

Accountability Report

2016–2017

Department of Municipal Affairs
July 2017

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Accountability Statement

The Accountability Report of the Department of Municipal Affairs for the year ended March 31, 2017 is prepared pursuant to the *Finance Act* and government policies and guidelines. These authorities require the reporting of outcomes against the department's business plan 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 Minister's Mandate, the 2016 – 2017 Business Plan, and the October 13, 2016 Speech from the Throne relative to the Department of Municipal Affairs.

ORIGINAL SIGNED

ORIGINAL SIGNED

Hon. Derek Mombourquette
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 for April 1, 2016 to March 31, 2017. 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.

Programs and services are provided by Policy, Planning and Advisory Services, Grants and Programs (including the Office of the Fire Marshal) and the Emergency Management Office (EMO). With a wide variety of programs and services, the department is committed to supporting municipalities to ensure healthy, safe and vibrant communities.

Municipal Affairs supports governance and structural reform by assisting municipalities that are committed to a process of re-structuring. We work hard to strengthen provincial-municipal relationships with our stakeholders, including, the Union of Nova Scotia Municipalities and the Association of Municipal Administrators, Nova Scotia. Regional Enterprise Networks provide regional economic leadership and develop regional economic strategies, while supporting small, local businesses. Throughout this past year, we have coordinated with other government departments and crown corporations to enhance the work of these important organizations. In addition, we have enhanced land use planning to support economic development in communities across the province. We have also facilitated access to maximize federal funding for municipalities and infrastructure improvements, which have broad public benefits and contribute to long-term economic growth and prosperity.

In 2016/17, highlights of Municipal Affairs' achievements include:

- Strengthened municipal-provincial relationships by signing a new Partnership Framework with the Union of Nova Scotia Municipalities (UNSM), which will inform our relationship and strategy of improving governance, collaboration, regional planning and economic development with municipal government in the Province.
- DMA worked in partnership with Labour and Advanced Education to pilot the Connector Program to support youth workforce attachment in the Western and Cape Breton RENs.
- Continued full legislative review of the *Halifax Regional Municipality Charter* and *Municipal Government Act* with Union of Nova Scotia Municipalities (UNSM) and Association of Municipal Administrators (AMA).

- Provided funding to support the operations of 5 RENs, in partnership with 31 municipalities.
- Municipal advisors held over a dozen strategic planning sessions to inform municipal councils with a focus on regional economic development and land use planning.
- Throughout the 2016 water shortage, the Emergency Management Office worked closely with affected municipalities, the private sector, and not-for-profit organizations, to ensure residents had access to drinking water, showers and washing facilities and non-potable water for daily household use. Also introduced legislation to enable municipalities to help residents obtain a better long-term supply of drinking water.
- Responding to the October 10th flooding in Cape Breton Regional Municipality, the EMO provided disaster financial assistance through a cost share agreement with the federal government. Over 1100 individual claims were processed, making it the largest and most timely application of this program in Nova Scotia.
- Supported the dissolution of the Town of Parrsboro into the Municipality of Cumberland.
- Supported Pictou County, Stellarton, New Glasgow, and the Town of Pictou in their application to amalgamate. Supported Mulgrave in their application to dissolve.
- Published the Financial Conditions Index (FCI), and worked with the Municipal Indicators committee to conduct the 5-year review of the index to determine opportunities for improvement.
- Reviewed and responded to the recommendations of the Ombudsman report pertaining to the District of Guysborough. Collaborated with AMA & UNSM to develop legislation to strengthen accountability and transparency.
- Small Communities Fund/National Regional Projects approved as required. This year these Programs were accelerated by Federal Government and funds had to be committed by March 31st, 2018 with project completion by 2023. The Division reviewed and made recommendations to INFC over the last year to meet this new requirement.
- Clean Water and Wastewater Fund (CWWF) and Public Transit Infrastructure Fund (PTIF) municipal project applications reviewed, recommended and approved in less than 30 days. This resulted in 73 approved Municipal CWWF projects at a combined total approved cost of approx. \$174M and 23 approved PTIF projects at a combined total approved cost of approx. \$64M.
- Improved turnaround time for payout of completed claims for Grants, Programs and Operations by implementing a new Grants Management System. It is anticipated that this new system will create efficiencies in our applications and claims processes and result in faster disbursements to our Municipal partners.

