

Accountability Report 2017–2018

Department of
Municipal Affairs

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Accountability Report 2017–2018

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Accountability Statement

The Accountability Report of the Department of Municipal Affairs for the year ended March 31, 2018 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the department's Statement of Mandate for the fiscal year just ended. The reporting of the department's outcomes necessarily includes estimates, judgments and opinions by department management.

We acknowledge that this Accountability Report is the responsibility of the Department of Municipal Affairs management. The report is, to the extent possible, a complete and accurate representation of outcomes relative to the goals and priorities set out in the department's 2017 – 2018 Business Plan.

ORIGINAL SIGNED

ORIGINAL SIGNED

Hon. Chuck Porter
Minister

Kelliann Dean
Deputy Minister

Message from the Minister and Deputy Minister

We are pleased to present the Accountability Report for the Department of Municipal Affairs (DMA) for April 1, 2017 to March 31, 2018. This report highlights last year's progress in meeting the priorities of the Government of Nova Scotia as well as the department's Business Plan.

Our department enables municipalities to build healthy, safe and vibrant communities, ensures fire and building safety, and works in collaboration with municipal, provincial and federal departments to strengthen provincial and municipal emergency preparedness through planning, training and exercise. This cooperative approach enhances the ability of Nova Scotians to augment community resilience during times of emergencies and helps municipalities become stronger.

The mandate of DMA is delivered through the following divisions/offices:

1. Policy, Planning and Advisory Services;
2. Grants, Programs and Operations, which includes the Office of the Fire Marshal; and
3. Emergency Management Office (EMO).

In 2017/18, highlights of DMA's achievements include:

- Completed a review of our Municipal Financial Condition Index with our municipal partners and re-designing the reports to contextualize our indicators, highlight the linkages, and show how municipalities influence these outcomes.
- Through our Joint Partnership Framework, we developed an annual reporting process on Nova Scotia Federation of Municipalities (NSFM) and DMA's shared responsibilities, to demonstrate the progress being achieved.
- Through the Provincial- Municipal Roundtable, we worked with the Departments of Transportation and Infrastructure Renewal (TIR), Seniors, Business, Environment, Finance and Treasury Board, and Justice to provide municipal leaders with a forum to discuss issues of shared importance across government.
- Continued the development of an asset management inventory for municipal infrastructure. The project, funded through the Tangible Capital Asset (TCA) process, has moved through the pilot stage with 5 municipalities partnering to survey their linear assets.
- Continued to work with the Regional Enterprise Networks (REN), REN Boards, and Liaison & Oversight Committees to determine how to enhance the REN program. DMA also continues to work with CBRM, Colchester, Cumberland and Pictou municipalities to support organizational formation and development.

- Revised legislation based on the recommendations of the Joint Municipal Accountability and Transparency (JMAT) committee, to require consistent, transparent, and accountable expense reporting for municipalities and villages.
- Collaborated with the UNSM, to develop *Municipal Consultation Guidelines*. These Guidelines outline the principles of a systematic approach to working with municipalities during the early development of provincial regulation and legislation that may impact municipalities. These guidelines were shared throughout government.
- Introduced five bills during the spring legislative session. Amendments and Bills passed include:
 - Extending the ability for Density Bonusing throughout the Halifax Regional Municipality;
 - Piloting a District Energy System in HRM to understand the benefits of the practice for possible extension elsewhere;
 - Providing parental accommodations for elected municipal officials across the province;
 - Amending the MGA to authorize CBRM to make below-market value sales of eligible property and make alternative tax arrangements as defined by Ministerial regulations; and
 - Updating the governance structure of the PVSC Board.
- Continued to explore ways to encourage regional governance and collaboration between municipal units.
- Continued to implement the National Disaster Mitigation Program with the Government of Canada (GoC). The federal program earmarked \$200 million over five years to help communities reduce or mitigate the effect of floods in the future. Ten (10) projects, totaling \$7.5 million, have received approval under this program with additional projects possible.
- Continued to address the recommendations in the Fire Services Review.
- Conducted a test alert of the National Public Alerting System with compatible cell phone users. A loud alert was audible on some cell phones during the mid-afternoon test. Gaps in the test are currently being addressed. This is another tool that will allow EMO to communicate directly to Nova Scotians when there is immediate danger.
- Completed the 911 technology platform five-year refresh project. As a next step, EMO is collaborating with Bell Canada and our 911 technology provider (West Safety Services) in order to test Next Generation (NG) 911 technology solutions in our lab environment. This work will benefit Nova Scotia in future technology upgrades planned over the next 3-5 years. Technology configurations developed via this process may also be deployed in other areas of Canada and the US.

