

Municipality of the County of Cumberland

'Clear the Deck' Report

July 26, 2022

One Municipality. One Future.

COX & PALMER

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I. INTRODUCTION AND EXECUTIVE SUMMARY

Residents of the Municipality of the County of Cumberland (“MCC”) are entitled to good services delivered efficiently. That’s what municipal governments do.

In 2015 Cumberland County believed it would be stronger if the Town of Springhill joined the Municipality. One year later, the same thinking resulted in the Town of Parrsboro joining the Municipality. The expectation was that, as a result, Cumberland County would evolve in ways that make it a better place to live and invest.

In less than twenty-four (24) months Cumberland County was transformed from a predominantly rural municipality to a hybrid urban/rural unit providing a range of municipal services from three locations. And Cumberland was given an opportunity to reorganize itself to uniformly deliver better county-wide services while helping to create a reinvigorated sense of purpose for the Municipality.

That work began when the units came together. Now it’s time to finish the job.

The Municipality’s *Clear the Deck* RFP calls for a review that would “... lead to the integration of all aspects of the Municipality ...”. It envisages a “one municipality” mindset going forward.

In responding to this assignment, we recognize that Cumberland’s ambition is to provide the best possible lifestyle for its residents. Cumberland wants to do its best for those who live there, while at the same time attracting more residents, more talent and more investment leading to new and better job opportunities and a more robust tax base.

We also recognize that Cumberland County includes many communities with distinct histories and cultures that deserve respect. Wholesale changes without regard to community integrity is not the way to go.

The objective of this review is to resolve the inevitable overlaps resulting from bringing three municipalities together. The goal is to propose reforms based on the municipality’s existing facilities and settlement patterns that balance concepts of better service delivery with those of accountability and accessibility through standardizing and simplifying much of the work of the Municipality. The outcome will be a Municipality that is better positioned and better organized to serve its citizens and reach its potential.

We believe the organizational reform now embarked upon will help Cumberland along that journey. To be successful Cumberland needs to continuously demonstrate that it can deliver good services effectively and sensibly. The Municipality needs to be organized and better deployed to support “One Municipality”, rather than the former three units.

Observations and General Conclusions

Cumberland County has much about which it can be proud. The County’s finances are in increasingly good shape. The County’s above-ground physical assets have been well maintained. Service facilities are appropriately located across the Municipality. Those who work for the Municipality are interested in helping to create the “One Municipality” dynamic essential to efficient operations in the years ahead. And the Municipality already has a suitably sized workforce.

That said, Cumberland lacks a plan to fund tens of millions in infrastructure maintenance and enhancement that will soon be required. While Cumberland has an appropriate number of employees, better organization can be achieved leading to better services. There are safety issues that should be addressed with some urgency. As contemplated in the RFP, the by-laws need to be harmonized and streamlined. As a result of learnings from the pandemic, there may be opportunities for hybrid work in implementing the new organizational structure. There is a need for clarity around service standards. And tax levels need to be refined to ensure that, no matter where one lives in the Municipality, tax levels reflect the level of service being delivered.

In very broad outline we recommend the following:

1. The current Springhill service centre should serve as the municipality's central administration building (i.e., including CAO, Deputy CAO, Finance, Human Resources, Communications, IT and Municipal Clerk with associated support). The Upper Nappan service centre should be re-purposed to accommodate administrative staff and function as a public-facing service centre. The Parrsboro facility is surplus and can be redeployed while still meeting local service needs through a municipal storefront (page 39).
2. The senior management team should be consolidated to work with the Chief Administrative Office ("CAO") in proximity to Council from the Springhill administration building (page 39).
3. The organizational structure needs change with end-users in mind – citizens and municipal employees. The CAO should lead an engaged six-person management team that empowers people to work more effectively with better outcomes for citizens (page 11).
4. The existing public works garages (Upper Nappan, Springhill and Parrsboro) should be maintained to achieve acceptable response times and effective service delivery from Cumberland North, Cumberland Central and Cumberland South (page 39).
5. The Engineering and Public Works team should be realigned to optimize existing expertise in an organizational structure that responds efficiently to the needs of residents and businesses across the Municipality (pages 15-17).
6. To continue to provide public facing services in Parrsboro and meet new and emerging opportunities on the North Shore, Cumberland should establish storefronts with service counters in those areas to meet current and anticipated future needs (page 37).
7. The Municipality needs funds to maintain existing infrastructure and a plan to ensure it can fund major infrastructure renewal and growth. Cumberland should develop a plan that allows for evidence-based infrastructure investments when needed (pages 61-62).
8. Municipalities raise revenue principally through property taxation and taxpayers deserve equitable treatment. An optimal revenue structure ensures that the cost of services provided to all should be included a rural tax rate and services that are provided to residents receiving a higher level of service should be funded through a suburban tax rate (pages 70-71).

9. By-laws and policies governing how residents and businesses conduct themselves in the Municipality should be the same. That's not the case now (page 80).
10. And finally, while an implementation plan was not part of our mandate, we have included some preliminary thoughts on how highest priority initiatives can be dealt with. We acknowledge that change is difficult and effective change management requires great leadership, great communication and great people, with training as required. The Municipality may want to consider seeking further professional support from those skilled in developing change management plans (page 87).

The proposed changes will, at a minimum, have these three outcomes:

1. The result of this One Municipality effort will be service delivery standards that are understood across the Municipality. Regardless of where you live in Cumberland County, residents will receive timely and predictable access to municipal administration and public works and engineering services.
2. Cumberland will have a tax structure that is transparent and fair. Regardless of where you live, residents will be taxed at the same rate as those living elsewhere in the municipality receiving the same level of service.
3. Cumberland will have a plan for the future. The Municipality will have the funds to maintain its existing infrastructure and a plan to ensure that it has the funds for major infrastructure renewal and growth.

Our mandate and report should serve to focus the Municipality on the facts, options and the opportunity to shape a better collective future for the residents. The report provides the information required to evaluate and implement the necessary reforms.

We recognize that the recommendations contained in this report are not the end of the work. Many decisions remain and much work needs to be done to make the most of this opportunity. Our report contains observations that are intended to help both Council and the Municipality's residents in their joint pursuit of an enhanced local government.

We believe residents of the Municipality have reason to be optimistic. What Nova Scotia offers, and what's available in the Municipality, is increasingly valued across North America and around the world. By making the Municipality more efficient and more reliable you will be successful in attracting more of those now looking for a better place to live, work and invest.

We look forward to discussing our report with the CAO, Council and others as may be required.

