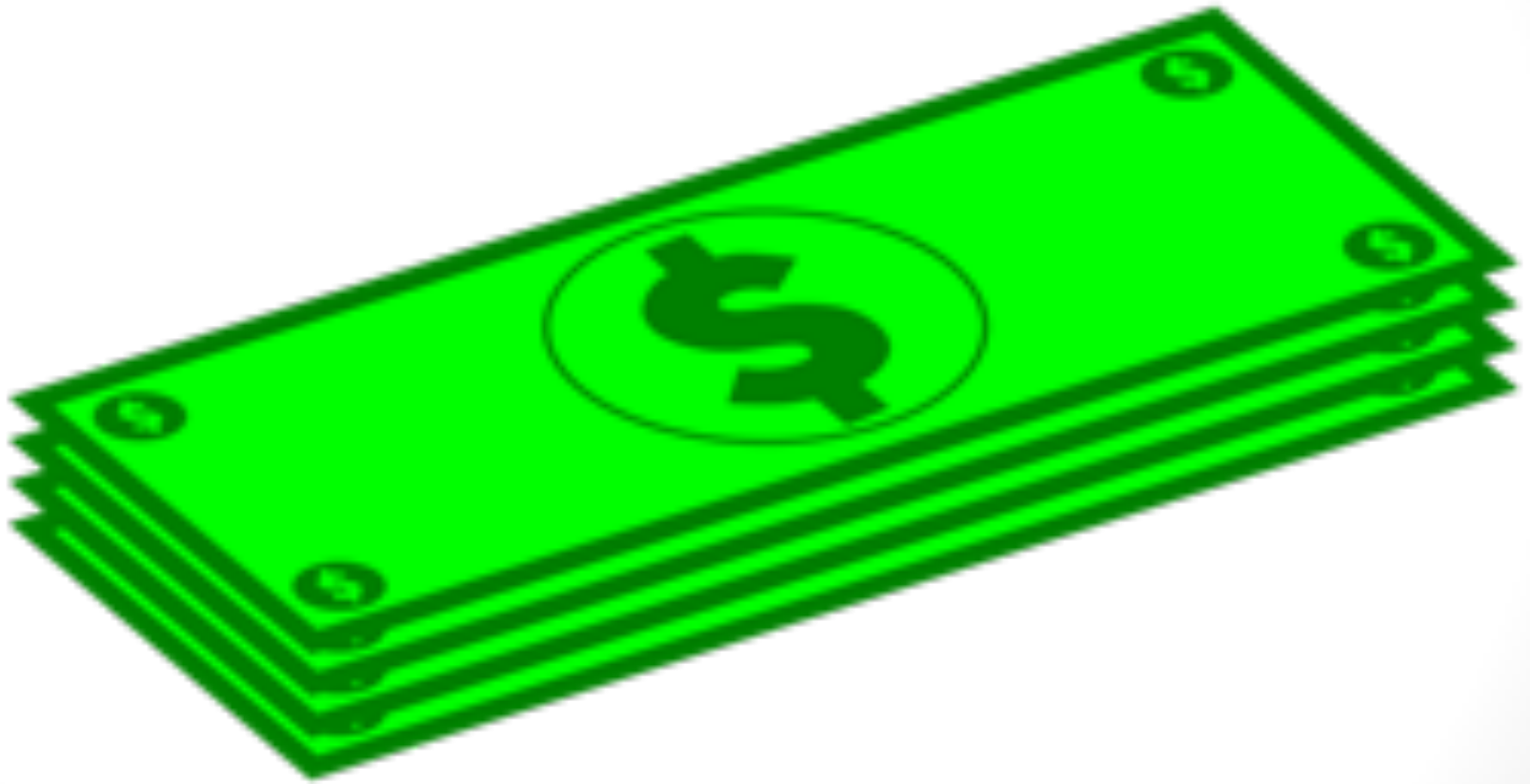


Potential Solutions

- Analyze existing programs and services to determine whether they are producing the desired outcomes that were envisaged when they were first introduced
- Improve programs and services to reduce costs
- Increased emphasis on economic development opportunities
- Other potential solutions????