- Continuing to monitor and track municipal emergency management planning via a regular assessment process that reports findings back to municipal partners.

Our dedicated staff work diligently to serve municipalities and Nova Scotians. They are committed to ensuring DMA continues to be proactive and responsive to the needs of Nova Scotians. Our department looks forward to another successful year working on behalf of Nova Scotians.

ORIGINAL SIGNED

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Hon. Chuck Porter
Minister

Kelliann Dean
Deputy Minister

Financial results

Department of Municipal Affairs			
	2017-18 Estimate	2017-18 Actual	2017-18 Variance
Program & Service Area	(\$thousands)	(\$thousands)	(\$thousands)
Senior Management	697	567	(130)
Grants, Programs and Operations	236,731	187,998	(48,733)
Corporate Policy, Municipal Planning & Advisory Services	88,432	86,822	(1,610)
Emergency Management Office	6,563	9,050	2,487
Total: Departmental Expenses	332,423	284,437	(47,986)
Ordinary Revenue	5	5	0
Ordinary Recoveries	215,457	193,108	(22,349)
Total: Revenue, Fees, And Recoveries	215,462	193,113	(22,349)
TCA Purchase Requirements	1,389	942	(447)
Provincial Funded Staff (FTEs)	74.2	67.3	(6.9)

Departmental Expense Variance Explanation:

Department of Municipal Affairs expenditures were \$48.0 million or 14.4 percent under budget primarily due the following areas: Canada-Nova Scotia Bilateral Agreement project delays in Clean Water and Wastewater Fund of \$34.9 million and Public Transit Infrastructure Fund of \$6.9 million; New Build Canada Fund project delays in Small Communities Fund of \$4.8 million and National and Regional Projects of \$2.7 million; and \$1.5 million net grant, operating expenses and temporary staff vacancy savings offset by \$2.8 million for Disaster Flood Relief.

Revenue, Fees and Recoveries Variance Explanation:

The Department of Municipal Affairs recoveries were \$22.4 million or 10.4 percent under budget primarily as a result of \$23.1 million under the Canada-Nova Scotia Bilateral Agreement for Clean Water and Wastewater Fund and \$6.9 million for the Public Transit Infrastructure Fund due to project delays; \$2.3 million New Build Canada Fund due to project delays. These decreases were offset by \$9.9 million for Disaster Flood Relief.

TCA Purchase Requirements Variance Explanation:

The Department of Municipal Affairs TCA purchase requirements were \$447 thousand or (32.2%) lower than estimate due to extension into 18-19 fiscal of both DMA asset tracking project and the Fire Marshal IT system.

Provincial Funded Staff (FTEs) Variance Explanation:

Delays in filling vacancies account for lower than expected (6.9) FTE's.

Measuring our Performance

Statement of Mandate:

The Department of Municipal Affairs (DMA) enables municipalities to build healthy, safe and vibrant communities, ensures fire and building safety, and works in collaboration with municipal, provincial and federal departments to strengthen provincial and municipal emergency preparedness through planning, training and exercise. This cooperative approach enhances the ability of Nova Scotians to augment community resilience during times of emergencies and helps municipalities become stronger and economically viable.

This mandate of the department is delivered through the following divisions/offices:

1. the Policy, Planning and Advisory Services Division;
2. the Grants, Programs and Operations Division, which includes the Office of the Fire Marshal; and
3. the Emergency Management Office (EMO).

Overview:

The Honourable Derek Mombourquette was the Minister of Municipal Affairs, assigned in June 2017, for the duration of the period this Report pertains to. The Honourable Chuck Porter has since been appointed to the Department as of July 5, 2018. Kelliann Dean has been the Deputy Minister of Municipal Affairs since April 2016 to present.

