

Mapping & Composition

4
Mar

Outer Boundary
Council Composition
CAO Process

Community Type & Name

16
May

Decide if Town, Village or
Rural Community by May 6
& Community Name by May
16

Human Resources Plan

29
Aug

Resource Inventory
Develop Integration strategy
Employee Buy-In

2022

Budget

28 Oct

Begin the process in May to
be completed and
submitted to the Province in
October

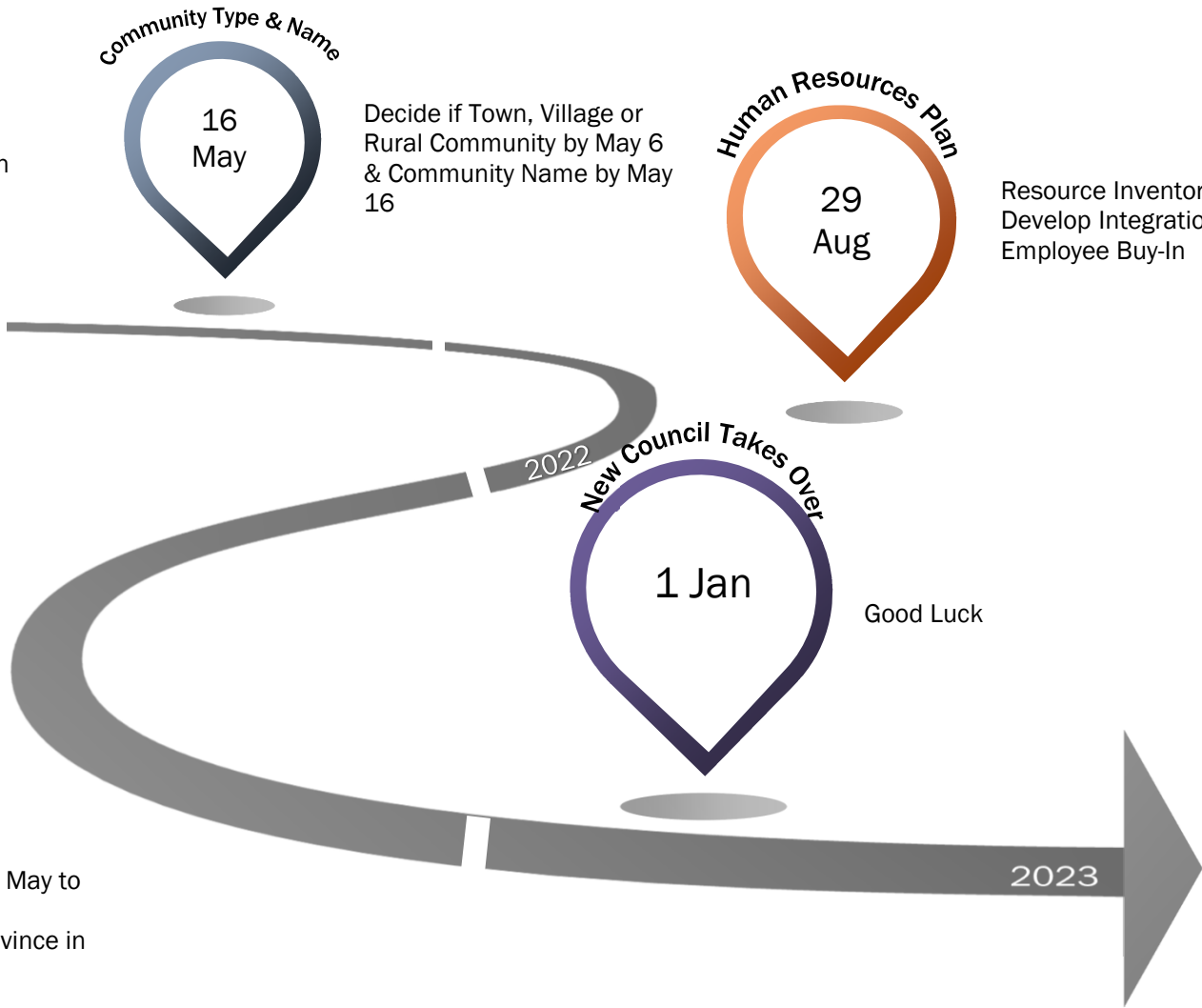
2022

New Council Takes Over

1 Jan

Good Luck

2023





LOCAL GOVERNEMENT REFORM - AN OVERVIEW

Restructuring at the local and regional levels is being led and supported by the provincial government. The implementation of local and regional structural reform has been divided into “restructuring projects” that have been assigned to various appointed transition facilitators. The transition facilitator plays a key role in the first critical year of the transformation of local governance in New Brunswick.