II. REVIEW SCOPE AND METHODOLOGY

a) Purpose

The purpose of the review was generally outlined in the RFP introduction:

. . . to carry out a review that will lead to the integration of all aspects of the Municipality through a review of service centre locations, public works service delivery, rate/revenue structure, and a harmonization of rates across the municipality. As well it seeks to complete the harmonization of policies and by-laws that existed on dissolution and to create a new capital asset financing policy which will guide council as it considers how to fund new projects going forward with a “one municipality” mindset.

The review called for a number of specific deliverables identified as items 4(a)-(d) in the RFP document.

The Project Team responsible for this report was purposefully built for this assignment. The skills of team members included municipal law, HR, engineering, public finance and municipal administration. The team members were:

- Jillian Gorbald – Gerald Walsh Associates
- Louis Coutinho – Coutinho Consulting
- Matt Delorme, P.Eng. – Atlantic Infrastructure Management Network
- Ken Brothers, P.Eng. - Hydrotech Consulting
- Jane Fraser, CPA, CGA, MPA (M)
- Erin Mitchell – Cox & Palmer
- Kevin Latimer, Q.C. – Cox & Palmer
- Ian Thompson – Cox & Palmer

In approaching the review, the Project Team described the opportunity presented as follows:

“In issuing this RFP, MCC has sent a signal that it is determined to create a stronger future for itself, one in which competent administration and efficient service delivery are the hallmarks. MCC recognizes that businesses can now compete globally from communities distant from where products and services are sold. But to attract those types of investments governments, like MCC, need to project an environment in which business can confidently invest.”

b) Guiding Principles

In tackling the work, the Project Team adopted Guiding Principles to assist the consultative part of the review and, ultimately, enhance the likelihood of successful implementation of the report. The Guiding Principles were:

- The review will strive for timely and informative communications for municipal personnel and stakeholders;

- All efforts should be made to ensure continuity of institutional knowledge in any new organizational structure;
- The CAO will have a manageable number of direct reports;
- There will be an effective senior leadership structure that aligns with the services being delivered to the community; and
- The organizational structure will be comparable to those of other municipalities of similar size.

In addition to these Guiding Principles, the Project Team resolved that recommendations would be formulated through an evidence-based approach and be put forward in a framework conducive to successful implementation by the Municipality.

c) Methodology and Activities

The turnaround time for completion of the review was ambitious considering the magnitude of the task but nonetheless feasible. To complete the work in the desired time, the main steps in carrying out the assignment were as follows:



The Project Team wishes to note its appreciation of the work contributed by numerous Municipal staff who investigated issues and prepared information for the Project Team's consideration and without whom the report could not have been completed within the allotted time.

III. ORGANIZATIONAL STRUCTURE

a) Cross Organizational Considerations

The cross organizational design assessment considered the organization's capacity to deliver services, its organizational vision, job position capacity, and employee satisfaction. This assessment included the balance between service delivery and value for taxpayers' dollars. We benchmarked against similar municipalities.

The assessment was supported by evidence and includes the following:

- Review of NSUARB dissolution documents;
- Job descriptions;
- Performance review process;
- Most recent collective agreement;
- Meetings with staff;
- Collected written feedback from staff;
- Visits to service centres and public works garages;
- Review of human resource policies;
- Review of organization chart included in the RFP;
- Review of recent compensation report;
- Research on best practices of similar municipalities;
- Shared information, research, and analysis from the Project Team regarding workflow and process review, financial analysis, and condition of assets;
- Observed working environments;
- Understanding of decision-making processes; and
- Review of the Safety Service Nova Scotia Gap Analysis report from 2017.

The findings confirmed that the organization had not fully integrated after absorbing the former Towns of Parrsboro and Springhill. With each dissolution, some changes were made but never with the intent of creating a new organizational structure suited to serving the reconstituted Municipality. This created an environment of uncertainty, one lacking clarity on service delivery, roles and responsibilities, and confidence in the future direction of the Municipality.

With a new CAO and Council, there's a recognition of improvements having been made but much more is still to be done. What we found is an organization that is fearful of job loss, but also one looking forward to having everyone work together as one municipality, eager to see a new approach to effective governance.

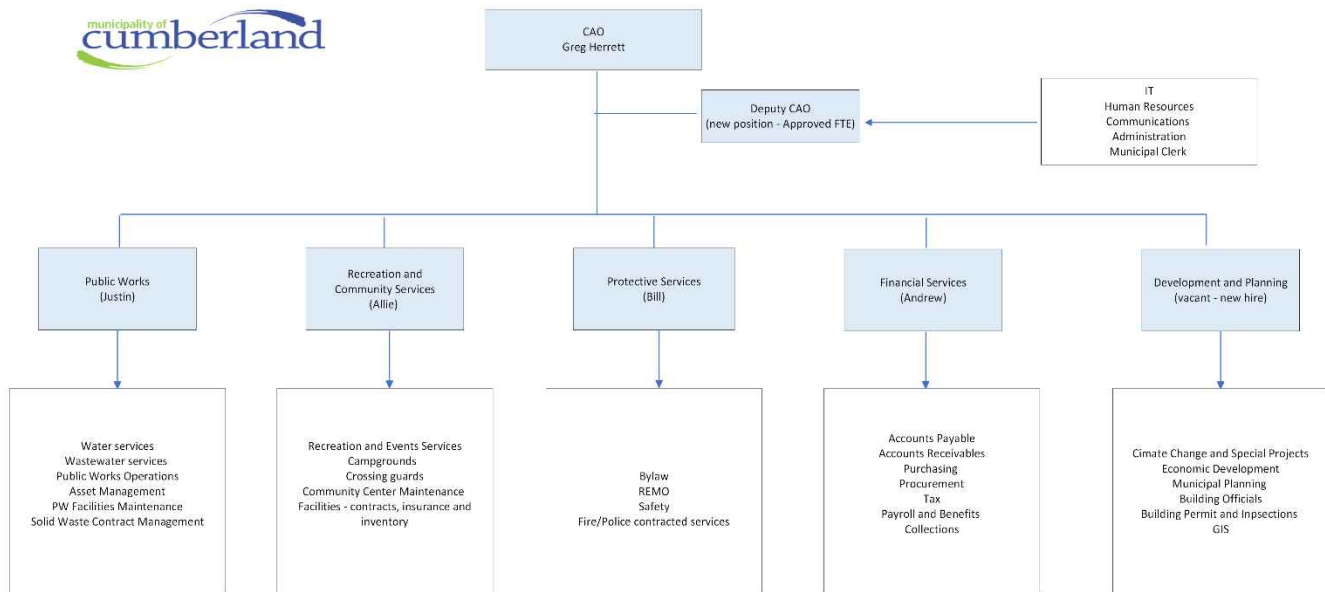
Many employees took advantage of opportunities – through anonymous surveys and other means - to communicate confidentially with the Project Team to provide valuable insights into organizational and service delivery challenges that helped to shape our recommendations.

b) Proposed Organizational Structure

The recommended organization charts have been developed after a thorough review and consideration of the evidence and findings. All positions have been retained through the restructure and new positions have been identified and added.