- Prepared a Municipal Climate Change Action Plan Summary Report. The report consolidates the climate change information submitted to DMA by the individual municipal units. It summarizes and highlights emerging adaptation themes, regional trends and patterns, predominant issues and concerns, geographical coverage and extend of climate hazards and damages, rural vs urban similarities and differences, infrastructure and services at-risk, and top municipal priorities for adaptation.
- Consistent processing of 911 calls in alignment with established standard operating procedures (SOP).
- The Office of the Fire Marshal (OFM) continued to work with stakeholders to identify a platform to share common issues within municipal fire services and to improve collaboration and communication on fire service issues.
- The OFM continued to work with the Nova Scotia Building Code Training & Certification Board and Nova Scotia Building Officials Association to implement the recommendations of the Working Group on Code Education for Building Officials. The recommendations once fully implemented will create a more flexible system and may reduce some costs associated with building official training.

Our dedicated staff continue to work diligently to serve municipalities and Nova Scotians. They are committed to making sure the Department continues to be responsive to the needs of Nova Scotians.

Our department looks forward to another successful year working on behalf of Nova Scotians.

ORIGINAL SIGNED

Hon. Derek Mombourquette
Minister

ORIGINAL SIGNED

Kelliann Dean
Deputy Minister

Financial results

Department of Municipal Affairs			
	2016-17 Estimate	2016-17 Actual	2016-2017 Variance
Program & Service Area	(\$thousands)	(\$thousands)	(\$thousands)
Senior Management	693	523	(170)
Grants, Programs and Operations	91,055	90,779	(276)
Municipal Planning & Advisory Service	86,095	84,011	(2,084)
Emergency Management Office	6,540	23,123	16,583
Total: Departmental Expenses	184,383	198,435	14,052
Ordinary Revenue	2	5	3
Fees and Other Charges			
Ordinary Recoveries	105,353	124,705	19,352
Total: Revenue, Fees, And Recoveries	105,355	124,710	19,355
TCA Purchase Requirements	1,074	1,005	(69)
Provincial Funded Staff (FTEs)	72.2	66.6	(5.6)

Departmental Expense Variance Explanation:

Department of Municipal Affairs expenditures were \$14.1 million or 7.6 percent over budget primarily due the following areas: October 2016 Disaster Flood Relief with \$15.8 million and the Canada-Nova Scotia Bilateral Agreement with \$9.6 million for Clean Water and Wastewater Fund and \$1.5 million for Public Transit Infrastructure Fund. These increases were offset by New Build Canada Fund project delays in National and Regional Projects of \$7 million and Small Communities Fund of \$2.3 million; and \$3.5 million net grant, operating expenses and temporary staff vacancy savings.

Revenue, Fees and Recoveries Variance Explanation:

The Department of Municipal Affairs revenue, fees and recoveries were \$19.4 million or 18.3 percent over budget primarily as a result of \$12.1 million for October 2016 Disaster Flood Relief, new federal programs comprised of \$6.5 million under the Canada-Nova Scotia Bilateral Agreement for Clean Water and Wastewater Fund and \$1.5 million for the Public Transit Infrastructure Fund. The programs include 73 clean, reliable water sources and waste-water projects across Nova Scotia and enhanced public transportation. These increases are partially offset as a result of project delays under the New Building Canada Fund.

TCA Purchase Requirements Variance Explanation:

The Department of Municipal Affairs Tangible Capital Asset purchase requirements were \$69 thousand or (6.4%) lower than estimate due to project timing of deliverables being revised and change cash flow requirements.