There are two categories of restructuring projects that have been assigned to transition facilitators:

- Local Governments
- Regional Service Commissions (RSC)

The transition for remaining local service districts to new rural districts will be the responsibility of the Department of Environment and Local Government. In all restructuring projects, it is vital to build upon successful existing programs and assets in each local government, local service district and region.

Local government restructuring

The transition facilitators are responsible for coordinating and overseeing various critical elements of the transition including, but not limited to:

- council composition and ward boundaries
- initial organizational structure and human resource matters
- change management processes
- legal considerations
- financial matters such as audits
- the preparation of first budgets
- working with community representatives to determine the new legal name and type of local government

The size of the transition team and their level of activity will vary and depend on the scale, complexity and type of restructuring that is to occur. Work on restructuring began early in 2022, with special elections/by-elections planned to take place where required in November 2022. The newly restructured local governments and rural districts will officially take effect on January 1, 2023. In the case of newly created local governments, the transition team will oversee the hiring of chief administrative officers of new local governments, who will be in place by September 1, 2022.

Regional restructuring

Changes to the regional service commissions are being led and supported by the provincial government through appointed transition facilitators. These facilitators will hire an individual to fill the new leadership role in each region and assist with such matters as:

- clarifying new functions
- coordinating linkages between the regional service commissions, provincial departments, and regional stakeholders in areas pertaining to the expanded mandate of the commissions
- supporting the initial development of regional strategies



- establishing the terms of reference of potential committees supporting the new functions
- assisting in change management processes

It is expected that the transition to the expanded regional service commission's mandate, combined with boundary alignment and changes to board composition (resulting from the local restructuring that occurs), will be completed by January 1, 2023.

Workload and Collaboration

The transition facilitators work closely with the staff of local governments and RSCs. In the new legislative framework, the transition facilitators will be the representative of new councils and administrators commencing in January 2022 for the duration of the calendar year.

Facilitators are supported in their roles by a central Project Management Office (PMO) located within the Local Government and Local Governance Reform team. The PMO staff coordinated the initial orientation, and provides direction to, and regular touch points with, the transition facilitators throughout the process, to monitor progress and share best practices. It is expected that transition facilitators will work collaboratively to encourage the highest quality outcome for the overall reform initiative while leveraging efficiencies across projects.

Some common tasks may be grouped and supported centrally through the PMO. For example, hiring an executive search firm to assist with managing the selection of new municipal Chief Administrative Officers and a new executive leadership position within the RSCs will be done by the PMO. Transition facilitators will support each job posting by providing local information that will complement the recruitment. Similarly, the PMO is coordinating with Elections NB the creation of new legal entity maps, with the transition facilitators confirming specific boundary limits, as required.

Advisory Committees

The most critical role of the transition facilitator will be assembling advisory committees to work on each restructuring project. Teams have been formed comprising local experts who understand the realities of the region in which they work and can provide professional advice to the newly formed or expanded entities. Transition facilitators are not expected to undertake all of the tasks required to meet the milestones within the prescribed timeline. Each transition facilitator will work with a committee of elected officials and a separate committee of administrators, including the rural district manager, on each project. They will have the opportunity to engage additional assistance as required, within the limits of the transition budget allocated for each project.

Not in Scope

Creating the new local governance structures in one year is going to be a significant undertaking. Other related changes will be implemented simultaneously and in later years and will be led by the new entities and their elected officials. For example, facilitators will not have to create new tax rates, new planning policies, or be involved with any centrally coordinated elements such as the creation of a new Independent Municipal Commission, unless separately negotiated.

Transition Q&As

What will be the composition of the advisory committees, and who will choose those members – the facilitator or Local Government and Local Governance Reform?

Two transition advisory committees will be struck and comprised of the mayor and one other nominee (e.g., deputy mayor or councillor) and the second committee of officials will be comprised of the CAO plus one additional nominee. Note: The second representative on the officials committee may be interchangeable depending on the topic being discussed.

If the full LSD is in scope for the restructuring, the Chair of the LSD Advisory Committee plus one additional representative would be part of the committee. The facilitator and ELG can consider exceptions if the LSD Advisory Committee suggest a different representative.

If a portion of an LSD is in scope as part of a restructuring, the Facilitator will work with the existing LSDAC to determine resident participation from the portion, if the chair does not reside in that portion.

This suggested approach may be adapted depending on the size of the restructuring project (i.e., fewer representatives or more representatives).

What is the role of current councils between now and January 1, 2023?

During the transition period for restructuring project implementation, local government councils will continue to have the authority provided in the *Local Governance Act*. The day-to-day operations of local governments will continue to be the responsibility of municipal administrators and decision-making continues to lie with the local councils.

Local governments that are part of a newly restructured entity are asked to be mindful of the decisions made throughout the transition period, recognizing that they will be part of a larger community on January 1, 2023.