In the Department's 2017-2018 Business Plan, four priorities and initiatives were identified. They were as follows:

1. Establish priorities, including removing disincentives for municipal restructuring and strengthening the provincial-municipal relationship.

2. Develop for consideration a new model for the Regional Enterprise Network (REN) Program that supports ONE Nova Scotia economic growth, youth workforce attachment, and rural entrepreneurship
3. Develop a provincial approach to align land use planning with economic growth.
4. Maximize access to federal funding for municipalities and infrastructure improvements.

Goals, activities, and achievements on the above noted initiatives are as follows:

Outcome #1:

- Establish priorities, including removing disincentives for municipal restructuring and strengthening the provincial-municipal relationship.

Goals and Activities #1:

- Provide support for municipalities that are committed to a process of re-structuring
- Review municipal governance models to identify options for structural change that strengthen municipal viability
- Support municipal units to address areas of fiscal risk
- Develop options to address issues that are disincentives to restructuring

Accomplishments #1:

- Throughout the past year, DMA, NSF, and AMANS have been collaborating on a strategic plan that aims to modernize local government and create the conditions for regional governance.
- DMA and the UNSM have created a Consultation Guideline so that municipalities can be better engaged in the regulatory and legislative process.
- DMA, in collaboration with our municipal partners, reviewed the Financial Condition Index and made revisions to ease reporting burden and better understand indicator trends and issues.

Outcome #2:

- Develop for consideration a new model for the Regional Enterprise Network Program that supports ONE Nova Scotia economic growth, youth workforce attachment, and rural entrepreneurship

Goals and Activities #2:

- Develop new tools to support RENs improve operational effectiveness, for example, data portal, start-up guide, communications document
- Review the framework to support the REN structure and governance
- Complete multi-jurisdictional study of youth labour force attachment and rural entrepreneurship strategies

- Finalize review of RENs, which includes considerations associated with shared economic development objectives, youth workforce attachment and rural entrepreneurship to further the Province's innovation agenda.

Accomplishments #2:

- DMA developed new tools to improve the operational effectiveness of RENs such as: the completion of a data portal that can provide RENs with access to geographic information on regional assets; updated and provided templates to municipalities seeking to start-up new RENs; held several training workshops on issues such as monitoring and evaluation, and business retention and expansion; and funded a REN website to communicate how RENs are leading a collaborative approach to economic development and supporting business growth.
- DMA completed background work including a jurisdictional scan and regional gap analysis to identify ways to enhance alignment of REN core activities with the economic goals for the OneNS report, including a focus on youth workforce attachment and rural entrepreneurship to further the Province's innovation agenda.
- DMA is continuing to determine the best way to support RENs and leverage their networks. We are continuing to meet with REN Boards and Liaison & Oversight Committees to determine what is working, what improvements could be made and how better to measure outcomes. DMA also continues to work with CBRM, Colchester, Cumberland and Pictou municipalities to support organizational formation and development.

Outcome #3:

- Develop a provincial approach to align land use planning with economic growth.

Goals and Activities #3:

- Bring more datasets in the Nova Scotia Geospatial infrastructure to support and promote land use planning and economic development; build data management tools and viewers to deliver the data to RENs and Municipal Units
- Consider tools to strengthen regional planning, including reviewing the Statements of Provincial Interest (SPI) for relevance and effectiveness, making recommendations for improvements and considering potential new SPIs
- Support regional planning and the development of minimum planning standards.

Accomplishments #3:

- DMA has expressed interest in consulting with municipalities on: support for mandatory planning for all land within a municipality; minimum content standards for planning documents; and mandatory consultations between adjacent municipalities.

- Staff are working on a guide for municipalities on questions they should be asking about economic development as they develop their land use plans.
 - The department is developing the web-based *Locus* app that will allow municipal and REN staff to manipulate datasets in the NS Geomatics to support land use and economic development decisions. A process is underway to hire a GIS Specialist to assist with training on the app and to bring more datasets in the Nova Scotia Geospatial Infrastructure.
 - DMA has undertaken a policy review of the SPI's and is concentrating on minimum planning requirements as the means to enable universal application of the SPI's across the province. Recommendations for improvements, and considering potential new SPI's will be forthcoming.
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Outcome #4:

- Maximize access to federal funding for municipalities and infrastructure improvements.