Provincial Funded Staff (FTEs) Variance Explanation:

Delays in filling vacancies account for lower than expected (5.6) FTE's.

Measuring our performance

Statement of Mandate:

The Department of Municipal Affairs (DMA) values the vital role municipalities play in building a strong, vibrant Nova Scotia. From supporting sound governance, to delivering a broad range of municipal services, to protecting Nova Scotians in times of emergency, the department is committed to supporting our municipalities to ensure healthy, safe and vibrant communities. These programs and services are provided by Policy, Planning and Advisory Services, Grants Programs and Operations (the Office of the Fire Marshal (OFM)) and the Emergency Management Office (EMO). Most of these responsibilities are fulfilled through the ongoing services and programs that are delivered by the DMA's core business areas; however, a number of our priorities over the next year will directly influence and/or support the government's three areas of focus (People, Innovation and Education). We all have a collective responsibility to advance not only the department's priorities but also the government's priorities to move us forward.

Overview:

The Honourable Zach Churchill served as Minister of the Department of Municipal Affairs ("the Department") for the duration of the period this Report pertains to. The Hon. Derek Mombourquette has since been appointed the Department. Dan McDougall was Deputy Minister for Municipal Affairs from April 2016 – June 2016, at which point Kelliann Dean was appointed Deputy Minister.

In the Department's 2016-2017 Statement of Mandate, five priorities and initiatives were identified. They were as follows:

1. Set future direction forward with respect to intergovernmental responsibilities.
2. Align with the economic goals for the OneNS Report.
3. Healthy vibrant municipal communities with sound governance structures, authority and financial sustainability.
4. Support economic growth, a clean environment and stronger communities in Nova Scotia.

5. Moving to a system that ensures a minimum level of land use planning being undertaken in all municipalities in order to reduce land use conflicts, enhance the protection of public safety, preserve investments in public infrastructure, and protect the environment.

Looking at the Department's mandate and the respective priorities, the Department identified six outcomes to be measured:

- Set future direction forward with respect to intergovernmental responsibilities.
- Align with the economic goals for the OneNS Report
- Healthy vibrant municipal communities with sound governance structures, authority and financial sustainability
- Support economic growth, a clean environment and stronger communities in Nova Scotia.
- Moving to a system that ensures a minimum level of land use planning being undertaken in all municipalities in order to reduce land use conflicts, enhance the protection of public safety, preserve investments in public infrastructure, and protect the environment.
- The delivery of core services by government to Nova Scotians is effective and efficient, and the budget is balanced with expected surplus by 2017-18.

Outcome: Set future direction forward with respect to intergovernmental responsibilities.

Description: Continue to work with municipalities and the Union of Nova Scotia Municipalities (UNSM) to provide guidelines and develop a strategic approach to climate change adaptation that is aimed at building capacity, resilience, and reducing the costs associated with climate related damages (Municipal Climate Change Action Plan and other provincial & municipal Priorities).

To have a signed document addressing recommendations from joint municipal-provincial studies that sets the path forward for municipal relations. Also, to work with other government departments and crown corporations such as Business, Labour and Advanced Education, Nova Scotia Business Inc. and others to continue to develop a model for the Regional Enterprise Networks (RENs) that supports shared economic development objectives, youth workforce attachment, and rural entrepreneurship.

Accomplishments:

- Strengthened municipal-provincial relationships by signing a new Partnership Framework with the Union of Nova Scotia Municipalities (UNSM), which followed Partnership Agreement negotiations, and will inform our relationship and strategy of improving governance, collaboration, regional planning and economic development with municipal government in the Province.
- DMA worked in partnership with Labour and Advanced Education to pilot the Connector Program to support youth workforce attachment in the Western and Cape Breton RENs.
- Continued full legislative review of the *Halifax Regional Municipality Charter* and *Municipal Government Act* with Union of Nova Scotia Municipalities (UNSM) and Association of Municipal Administrators (AMA).
- Participated in the advisory committee to develop the Shift action plan for an aging population, ensuring municipalities are included in the initiative.