As elections will be required for many newly restructured local governments, during the period commencing on the day of general election (November 28, 2022) and ending on the day of the first meeting of the incoming council, the outgoing council shall continue to exercise its powers in relation to the day-to-day activities of the local government, however, restrictions on powers of an outgoing council stated in Section 56 of the *Local Governance Act* will apply as of the day of the general election for the local governments impacted by those elections.

What is the property tax proposal and how does it differ from today?

Today, local governments set their residential rate, with the non-residential rate fixed at 1.5 times that rate. Moving forward, communities will be able to use a non-residential rate ratio ranging from 1.4 to 1.7 times the local residential rate. They will have a choice in setting their residential rate as well as flexibility in setting the non-residential rate.

Will the 1.4 to 1.7x factor also apply to differential tax rates within a revised community?

Yes, the new non-residential rate ratios will be available to all communities moving forward. Communities will be able to select a non-residential rate ratio within the allowable range that best meets the needs of their respective community.

With the restructuring of existing local governance entities, local governments and rural districts will maintain different tax rates in different areas to reflect the level of service being provided. The need to maintain differential tax rates, as well as the phase-in of impacts will be addressed in each individual regulation as the newly formed entities are created under the *Local Governance Act*.

How will debts/reserves in current local governments be managed?

Each former community will retain its own prior debts and/or reserves, and this will be addressed in Regulation

For LSDs that are restructuring with local governments, will they be subject to the local government bylaws?

Local service districts that are being restructured along with existing local governments will not take on existing local government bylaws. Rather, those bylaws will need to be revised over time to the new entity. This will be decided upon by the newly elected councils. Certain by-laws may also apply to a portion of the new entity and not the entity as a whole.

Will the facilitators prepare new by-laws?

The bylaws that are necessary for the functioning of the new council will be prepared by the transition facilitator in collaboration with advisory committees and on the basis of technical guidance by ELG. Other existing bylaws will continue to be in effect until they are revised by the new council post-January 1, 2023.

What resources are available to facilitators?

ELG has access to professionals who can provide expert advice in the following areas:

- Toponymy
- Human resources
- Mediation
- Legal services
- Financial issues
- Change management

What is the role of current staff of local governments in the transition?

Local government staff will be called upon to participate in committees to ensure the staff perspective is considered as part of the transition. Additionally, staff will be asked to provide information and data to the facilitator. The participation of senior staff is integral to ensuring the elected officials can be well informed and they can help interpret the data where required.

What will happen with people who are currently municipal employees – will there be any job losses?

While the work function may change for some employees, the transition facilitator and team will take every reasonable step to ensure existing staff have a role within the new organization. In the exceptional circumstances where that is not possible, the next principle would be to try and address through attrition. Job loss would be a last resort.

What will happen to municipalities that do not have the same collective agreements and pension funds for their employees?

The Local Government and Local Governance Reform team has retained HR and legal resources to work through these types of matters, as required. The facilitator will be in a position to access those resources when the process reaches a point of focusing on the future HR structure.

The responsibility for roads has been an obstacle for local governments considering restructuring in the past. What will be done to address this issue and remove this barrier?

Roads currently in local service districts will remain the responsibility of the provincial government, whether part of or all the local service district is merged with a local government or becomes part of a rural district. This policy will also apply to restructuring undertaken after the current reform initiative.

The Department of Transportation and Infrastructure will develop a working relationship with the local governments to discuss their priorities.

Rural district representatives will work through their rural district manager to communicate their priorities to the Department of Transportation and Infrastructure, and the ability to invest additional local property tax dollars on priorities related to roads will be enabled.

Can you expand on the cost of roads per section 4.7.2 of the white paper?

The new entities will not be responsible for the costs and will not be the owners of the roads that are within the former LSDs that will be part of a new entity. The Department of Transportation and Infrastructure will continue to provide this service.

The actual taxation structure that exists in LSDs to provide for the cost of roads, where owner-

occupied properties pay 0.4115 per \$100 of assessment, will be maintained. This is the same as the current taxation structure for former LSDs within a rural community. The taxation structure for road-related services in a former LSD will exist whether the new entity chooses to be a rural community, village, or town.

The tax structure will be revisited as part of Phase 2 of the finance and taxation reforms slated for 2025.

**How will the final decisions on council composition and structure be communicated to the public?
Will there be a provincial release of this information?**

The proposed approach is to make entity-specific information including maps, council composition and electoral structure available to the public via our gnb.ca/vibrantNB website. The current target is mid-March for the addition of this new information to coincide with the wards being set.

How will the different land use/zoning be handled once the various areas come together for an entity?

On day one, current land use plans and zoning will apply. Over time the new entities will create a new or revised land use plan for the entity, land use planners will consider the current zoning and current land uses. The development of new or revised land use plans will be a public process so residents will be able to provide comments on the proposed land use plan.