The current organization structure was an arrangement to fit everyone on an organization chart, but no functional purpose was evident. In one instance there was a department with only two employees – the Director and his Administrative Assistant. In others, certain functions that should be under one department were split into three departments; and some departments were structured based on previous work arrangements.

In creating the new organizational structure there’s a focus on leadership coming from a core senior management team that sets priorities and oversees the effective delivery of municipal services. The following organization chart represents the leadership team and functions within each department.



The Project Team worked together in assessing how the key functions of the organization could be best managed and where opportunities existed for efficiencies and/or repurposing vacant positions. The proposed structure was also based on potential opportunities for improvement through centralization of services currently being delivered in MCC.

Employees have been assigned varying responsibilities based on the evidence that was collected during the review, often outside the job description. Gaps exist due to not having a list of skills of employees and the leadership team should review and make appropriate adjustments as required.

The existing employee count for the organization was 96. The employee count includes full-time, part-time, casual, and union positions. The proposed organization chart reflects a new employee count of 102. There are four new positions to the organization, which require approval to be created within MCC and budget allocation, namely:

- Safety Officer;

- Recreation Coordinator;
- Procurement Coordinator; and
- Water Treatment Plant Operator.

With regard to the new employee count, we note that the Deputy CAO position was approved mid-review and not included as a new position. The Director of Development and Planning is not included as a new position. The Director would be hired (with salary gap implications) while succession planning and transition happen over the next year in preparation for the current municipal planner to retire. This adds a position to the organization structure in the near term but the employee count will return to 101 in 2023 when the municipal planner retires. However, both positions add to the new total employee count for MCC. In addition, we note that the Senior Advisor, Climate Change and Special Projects is an existing Director position that has been restructured to a new title.

The organization charts have been developed with the expectation that the organization should work together. The literal organization charts present the organization of work and do not suggest that employees cannot work across teams and with each other. As an example, the GIS Analyst in the Development and Planning department still supports work in other departments across the organization as needed. These are not intended to be siloed department structures.

This review did not include a compensation review as this was out of scope and was completed prior to the current review. Once the Municipality reviews the structure and makes additional changes, compensation should be reviewed again within three months of this report being issued. There are some salaries that may change. Consideration should be taken to ensure fairness within certain salary bands given the employee's experience, professional designation, or span of control. In addition, consideration should be given to providing municipal-owned vehicles for Director positions who are required to travel to municipal sites frequently and the addition of fleet vehicles to allow for site visits by other staff.

Organization charts are important tools that help everyone understand their roles and responsibilities. Organization charts have evolved over the years and are commonly made up of four different types of charts:

Hierarchical organization charts

Hierarchical charts demonstrate a simple division of labor with the person who has the most decision-making leaders at the top. Hierarchical structures often form the basis of all organization charts since any organization will have a leader with several people reporting directly to them.

Matrix Organization Charts:

While very effective for simple organizations, hierarchical structures are not ideal for large-scale projects that require cross-department collaboration. In a matrix-type structure, an employee can answer to more than one manager.

Divisional Organization Chart:

A division-based structure can be used in cases where each division has its own hierarchical or matrix-based organization.

Flat Organization Charts:

Unlike hierarchical and matrix structures, a flat organization puts employees at the center. The importance of a flat organization is to remove excessive processes and enable employees to make decisions with minimum approval.

In this sense, a flat structure may also be considered “hierarchy lite” since the basic premise remains the same, but with as few management levels as possible. An employee here can report directly to a director or CAO as needed.

Hybrid Work

Hybrid work is a working arrangement where the location for the employees to work is flexible. The work arrangement could include working at the office, from home, or offsite. Employees no longer need to be physically present to be engaged and highly productive. Instead, the words and actions of leaders must convey their belief that employees will be seen, heard, and valued no matter where they work.

Our assessment is that the organization is not ready to move to hybrid work models just yet. Improvements in priority setting, communication, and engagement are necessary before moving to develop a hybrid work model. The pandemic has established new work norms. This includes holding people accountable for work being performed through remote site supervision. Over the next 12-18 months, MCC should consider positions for hybrid work in conjunction with implementation of the new organizational structure.

With respect to the pandemic and returning to work, a hybrid work model has been created from employees splitting their time in the office to limit the number of people there at any one time, and decisions are now being considered on which roles can have options to be hybrid. Advantages for employees can include no commute and the increased flexibility they have working from home, and employers are able to be flexible with space allocation.

Hybrid working should be documented as a flexible policy that allows employees to have a choice in where they want to work, typically their home or the office. Employees can have certain days or a specified number of days per week in the office or at home. In this way, teams are connected using technology rather than sharing office space.

The MCC leadership team, and employees, have demonstrated their resilience throughout the pandemic. They found a way to connect, communicate, and achieve results while facing personal

and professional challenges that none of us could have predicted. As MCC works towards a hybrid work model and a centralized leadership team, the leadership team can use some of the best practices they developed when working and leading remotely.

Workforce Size, Service Delivery and Budget Considerations

In assessing the workforce size, we were advised how Cumberland County grew from just 11 employees to a team of approximately 100 employees. Our review has been conducted with service delivery for the residents being top of mind. Service delivery such as snow plowing, road repair, water treatment plants, sewage treatment plants, recreation facilities, etc., need to be continued. For each of these areas, a minimum number of employees, operators, and support staff are needed to deliver services to the communities of Parrsboro, Springhill, and Upper Nappan.

It was obvious that the current staffing levels needed to remain, and new positions needed to be added to offer a safe work environment and to best serve the municipality. Each new position added needs to be reviewed for budget impact and considerations.

Organizational design recommendations

We propose a flat structure with elements of hierarchy. The following are comments about each organization chart's role in the new organizational structure. Each chart is included as Appendix A through G.

Leadership Team

The leadership team consists of the CAO, Deputy CAO, and Directors. The leadership team will work together to advance the "One Municipality" approach to getting things done. See **Appendix A** for the Leadership Team organization chart. Highlights of the chart include:

- The CAO will have six direct reports:
 - five Directors and a Deputy CAO;
- The five departments are now as follows:
 - Public Works;
 - Protective Services;
 - Development and Planning;
 - Recreation and Community Services; and
 - Financial Services.
- The Community Development department has been eliminated; and
- The Deputy CAO will be responsible for services delivered across the organization including human resources, municipal administration (clerk), communications, and information and technology.

Deputy CAO

The Deputy CAO position is new to the organization and was brought forward mid-review as a recommendation, which was supported and adopted by Council. This role is critical to supporting

the CAO and organization in delivering services to the community. See **Appendix B** for the Deputy CAO organization chart.