Expenditure Challenges



Expenditure Challenges

- Canadian Federation of Independent Businesses publishing a paper entitled NL Municipal Spending Watch in September of 2015
- This paper looked at Municipal Real Operating Spending in the provinces 20 largest Municipalities of 3,500 and over representing 60% of the NL population in 2013 for the period of 2003 to 2013



Expenditure Challenges

- Results showed that real operating expenses increased by 38% while the population grew by only 9%

Municipality	2003 – 2013 real operating spending per capita growth	2013 operating expenses per capita	Overall provincial rank (1 st best)
Bay Roberts	1%	\$795	1
Happy Valley – Goose Bay	-3%	\$870	2
Bonavista	18%	\$626	3
Channel – Port aux Basques	6%	\$835	4



Expenditure Challenges

Municipality	2003 – 2013 real operating spending per capita growth	2013 operating expenses per capita	Overall provincial rank (1 st best)
Carbonear	12%	\$826	5
Placentia	8%	\$899	6
Stephenville	7%	\$962	7
Gander	10%	\$1,016	8
Grand Falls - Windsor	22%	\$927	9
Corner Brook	14%	\$1,114	10
Portugal Cove – St. Philips	45%	\$740	11
CBS	38%	\$854	12



Expenditure Challenges

Municipality	2003 – 2013 real operating spending per capita growth	2013 operating expenses per capita	Overall provincial rank (1 st best)
Paradise	32%	\$940	13
Deer Lake	30%	\$1,010	14
Marystown	43%	\$935	15
Clarenville	42%	\$1,046	16
Mount Pearl	41%	\$1,213	17
Torbay	101%	\$871	18
Labrador City	53%	\$1,681	19
St. John's	26%	\$2,067	20



Expenditure Challenges

- This Report raises the issue of whether there is a revenue challenge or an expenditure challenge
- How can Municipalities address the perceived or real expenditure challenge?
- Are Council priorities identified and are Council and management working as a team to achieve these priorities?



Expenditure Challenges

- Do Municipalities have the appropriate organizational structure to effectively and efficiently provide their programs and services?
- Do Municipalities have the right employees in the right job with the required skills and training?
- Are Municipalities obtaining appropriate productivity from their employees and how will they know if they are?



Expenditure Challenges

- Are Municipalities paying staff appropriate wages and benefits for their experience and skills in comparison to comparable municipalities?
- Do Municipalities have a Collective Agreement that is fair and appropriate to both employees and the residents and businesses they serve?



Expenditure Challenges

- How can Municipalities cope with the increasing cost of infrastructure and maintenance?
- Can Municipalities do more with less?
- Additional Expenditure Challenges????



Potential Solutions



Potential Solutions

- Develop a Strategic Plan to identify Council priorities to provide guidance and direction to management
- Review Town's Organizational Structure to determine whether the appropriate organizational structure and employees are in place with appropriate skills, experience and training to provide the programs and services required by the demographics of your municipality



Potential Solutions

- Review demographic changes and the types of programs and services that may be required
- Develop programs and services with defined outcomes to meet the needs of your Municipalities' demographics
- Develop a performance appraisal system to ensure employees are performing satisfactorily and are appropriately compensated for their productivity



Potential Solutions

- Conduct an external scan of comparable Municipalities on the wages and benefits being paid to your employee classification
- Review collective agreement to determine whether the wages and benefits are in line with those paid to comparable Municipalities



Potential Solutions

- Ensure Council has the required experience and skills at both the Council and management level to conduct negotiations on behalf of the municipality
- Conduct an examination of past wage increases, those paid in comparable Municipalities and provisions within collective agreement that should be changed



Potential Solutions

- Analyze contracting out certain services or programs versus providing them in house
- Explore regional or shared services
- Additional potential solutions?????