In the Department's Business Plan we had planned to have a signed Partnership Agreement. Based on consultation with stakeholders, the Department shifted its strategic plan to create a broader Partnership Framework, which contains parts of the Partnership Agreement, but encompasses more of our stakeholders needs.

Outcome: Align with the economic goals for the OneNS Report.

Description: The Department develop a RENS strategic plan and present a model to the Private Sector Growth Committee illustrating how the provincial government could interact with the RENS and how information collected from the RENS can be used to support the development of appropriate policy and program supports for private sector growth in the province. The Department work with other provincial government departments to utilize outside information (from the RENS) to direct and inform the development of provincial government policy.

Accomplishments:

- 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.
- Provided funding to support the operations of 5 RENS in partnership with 31 municipalities.
- Municipal advisors held over a dozen strategic planning sessions to inform municipal councils with a focus on regional economic development and land use planning.

Outcome: Healthy vibrant municipal communities with sound governance structures, authority and financial sustainability

Description: Enhance the overall financial health of communities in Nova Scotia. Improve support for municipalities. Improve communities and social well-being pursuant to the OneNS Report.

Accomplishments:

- Throughout the 2016 water shortage, the Emergency Management Office worked closely with affected municipalities, the private sector, and not-for-profit organizations, to ensure residents had access to drinking water, showers and washing facilities and non-potable water for daily household use. Also introduced legislation to enable municipalities to help residents obtain a better long-term supply of drinking water.
- Responding to the October 10th flooding in Cape Breton Regional Municipality, the EMO provided disaster financial assistance through a cost share agreement with the federal government. Over 1100 individual claims were processed, making it the largest and most timely application of this program in Nova Scotia.
- Supported the dissolution of the Town of Parrsboro into the Municipality of Cumberland.
- Supported Pictou County, Stellarton, New Glasgow, and the Town of Pictou in their application to amalgamate. Supported Mulgrave in their application to dissolve.
- Published the Financial Conditions Index (FCI), and worked with the Municipal Indicators committee to conduct the 5-year review of the index to determine opportunities for improvement.
- Reviewed and responded to the recommendations of the Ombudsman report pertaining to the District of Guysborough. Collaborated with AMA & UNSM to develop legislation to strengthen accountability and transparency.

Outcome: Support economic growth, a clean environment and stronger communities in Nova Scotia.

Description: Enhance economic competitiveness, encourage job creation and strengthen trade corridors, maximize the use of local government's resources and expertise, increase long term prosperity.

Accomplishments:

- Small Communities Fund/National Regional Projects approved as required. This year these Programs were accelerated by Federal Government and funds had to be committed by March 31st, 2018 with project completion by 2023. The Division reviewed and made recommendations to INFC over the last year to meet this new requirement.
- Clean Water and Wastewater Fund (CWWF) and Public Transit Infrastructure Fund (PTIF) municipal project applications reviewed, recommended and approved in less than 30 days. This resulted in 73 approved Municipal CWWF projects at a combined total approved cost of approx. \$174M and 23 approved PTIF projects at a combined total approved cost of approx. \$64M.
- Working to develop and implement a Province-wide asset management tracking and reporting system with Municipalities. The aim of the system is to support and encourage long term municipal planning and provide effective stewardship of infrastructure assets to maximize benefits. We are taking a collaborative approach with Municipalities to ensure the resulting AM plan and practices meet the reporting requirements of the Province and the Federal Gas Tax Fund, while serving municipalities as a value-add decision making tool.
- Improved turnaround time for payout of completed claims for Grants, Programs and Operations by implementing a new Grants Management System. It is anticipated that this new system will create efficiencies in our applications and claims processes and result in faster disbursements to our Municipal partners.