The Deputy CAO will help to lead MCC's daily operations. The Deputy CAO will work closely with the CAO and can assist with communications and report on organizational outcomes. One of the most important roles of a Deputy CAO is facilitating communication between the CAO and other employees, including department heads or members of various teams in the organization.

The Deputy CAO will work closely with the CAO and empower the organization to work effectively and efficiently.

- The positions reporting to the Deputy CAO are services that are delivered internally across the organization and include HR, IT, Communications, and Marketing.
- The administrative function within the Deputy CAO office can provide support across the organization as needed.
- There will be a significant role for the HR Generalist that requires 100% commitment of time. Procurement and purchasing responsibilities are removed from the HR Generalist position and added to the Financial Services department.
- The HR Generalist position should visit each service and administrative location, as well as public works garages and job sites. This position is key to stitching the organization together today, and into the future.
- Accessibility can be led from the Deputy CAO office, with the HR Generalist working with the Safety Officer to support compliance. Each department has a role in accessibility and safety, and all corporate functions.
- Accessibility is an area for MCC to focus on by creating a plan and approach to implementation, as per the applicable legislation. This report also identifies the need for an accessibility policy to be created.
- It is important the Deputy CAO possesses leadership and soft skills, important skills that refer to abilities outside of the technical responsibilities of the position. Soft skills for a Deputy CAO include:
 - Exceptional leadership skills;
 - Emotional intelligence;
 - Strong interpersonal communication skills;
 - Developed organizational habits;
 - Demonstrated human resource skills;
 - Effective collaboration and teamwork skills;
 - Strategic planning skills;
 - Understanding of project management;
 - Current knowledge of ethics;
 - Thorough critical thinking skills; and
 - Successful problem-solving tactics.

Protective Services

The Protective Services department will be responsible for services such as bylaws, safety, regional emergency management, fire, and police contract management. See **Appendix C** for the Protective Services organization chart. We recommend the by-law team would move to the Development and Planning Department once the new Director is hired and has had time to organize the work.

We understand there is a Fire Services review, and Police Services review, underway, and is out of scope for our review. From our research and observations, there is a gap specifically related to the delivery of the contracted management services related to Fire. We have not recommended positions be added for Fire Services within our report as we feel it is appropriate for these to be decided in conjunction with the results and recommendations of the Fire Services review. At a minimum, we recommend that an Emergency Management Services Supervisor be added who would have a team including a Fire Coordinator (new position), Safety Officer, REMO, and Emergency Vehicle Technician.

There is a lack of a safety culture within the organization and the systems established for safe working environments need to be immediately addressed. The department would focus on the overall response to emergency management across the municipality.

We recommend adding a full-time permanent position to the organization as a dedicated Safety Officer. This person would work with the CAO, Directors, and Joint Occupational Health and Safety Committee (JOHSC) to reduce risk, liability to the municipality, injury, and illness in the workplace. The new hire can use the existing gap assessment report that was completed for Cumberland County by Safety Services Nova Scotia in 2017 to support organizing and prioritizing actions.

This department will focus on building relationships within the community to strengthen the municipality's response to emergency management and protective services. While the department does not have many employees at this time, it is important to note that the workload and demand on the department, specifically related to fire, will continue to increase. There are specific skill sets required and expert-level responses to deliver the speciality services from the department.

Development and Planning

The Development and Planning Department is a new department that is being created and is responsible for services such as municipal planning, geographic information system (GIS), building inspections and permits, economic development, and climate change projects. See **Appendix D** for the Development and Planning organization chart. This proposed department includes a new FTE employee request.

The current Municipal Planner will retire at the end of 2023, and this has shaped our recommendation that MCC hire a Director of Development and Planning now and begin training and transition ahead of retirement. When the current Municipal Planner retires, MCC would not backfill that position, instead, the Planner's responsibilities would remain with the Director.

Working with MCC staff, the creation of this department also acknowledges the Protective Services department needing to focus on emergency management services and the increased workload and responsibility coming following the Fire Services review.

This department will focus on building relationships within the community to strengthen the municipality's response to planning and development services. Highlights are as follows:

- The department will focus on the overall response to municipal planning development services across the municipality;
- There are retirements pending in this department and it will be important to include them as part of the succession planning exercise;
- The GIS analyst continues to work across the organization and not just on Development and Planning tasks;
- By-law is currently still with the Protective Services department but should move to this department after the new Director is hired and has organized the workflow for the department;
- MCC corrected the organization chart that was provided in the RFP to include two positions that were inadvertently not listed on the chart. These positions include the Economic and Development Coordinator and the Economic Development Officer. We have added these two positions to the organization chart as requested;
- There was a Director of Community Development position that had one direct report in the original structure. This Director position has been restructured to create the role of Senior Advisor, Climate Change and Special Projects. This senior position leads the Climate Change and other special projects in MCC and would require a skill set and background involving sustainability, policy, and research. The Senior Advisor position would include responsibility for projects such as:
 - Climate Change Action Plan;
 - Broadband Initiative in Cumberland County; and
 - Community Solar Projects.

Recreation and Community Services

The Recreation and Community Services department focuses on working together to plan and deliver better services that make a difference in the community. See **Appendix E** for the Recreation and Community Services organization chart. Through responsible resource management, excellence in programming, and community partnerships, the department supports enhanced quality of life for all residents. Notable department highlights include:

- A new Recreation Leader/Programmer position has been created to support recreation services and community development work across MCC;
- The community facilities maintenance that is led by this department will focus on areas such as parks, picnic areas, and campgrounds (this maintenance function would work with the public works maintenance team as needed); and
- The Active Living Coordinator position would now focus on County wide services.

Financial Services

The Financial Services department has been structured to continue delivering services across the organization and the community by ensuring value for taxpayers' money. See **Appendix F** for the Financial Services organization chart.

The structure now has three officer-level positions that report to the Manager, and then Director, to align workflow related to payroll and benefits, finances, and revenue. The finance department is responsible for providing financial reporting, policies and procedures, services, and support to other departments. Key responsibilities include:

- Providing information, reports, and analysis to Council, Department Directors, and Managers regarding financial operations;
- Establishing and maintaining accounting systems and procedures relating to financial activities for municipal operations;
- Billing and collecting municipal taxes;
- Preparing the operating and capital budgets;
- Processing accounts receivable and accounts payable;
- Managing the purchasing and procurement functions;
- Managing cash, investments, and borrowing of funds;
- Understanding and providing information to support decisions on Asset Management policies in partnership with the Public Works Department;
- Long-term financial planning including debt management;
- Managing the annual audit function; and
- Preparing the annual financial statements.