Demographic Challenges

- Changing demographics requires new programs/services
- Changing demographics presents challenges to the payment of the current level of taxes
- The Tax Revenue Report by the Independent Tax Review Committee – Newfoundland and Labrador 2018 states that NL will soon see fewer people in the workforce, a trend that will accelerate over the next two (2) decades



Demographic Challenges

- The Population Project by the Harris Centre states that Newfoundland and Labrador has the most rapidly aging population in the country - combined with youth out-migration, declining birth rates, and an increasing number of people moving from rural parts of the province to more urban centers, the province is facing an unprecedented population challenge



Demographic Challenges

- The workforce will likely decline by tens of thousand of workers which will have a major impact on our economy
- Younger people move to where work opportunities exist, to larger NL centers and to other areas of Canada
- Older residents are moving to larger centers to be near hospitals and other amenities required by them



Demographic Challenges

- Declining number of youth
- Increased cost for the provision of recreation programs and services for a smaller number of youth
- Additional Demographic Challenges????



Potential Solutions



Potential Solutions

- Are there any real solutions to the demographic challenges facing our individual Municipalities or the Province?
- We can provide additional services and amenities within our Municipalities for seniors
- NL released a 10-year Population Growth Strategy for 2019 – 2029 entitled Live Here. Work Here. Belong Here



Potential Solutions

- Pierre Cleroux, Chief Economist for the Business Development Bank of Canada (BDC) made the following suggestions:
 - In migration is part of the solution
 - Employers should try to attract all traditionally underutilized segments of the workforce
 - Increase efficiency and invest in technology



Potential Solutions

- He stated that businesses with strong, clear human resource policies – formalized job descriptions, a standard selection process for new hires, an employee manual, training and career development – are better positioned to defer labour limitations.
- Examine the types of recreational programs and services that are provided



Potential Solutions

- Ensure recreational programs and services are in line with the needs of your limited youth population and the growing senior population
- Establish appropriate outcomes for your recreational programs and services
- Establish methodologies to measures such outcomes
- Additional Potential Solutions???



Retention and Attraction of Senior Staff

7 Great Employee Retention Strategies



Retention and Attraction of Senior Staff

- As outlined under Demographics Challenges:
 - our workforce is aging;
 - more and more employees will be retiring and
 - there are decreasing numbers to replace the required number of workers, especially senior management employees.



Retention and Attraction of Senior Staff

- How do we ensure that institutional knowledge and memory of long-term employees are retained when they retire.
- How do we address these challenges?



Potential Solutions



Potential Solutions

- Develop a Succession Plan
- Identify potential senior leaders within your organization
- Train and develop identified leaders
- Do you have the professional staff to handle recruitment of senior leaders
- Should you consider contracting out such services to ensure professional recruitment strategies are utilized and to eliminate any appearance of conflict in hiring process



Potential Solutions

- Retention of knowledge of key processes within any organization is critical
- The loss of such knowledge can be very expensive and create many problems
- Every organization should have a strategy to address this issue



Potential Solutions

- Such a strategy is an Institutional Knowledge and Memory Retention Strategy and includes:
 - Documenting and identifying critical knowledge held by existing employees including critical processes and the location of all underground and above ground infrastructure, ideally in a Geographic Information System (GIS)



Potential Solutions

- Such a strategy is an Institutional Knowledge and Memory Retention Strategy and includes:
 - Document all work processes
 - Develop a Succession Plan
 - Develop a Policy and Procedures Manual
 - Develop a Training and Orientation Manual
 - Develop a Records Management System
- Additional potential solutions ?????



Downloading/Additional Requirements



Downloading/Additional Requirements

- Municipalities are consistently required to meet additional requirement including:
 - Public Sector Accounting Board (PSAB) for Municipal Financial Statements
 - Tangible Capital Assets (TGA)
 - Asset Management



Downloading/Additional Requirements

- Municipalities are consistently required to meet additional requirement including:
 - Emergency Preparedness Plans
- And on and on the list goes with limited effective training and without any additional revenues
- Additional downloading and additional requirements???