Goals and Activities #4:

- Administer programs and distribute funding for ongoing federal infrastructure programs (i.e. New Building Canada Fund, Clean Water and Wastewater Fund)
- Provide program support and distribute funding under the Federal Gas Tax Fund to municipalities to help build and revitalize local public infrastructure. Projects include public transit, local roads, solid waste, water and wastewater.
- Administer grant programs that provide operating funding to municipalities (equalization, Farm Land Grant, Fire Protection, Grant in Lieu of Provincial Property Tax, Nova Scotia Power Inc. Grant in Lieu, and HST offset).
- Administer a variety of programs that provide provincial funding to municipalities (i.e. Provincial Capital Assistance Program, Flood Risk Infrastructure Investment Program).

Accomplishments #4:

- DMA continued to implement the National Disaster Mitigation Program with the Government of Canada (GoC). The federal program earmarked \$200 million over five years to help communities reduce or mitigate the effect of floods in the future. Ten (10) projects, totaling \$7.5 million, have received approval under this program with additional projects possible.
- New Building Canada Fund - Small Communities Fund, is a ten-year program that was announced in 2014. In year four of the program, twenty-one projects have been approved to date with a total estimated cost of \$104.8 million, with a provincial contribution of \$34.2 million (less admin cost). Approved projects include, water and wastewater upgrades, construction of new recreation, and community infrastructure.

- National and Regional Projects component, is a ten-year program, which was approved in 2014. In year four of the program, eleven projects have been approved to date, with total estimated costs of \$170.1 million, with a provincial contribution of \$49.5. Approved projects include local road improvements, water and wastewater upgrades, and recreation and community infrastructure.
 - The Federal Gas Tax program became permanent in 2014. In 2017/18, \$55.8 million (less admin cost) was transferred to Nova Scotia's municipalities based on a formula developed by the NSFM. Eligible project categories are very broad and enable municipalities to undertake a wide variety of projects using up to 100% Gas Tax Funds.
 - The Provincial Capital Assistance Program approved 11 water and wastewater related projects in 2017/18, totalling \$2.9 million. Approved projects include capital work as well as studies.
 - The Flood Risk Infrastructure Investment Program approved four projects in 2017/18, totalling \$242,859.
 - The Clean Water and Wastewater Fund, approved in 2016, is a two-year program that was extended to four years. In year two of the program 75 projects have been approved to date, with a total estimated cost of \$172.3 million with a provincial contribution of \$43.4 (less admin cost). Approved projects include water, wastewater and sewer.
 - The Public Transit Infrastructure Fund, approved in 2016, is a two-year program that was extended to four years. In year two of the program, 25 projects have been approved to date, with a total estimated cost of \$65.1 million. Approved projects include, buses, ferry and terminal upgrades, and transit related upgrades.
 - The administration and monitoring of the Community Transit Grants Program, which provided approximately \$4.78 million in 2017-18.
 - Partnered with the Department of Communities, Culture, and Heritage and the Department of Seniors on a Community Transportation Strategy.
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Appendix A

Annual Report under Section 18 of the *Public Interest Disclosure of Wrongdoing Act*

The Public Interest Disclosure of Wrongdoing Act was proclaimed into law on December 20, 2011.

The Act provides for government employees to be able to come forward if they reasonably believe that a wrongdoing has been committed or is about to be committed and they are acting in good faith.

The Act also protects employees who do disclose from reprisals, by enabling them to lay a complaint of reprisal with the Labor Board.

A wrongdoing for the purposes of the Act is:

- a) a contravention of provincial or federal laws or regulations
- b) a misuse or gross mismanagement of public funds or assets
- c) an act or omission that creates an imminent risk of a substantial and specific danger to the life, health or safety of persons or the environment, or
- d) directing or counselling someone to commit a wrongdoing

The following is a summary of disclosures received by the Department of Municipal Affairs

Information Required under Section 18 of the Act	Fiscal Year 2017-2018
The number of disclosures received	0
The number of findings of wrongdoing	0
Details of each wrongdoing (insert separate row for each wrongdoing)	N/A
Recommendations and actions taken on each wrongdoing (insert separate row for each wrongdoing)	N/A

There were no Disclosures of Wrongdoing received by the Department of Municipal Affairs in 2017 - 2018.