The Financial Services department could restructure from within to take on the functions of purchasing and procurement responsibilities or it may require the addition of a new position for Procurement Coordination. Our investigations indicate that purchasing and procurement responsibilities had been left with the HR Generalist and we do not recommend this continue. Aside from the HR Generalist's need to focus on supporting the HR needs of the organization, there is a specific skill set for procurement that may have to be recruited. We recommend the addition of a new Procurement Coordinator position and that the department take on the functions now while recruitment is underway.

c) Public Works and Operations

The Public Work department has been structured to deliver services to the community and has been developed after reviewing the evidence stated within this report. The naming of the department, Public Works, is representative of the collection of services and work activities being performed. See **Appendix G** for the Public Works organization chart.

The reporting structure to the Director has been established with Superintendent positions that streamline service delivery in Upper Nappan (North), Springhill (Central) and Parrsboro (South) areas. In addition, The DRC and support functions have been reviewed considering the current

state, best practices, and legislative requirements. We are recommending four, instead of five, DRC's.

The Public Works Department structure is predicated on the principles of aligning responsibilities with associated accountability for outcomes. Population centres in Springhill and Parrsboro have an area base responsibility structure for water distribution (WD) and wastewater collection (WWC) systems, storm systems, road maintenance, and capital works. The rural WWC and wastewater treatment (WWT) plant operations are structured under the overall DRC operator for wastewater management in these areas. The water treatment (WT) structure is also aligned under a DRC operator and supporting staff with the required Provincial operator certifications and designated responsible charge accountabilities.

We confirmed that the Biggs wastewater treatment plant and the wastewater collection system are owned by MCC. We recommend that MCC have the Biggs system assessed by the Province of Nova Scotia for WD or WT classifications.

For the WWC systems outside Springhill and Parrsboro (rural areas), our understanding of the provincial regulations is that the WWC systems do not require a WW facility classification or a WWC operator designation.

The following notes are for department consideration:

- The Director is to have the responsibility of Municipal Engineer as per the *Municipal Government Act*. This supports good governance, accountability, and transparency. It will be important for the Director to demonstrate visible leadership and connect with staff working and delivering services in the field;
- The change from Operations manager to a Chief Engineer will add focus on asset management which is a gap within the current structure;
 - The Chief Engineer is a senior role that is responsible for engineering and construction, managing tenders and contracts - this would include management of the solid waste contract;
 - We are uncertain about the current Fire Services study results but expect it will likely require MCC to assess all fire stations as part of its asset management framework (all building asset maintenance);
 - The transfer station attendants would report to the Chief Engineer;
- The administrative and clerical support assistant position is to provide support to the department as a whole and includes clerical, training coordination, and administration responsibilities. The goal is to streamline the amount of administration work being done currently by supervisors which will allow them to focus on service delivery at the front lines. This approach should be tested for a period of six months and reassessed. If the workload of the administrative assistant is too high, consideration to add another position dedicated to administration and clerical work for the department would be important;
- We recommend adding an additional water treatment plant operator. Our review identified the need for an additional operator to improve the pro-active preventive maintenance activities and increase the capability of another employee to move into the position when required in the WT section;
- The Director, with the Chief Engineer and Superintendents, should review the tasks being completed by each employee and ensure the “start, stop, and continue” exercise is

completed. This will support an appropriate workload amongst employees and clarity on working on tasks that align with the strategic plan and Council priorities;

- Two employees have been completing their certifications for operating water distribution and water treatment systems. These new certifications are being recognized with a title change to include “operator”;
- Similarly, any employee who holds “operator” titles and the employees that have DRC designation should be compensated appropriately for the responsibility;
- It is recommended that the working hours for PW employees be reviewed and standardized across the municipality to seven hours working and one hour paid lunch. We understand the union has negotiated a different lunch break option under the collective agreement;
- It is recommended that the standby pay be reviewed for fairness and equality across the municipality;
- It is recommended that the operator responsible for SCADA have a municipal-issued cell phone to receive alarms; and
- During our onsite visits, we noted the work environment for some areas is less than desirable. At one location there was no lunchroom at a remote garage site nor was there air conditioning or a clean environment for offices within the garage space. We recommend that all employees should have a place to enjoy their lunch and an adequate office environment.

Managing Success with Standard Operating Procedures and Levels of Service

MCC should establish standard operating procedures (SOP) for key services and associated key performance indicators (KPI) to track adherence to the standards and assess effectiveness and efficiencies.

Planning for Success

The implementation of various SOPs and the adoption of KPIs requires a plan with roles, responsibilities, and communication with staff. The objectives of SOPs and KPIs must be communicated to staff and the corresponding responsibilities and accountabilities assigned in each area. This process should set expectations with positions having direct reports on performance objectives for 2022 and in the future, their roles and responsibilities, and how their performance will be monitored. It is important that MCC hold leadership meetings to provide a forum to engage staff from different areas, compare performance and develop work plans to address shortfalls and celebrate success stories and performance results.

It will be critical for the leadership group to consider:

- Identifying the important service performance indicators for MCC as a team;
- Collecting information required to maintain the KPIs, tracking and reporting results;
- Processes to allocate additional resources when and where needed;
- Improving alignment of responsibility with accountability for results wherever possible; and
- Establishing the frequency of meetings (quarterly) to review KPIs and overall operational performance issues with leaders.

Regular leadership meetings can be the process to communicate MCC updates, and focus on:

- Setting SOP and outcomes;
- Discussing emerging issues;
- Setting and discuss objectives and interim targets;
- Reporting on KPIs and metrics as defined;
- Reviewing trending and tracking information;
- Asset management objectives and information collection;
- Reviewing staff and resources for the work plan;
- Seasonal work programs and updates; and
- Update capital works plan.

SOP's should be established for key activities in the Department. Although out of scope for this project, this is an important activity and process to engage the Superintendents in roundtable discussions to facilitate a consensus on key applicable SOP's. The activities, level of service, and outcomes should be defined by the team. Regular department leadership meetings should facilitate discussion on the operational levels of service, SOP's, KPI's performance and how the team can collectively contribute to achieving overall department objectives.

Professional associations publish industry best practices for recommended levels of service, service standards, and KPI's across the broad-spectrum of activities in Public Works. The American Public Works Association (APWA), Road Builders Associations, American Water Work Association (AWWA), International Water Association (IWA), and the local and Canadian affiliates all have standards and KPI's to consider.

IV. ADMINISTRATION CENTRES & PUBLIC WORKS FACILITIES

Our investigations found that the Municipality's existing buildings and facilities were in generally good shape. Compared to other similar municipal units, the assets have been well maintained over time. The favourable condition of the assets puts the Municipality in a strong position to use those facilities with relatively low ongoing capital investment.