Potential Solutions



Potential Solutions

- Develop plan to deal with future downloading and the imposition of additional requirements on Municipalities
- Plan should be developed by Urban Municipalities Group in cooperation with MNL
- Plan should detail the amount of downloading that has taken place without additional revenue



Potential Solutions

- Plan should require future downloading to be accompanied with the required revenue to implement the additional requirements
- Meetings should be held with Department of Municipal Affairs and Environment



Public Procurement Act



OPEN

PROCUREMENT



Public Procurement Act

- A statutory framework has been established to enable public bodies to achieve best value, transparency and accountability in procurement.
- The statutory framework includes:
 - Public Procurement Act (PPA) and Regulations
 - Public Procurement Policy
 - Became effective March 24, 2018



Public Procurement Act

- PPA requires a Request for Proposal (RFP) process to acquire services, equipment, and capital infrastructure.
- Specifications/scope of work must be developed for an RFP to ensure Municipalities obtain what they require
- PPA requires valuation criteria to be established so that cost is no longer the single deciding factor for any acquisition of services and/or goods.



Public Procurement Act

- Municipalities are required to meet with any unsuccessful supplier to provide the rationale on why their proposal was not successful, if requested
- Supplier has the right to lodge a complaint against Municipalities if they feel they were not treated properly in the RFP Process



Potential Solutions



Potential Solutions

- Municipalities must ensure they have staff trained in the requirements of the PPA
- LW Consulting is developing a Training Program to provide Municipal Councillors and Administrators with:
 - hands on training on how to develop an RFP
 - Developing specifications and scope of work
 - Developing evaluation criteria/processes to respond to requests from unsuccessful suppliers to an RFP



Conflict



Conflict

- Conflict comes from a variety of reasons
 - Lack of personal integrity;
 - Undermining the decisions of Council;
 - Increasing own workload; not trusting;
 - Criticizing new ideas; and
 - Lack of focus.



Potential Solutions



Potential Solutions

- Keys to Success:
 - Provide clear, consistent sense of direction;
 - Build a foundation that involves teamwork;
 - Recognize distinct difference of the roles of Council and Municipal Administrator;
 - Follow accepted chain of command;
 - Respect role of Mayor;



Potential Solutions

- Keys to Success:
 - Maintain confidentiality and personal integrity;
 - Maintain a balance in life;
 - Develop a Code of Conduct Policy;
 - Develop a Respectful Workplace Policy
 - Professional Development and Training; and
 - Stay on course.



Keys to a Successful Council



Keys to a Successful Council

- The following can be implemented internally with professional qualified staff or conducted externally by appropriate skilled professionals.
- Councils who implement the following will be successful
 - Strategic Plan
 - Standing Committees with appropriate Terms of Reference and Membership



Keys to a Successful Council

- Councils who implement the following will be successful
 - Code of Conduct for Councillors
 - Respectful Workplace Policy and Procedures
 - Respect for fellow Councillors and Staff
 - Know and respect roles of Council and Municipal Administrator (Town Clerk/Manager, Town Manager or CAO)



Keys to a Successful Council

- Councils who implement the following will be successful
 - Succession Plan
 - Policy and Procedures Manual with consequences for failure to follow such policies and procedures
 - An Institutional Knowledge and Memory Retention Strategy
 - Professional Development and Training Plan



Keys to a Successful Council

- Councils who implement the following will be successful
 - Review and consider conducting an organizational review
 - Review and consider conducting a management compensation review
 - Review productivity of Municipal Administrator and consider implementing a Performance Appraisal System



Keys to a Successful Council

- Councils who implement the following will be successful
 - Review current programs and services for efficiencies and cost reductions
 - Develop Key Performance Indicators (KPIs) for municipal services and programs
 - Examine feasibility of contracting out municipal services and programs



Keys to a Successful Council

- Councils who implement the following will be successful
 - Review Collective Agreement for any required changes upon renewal
 - Develop formalized job descriptions for employees
 - Develop recruitment strategy including a review of hiring processes
 - Develop Records Management System



Information on LW Consulting



Information on LW Consulting

- Team of Gerard Lewis, Keith Warren, and Dan Noseworthy performing work related to:
 - Feasibility studies/municipal organization review
 - Priority setting facilitation/strategic planning
 - Commissioner: Town Plans/Property Tax Assessment
 - Development of policies, procedures and bylaws
 - Recruitment and selection of municipal staff
 - Collective bargaining



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