Outcome: Moving to a system that ensures a minimum level of land use planning being undertaken in all municipalities in order to reduce land use conflicts, enhance the protection of public safety, preserve investments in public infrastructure, and protect the environment.

Description: Develop a provincial approach to align land use planning with economic growth. Continue to review of Statements of Provincial Interest (SPIs) which outline the province's vision for protecting Nova Scotia's land and water resources.

Accomplishments:

- Worked with Geographic Information Services in the Internal Services department to initiate the Land Use Planning and Economic Growth project. This project is identifying and gathering trusted sources of key economic and land use planning data from a variety of departments to be displayed spatially and housed in the Nova Scotia Geospatial Infrastructure (NSGI). Tools such as viewers are being built to make this data, and other NSGI data, available to municipalities and Regional Enterprise Networks (RENs) to support informed and evidence based decision-making related to economic development and land use planning.
- Completing research and developing a work plan for a review of the Statements of Provincial Interest which touch on many issues of interest for other departments and is working towards executive approval.
- DMA hosted a workshop session with planners, councilors and economic development officers following the Nova Scotia Planning Directors Association Conference on 20 May 2016 to review options for linking land use planning and economic development and the potential of using Statements of Provincial Interest as part of system of minimum planning standards.
- Prepared a Municipal Climate Change Action Plan Summary Report. The report consolidates the climate change information submitted to DMA by the individual municipal units. It summarizes and highlights emerging adaptation themes, regional trends and patterns, predominant issues and concerns, geographical coverage and extend of climate hazards and damages, rural vs urban similarities and differences, infrastructure and services at-risk, and top municipal priorities for adaptation.

Additional Accomplishments (as referenced in the 2016-17 Business Plan):

- Ongoing collaboration with municipalities, the AMA, and the UNSM to advance large scale legislative reviews, including the Joint Municipal Accountability and Transparency committee, which submitted recommendations on municipal expenses.
- Notified municipalities of potential financial risks, as identified by their FCI scores, and requested they work with their municipal advisors to conduct additional analysis, create a plan to address risks and produce progress reports.
- Administered the following programs and grants to provide funding to municipalities and not-for-profit organizations which support municipal development and infrastructure: Clean Water Wastewater Fund, Provincial-Territorial Infrastructure Fund, Small Communities Fund, National Regional Projects, Provincial Capital Assistance Program, Flood Risk Infrastructure program.
- Municipal advisors conducted 22 new council training sessions and 6 strategic planning sessions. DMA hosted a province-wide new councillor orientation session following the municipal election in October 2016.
- Consistent processing of 911 calls in alignment with established standard operating procedures (SOP).
- The Office of the Fire Marshal (OFM) continued to work with stakeholders to identify a platform to share common issues within municipal fire services and to improve collaboration and communication on fire service issues.
- The OFM continued to work with the Nova Scotia Building Code Training & Certification Board and Nova Scotia Building Officials Association to implement the recommendations of the Working Group on Code Education for Building Officials. The recommendations once fully implemented will create a more flexible system and may reduce some costs associated with building official training.
- The OFM continued to support the Fire Inspectors Association of Nova Scotia (FIANS) to ensure that training for fire inspectors is relevant to current code requirements.
- The OFM finalized the review and the legislative requirements for the adoption by the Province of the four (4) 2015 National Model Codes, that were released by the National Research Council of Canada in early 2016. These included the National Building Code of Canada 2015, National Fire Code of Canada 2015, National Plumbing Code of Canada 2015 and the National Energy Code of Canada 2015. These new codes came into force in the Province early 2017-18.
- The OFM have continued with training commitments and have conducted the following educational programs: Remembering When, TAPP-C, Learn Not to Burn – Fire and Life Safety, and Local Assistant.

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 2016-2017
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 2016 - 2017.