The optimal number and location of facilities will support MCC's desired level of service delivery, which is the service that the community desires *and* is willing to support through taxes and rate payment. An **Administration Centre** is defined in this report as a permanent facility that provides administration space for municipal employees. **Storefronts** are defined as a limited staff occupancy building with full or part-time hours that provides an in-person contact for residents to access information, pay bills or submit permit applications. These storefronts do not require the presence of municipal departmental staff such as planning, public works, engineering, or finance. **Public Works Garages** are facilities that contain shared office space for public works crews to coordinate activities, store utilities data information on collection systems, monitor treatment plants, store public works equipment and conduct maintenance activities on fleet.

a) Methodology

Our assessment of the optimal number and locations of facilities is provided in four sections. **Section IV(b)** develops baseline level of service requirements to aid in comparing options. **Section IV(c)** assesses the existing administration centres and examines options to consolidate services. Service delivery is examined in five areas: the facilities' functional requirements, capacity to allow service delivery, travel time from the facilities, parking capacity at each facility and financial projections of options. **Section IV(d)** assesses the public works garages in the same manner as the administration centres. **Section IV(e)** provides the combined commercial and functional assessment and conclusion from the analyses.

To complete the financial assessment, the analysis considers a net present value (NPV) of each option. The NPV calculation comprises:

- 1) Credit for current market value of any properties that can be sold;
- 2) Credit for the operational cost savings of any buildings that can be sold;
- 3) Credit for any rental income that could be gained with excess space, pro-rated for partial occupancy overtime;
- 4) Debit for loss of rental income on space that will need to be repurposed for municipal staff;
- 5) Debit for any renovation construction required to repurpose space;
- 6) Debit for any new construction required to provide adequate service space; and
- 7) Debit for rental expenses.

The present value calculations are taken over a twenty-year period with a discount rate of two percent based on average cost of borrowing from the Municipal Finance Corporation.

It should be noted that consideration of the future use of the Upper Nappan administration centre is somewhat unique. At Upper Nappan the administration centre and public works garages are located on the same lot. It's impractical to separate the lots for sale, a detail that is further discussed in **Section IV(d)**.

The final assessment considers a net present value of all costs involved with consolidating or selling administration centres and public works garages, incorporates twenty-year projections of minimum capital investment demands on each facility and identifies the practical lowest cost of service delivery scenario.

b) Level of Service Requirements

MCC does not have defined Customer Levels of Service (CLOS) for all services. Consequently, this analysis has adopted several target levels of service typically found in municipalities with a combination of rural and municipal populations. Each CLOS target is supported by one or more Technical Level(s) of Service (TLOS). As MCC adopts a more defined service level definition and formalizes an asset management plan, Operational Levels of Service (OLOS) can be incorporated to determine if additional human resources or assets are required to support the TLOS.

The levels of service in this report are not intended to be an exhaustive definition of MCC's service levels, rather simply a baseline of minimum service delivery to support this assessment. **Appendix H** contains a select list of targeted service levels. Asset management decisions seek to balance achievable levels of service with acceptable risk and a cost-of-service provision that the community is willing to support through tax and rate payment. Decisions to increase or reduce levels of service will increase or reduce cost of service, respectively.

The primary function of municipal facilities is to provide a location for municipal staff to work, to give the public a location to access general government services such as planning, permitting, public service inquiry and administration, and to provide a location for public works to access the areas they service. Public works garages have been assessed based on their current function and ability to support services. Supported by the level of service targets, administration centres have been assessed using the following typical practices for facility capacity:

- Travel time to public facing staff no greater than 30 minutes for 80% of the population;
- Municipal staff are accessible to the public in major centres of Parrsboro, Pugwash and Springhill;
- Public works garages are located to meet the level of service requirements;
- Public works garages are close to service population areas and infrastructure clusters;
- Administration centres meet the square footage targets in **Table 4.1**;
- The analysis assumes that MCC assesses accessibility separately to comply with the *Nova Scotia Access by Design 2030* legislative requirements; and
- Hall, wall, corridor, storage, stair and elevator space requirement is based on equivalency with existing building layouts.

To calculate the floor space required, staffing levels are estimated as shown in the organization charts in this report, a total of 101 staff. Staff space needs have been allocated based on the current ratios for staff function and working areas:

- 8 staff require dedicated office space at public works garages. This is not included in administration centre calculations;

- 34 staff require shared space at public works garages. This is not included in administration centre calculations;
- 13 staff require a dedicated office at an administration centre;
- 36 staff require space in common working areas or a dedicated office;
- 10 staff will not require office space because they work outside offices; and
- 49 staff total in administration centre(s).

The following assessment is provided in two sections: one for the administration centres and one for public works garages.

Table 4.1 Administration Centre Square Footage Targets

Area Use	Square Footage
Council Chambers (Match Existing)	970 sq.ft.
Common Area	50 sq.ft. / person
Shared Workspace	100 sq.ft. / person
Executive Offices	150 sq.ft. / person average
Minimum Office Size	100 sq.ft.
Conference Room Area	30 sq.ft. / person
Quiet Rooms	50 sq.ft. / 10 persons
Lunch / Break Rooms	75 sq.ft. + 25 sq.ft. / seat (25% staff at once)
File Room	400 sq.ft.
Reception	500 sq.ft. minimum (5 people waiting)
Garage / Receiving	420 sq.ft.
Lavatories ¹	800 sq.ft.
Halls, Walls, Corridors, Storage, Stairs and Elevators	25% of Building Area ²
Emergency Management Office	436 sq.ft. (to match existing)

1. Lavatories include 4 fixtures each for male and female staff and 2 fixtures for visitors

2. Based on Springhill layout

Table 4.2 provides the required administration centre capacity based on the space requirements in **Table 4.1**.

Table 4.2 Administration Centre Space Requirements

Function	Total Area (Sq. Ft.)
Council Chambers	970
Common Areas	2,450
Shared Workspace	3,600
Executive Offices	1,950
Conference Rooms	1,470
Quiet Rooms	180
Lunch / Break Rooms	380
File Rooms	400
Reception Areas	500
Garage / Receiving	420
Lavatories	800
Halls, Walls, Corridors, Storage, Stairs and Elevators	4,517
Emergency Management Office	436
Total	18,073

c) Administration Centres

Administration centres are required to provide the community with access to municipal services, and to provide a working location for municipal staff to conduct their duties. This analysis further considers the use of storefront locations, which are smaller, limited-service locations that can provide access to municipal staff in more densely populated areas for citizens with limited access to transportation.

Existing Administration Centres Functional Assessment

There are currently three existing administration centres, one each in Upper Nappan, Springhill and Parrsboro. There is no storefront presence in any community, and there is no access to municipal administration in the communities of Pugwash or Wallace. The services provided at each administration centre are shown in **Table 4.3**.

Table 4.3 Administration Centre Services

Springhill	Upper Nappan	Parrsboro
Administration support to CAO & Council	Public reception	Public reception
Internal and external communications	Planning services	Tax and water collections
Grants to organizations	Building permits	Reception duties
Human Resources	Fire inspections	Administration duties
Information Technology	Development permits	Recreation program development for MCC
By-law enforcement	Civic addressing	
Fire services	REMO	
Engineering Dept. and support staff	Fire truck maintenance/repair	
Mayor's Office located on third floor.	Economic development	
Internal and external customer service standards development	Recruitment /HR services	
Administration support for public works and by-law	Procurement	
Records management / FOIPOP	Tax and water collection	
County-wide facilities management	Accounts payable	
No payment counter ¹	Payroll	
	Community development admin support	
	Finance admin support	
	GIS mapping	
	Public Works Director and Upper Nappan PW staff operations staff	

1. Payment collection services are offered at the Dr. Carson & Marion Murray Community Centre, which was not part of the scope of this assessment.

Available space was scaled from floor plans provided by MCC to determine the available space at the Upper Nappan and Springhill administration centres and is shown in **Table 4.4**. The Parrsboro administration centre was not assessed for existing space utilization because initial concept-level

assessment of services did not identify a continuing need for a permanent administration centre at that location.

Existing Administration Centre Capacity Assessment

The following assessment provides a comparison between how each existing facility would work should operations be centralized. This is a high-level analysis and to determine precise spatial function, each building would need a code review, architectural assessment based on intended use, and accessibility review.

Neither the Springhill nor the Upper Nappan service administration centres contain sufficient square footage to house all municipal staff, even if rental space at Springhill is reclaimed for MCC administration use. Assuming that rental space in Springhill is repurposed for MCC business, **Table 4.4** compares the space available in each facility as a stand-alone, centralized administration centre. Space deficits are shown bold in brackets.

Table 4.4 Capacity Assessment

Function	Required Area (sq.ft.)	Upper Nappan (sq.ft.)	Surplus / Deficit (sq.ft.)	Springhill (sq.ft.)	Surplus / Deficit (sq.ft.)
Council Chambers	970	1,129	159	970	0
Common Areas	2,500	486	(1,964)	858	(1,592)
Shared Workspace	4,000	3,544	(56)	3,786	186
Executive Offices	1,500	2,518	568	3,638	1,688
Conference Rooms	1,500	529	(941)	621	(849)
Quiet Rooms	250	337	157	264	84
Lunch / Break Rooms	388	339	(41)	293	(87)
File Rooms	400	165	(235)	456	56
Reception Area	500	342	(158)	0	(500)
Receiving Areas	420	408	(12)	428	8
Lavatories	800	984	184	914	114
Hallways, Corridors, Storage, Stairs, Walls and Elevators	4,409	2,860	(1,657)	4,095	(422)
Emergency Management	436	436	0	0	(436)
Total	17,637	14,077	(3,996)	16,323	(1,750)

Both the Springhill and Upper Nappan facilities have less common area, break rooms and conference rooms than is desirable to support all municipal staff. Both have excess executive office space that could be converted to shared workspace, but this is not sufficient to meet the projected demand for all staff. Conversion of use will be costly, and will require additional hallway and corridor

space, resulting in a net deficit of approximately 1,750 square feet at the Springhill facility. The net deficit in total useable area is approximately 4,000 square feet at the Upper Nappan location.

Springhill

Springhill has approximately 2,200 more square feet than the Upper Nappan facility if current rental space is converted to municipal use. To accommodate centralized operations, Springhill would require investment in renovations on its other two floors similar to renovations recently completed on the upper floor. This report uses a cost of \$150 per square foot based on the Springhill renovations.

Even with these renovations, **Table 4.4** demonstrates that the Springhill facility would have insufficient floor space to accommodate all municipal staff.

Upper Nappan

Upper Nappan would require fewer renovations to accommodate all municipal staff. It already contains the emergency management office. However, its overall floor space has a greater deficit than the Springhill facility, with almost 4,000 square feet of area that would need to be added.

Travel Time

Travel times from each administration centre or public works garage are shown on maps in **Appendix I**. Maps show travel times in bands from each operation centre: Cumberland North, Cumberland Central and Cumberland South. Each band of shading on the maps represents a fifteen-minute travel time, with the furthest extents requiring forty-five to sixty minutes of travel. Most areas in MCC are approximately equidistant from the Upper Nappan and Springhill administration centres.

Travel times throughout the MCC are approximately equal from either the Springhill or Upper Nappan administration centres, with most distant locations between thirty and forty-five minutes. Pugwash and Wallace are the most distant from both centres. Areas on the north shore are over one hour drive from Parrsboro.

To meet a service target of 30 minutes travel time to public facing municipal staff for 80% of the population, there needs to be a municipal presence in Pugwash and Parrsboro if the Parrsboro administration centre is not retained.

Parking Requirements

The Upper Nappan administration centre currently has approximately seventy parking spaces with opportunity to expand an extra five stalls. Further expansion is limited by grade differences on the site.

The Springhill administration centre has approximately thirty parking spaces with no opportunity to expand because of surrounding properties and existing commercial use in the town core. Street parking is available throughout the town but would pose accessibility and winter access difficulties for overflow staff and visitors.

Upper Nappan has sufficient parking spaces for all staff with a minor expansion. Springhill does not have sufficient space to allow all staff to park. Given that MCC is a predominantly rural municipality with few public transit or non-vehicle options, parking will be a major barrier to centralizing all resident reception, administrative services and municipal staff in Springhill. A vacant lot south of the Springhill location could be purchased and developed for additional parking, but this option has not been assessed in this report. The combined financial analysis presented in **Table 4.15** demonstrates that centralizing in Springhill is not the preferred option financially, even without the additional costs of land purchase, lot development, grading and stormwater work or additional operations and maintenance cost of expanded parking.

Financial Assessment

Financial projections of capital investments for each existing service centre are based on site visits to assess the condition of each facility. The condition assessment and capital demands do not consider accessibility requirements under development in compliance with *Nova Scotia Access by Design 2030*. **Table 4.5** shows the projected replacement value, average condition and average anticipated remaining life of building components for each administration centre. Renewal costs are based on individual component upgrades and are approximately 25% higher than construction of a new building.

Table 4.5 Administration Centre Summary

Administration centre	Asset Renewal Total Cost	Average Component Condition ¹	Average Remaining Life (Years)
Parrsboro Administration centre	\$1,177,900	1.3	34.5
Springhill Administration centre	\$6,537,900	2.6	26.4
Upper Nappan Administration centre	\$6,547,600	1.5	36.9

1. Average condition is on a 1 – 5 scale, where 1 is Excellent and 5 is Very Poor

To complete the financial analysis, each facility was assessed by a commercial realtor to establish current market value. **Table 4.6** shows the current market value of each administration centre.

Table 4.6 Administration Centre Market Value

Facility	Market Value
Springhill	\$1,275,000
Upper Nappan ¹	\$1,800,000
Parrsboro	\$ 299,900

1. Includes entire parcel with public works garages

Figure 4.1 shows the projected capital demands for each administration centre. The chart shows annual projections of required investment, average requirements over each five-year period and sustainable average annual investment over the twenty-year period. Projections are shown in current dollars and will increase annually with inflation.

Figure 4.1 Capital Demand – Administration centres

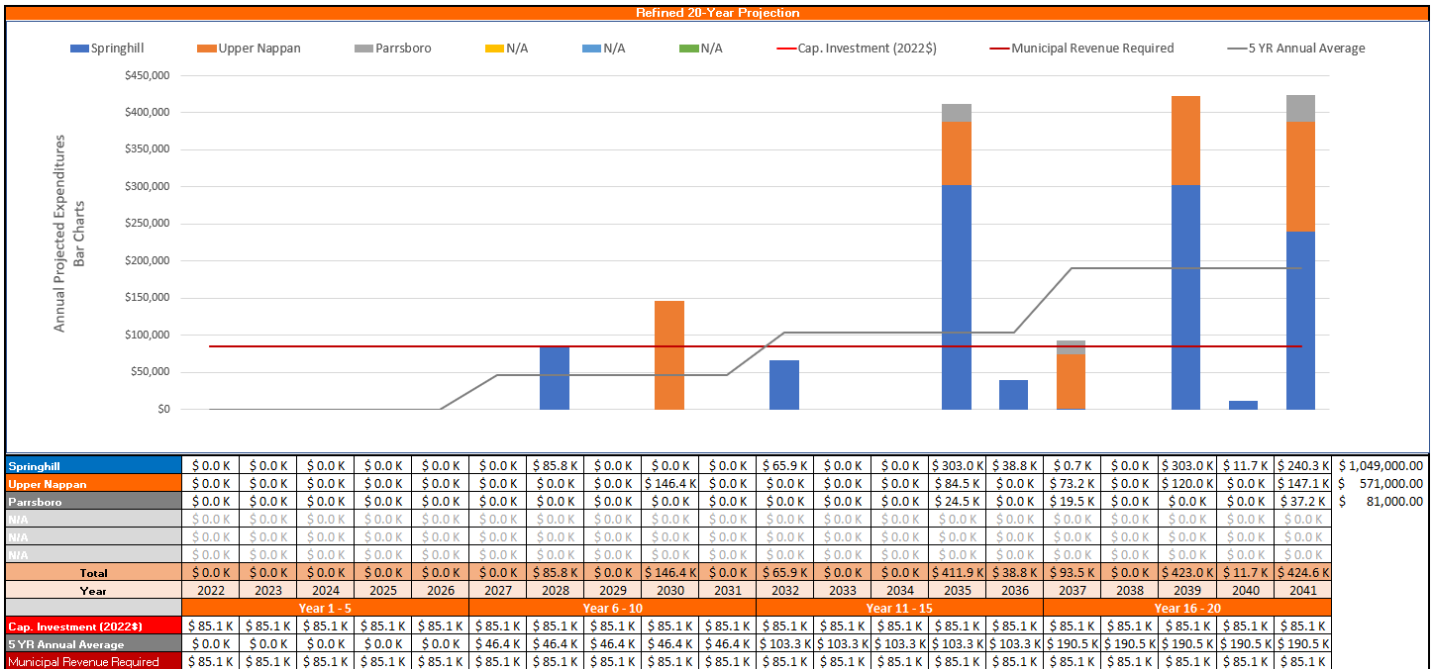


Table 4.7 summarizes the results of the capital projections for each facility and is followed by a summary of key renewals projected over the next twenty-years. These capital projections are based on anticipated useful life of building components and may be able to be refined by implementing an asset management plan with risk mitigation to extend the useful life of components.

Table 4.7 Administration centre Capital Projections

Facility	Total 20-Year Investment (2022 \$)	Sustainable Annual Investment (2022 \$)
Springhill	\$1,049,000	\$52,450
Upper Nappan ¹	\$ 571,000	\$28,550
Parrsboro	\$ 81,000	\$ 4,050
Total	\$1,799,000	\$85,050

1. Includes administration centre only, not public works garages. Public works garages are included in Table 4.12.

Springhill

Springhill has the lowest average condition of components which contributes to the higher projected capital demand over the next twenty years. The average anticipated life of components is ten years shorter than that of the Upper Nappan administration centre which is not significant with respect to long-term planning.

Major capital renewals projected in the next twenty years are renewal of the parking lot, replacement of the generator, wall and floor finishes in the parts of the building not recently renovated, renewal of plumbing and HVAC systems, replacement of the roof coverings and renewal of the building elevators.

Rental income from tenants in the Springhill administration centre was approximately \$83,000 in the 2021/2022 fiscal year.

Operating costs, which include heat, water, electricity, solid waste disposal, maintenance and insurance were approximately \$99,000 in the 2021/2022 fiscal year.

Upper Nappan

The Upper Nappan administration centre has a higher average condition rating than the Springhill administration centre, along with lower projected annual sustainable investment.

Major capital renewals projected in the next twenty years are renewal of the parking lot, interior wall, floor and stair finishes, replacement of the generator, replacement of the communications tower and replacement of the outdoor lights.

Operating costs, which include heat, water, electricity, solid waste disposal, maintenance and insurance were approximately \$61,000 in the 2021/2022 fiscal year.

Parrsboro

The Parrsboro administration centre is in the best condition with the least capital investment required over the next twenty years but is unsuitable for centralized delivery of services based on its size and proximity to the rest of the municipality.

Operating costs, which include heat, water, electricity, solid waste disposal, maintenance and insurance were approximately \$22,900 in the 2021/2022 fiscal year.

Proposed Administration Centre Models

MCC has the option of meeting expected service delivery targets with one of four models:

1. Centralize service delivery at Springhill administration centre, sell Upper Nappan administration centre;
2. Centralize service delivery at Springhill administration centre, rent Upper Nappan administration centre;
3. Centralize service delivery at Upper Nappan administration centre, sell Springhill administration centre;
4. Retain both Springhill and Upper Nappan administration centres.

To compare each option relative to the others, the following underlying assumptions are incorporated:

- The Parrsboro administration centre can be sold at market rates;
- Public facing municipal staff presence in at least one of the core locations (Upper Nappan or Springhill, Parrsboro and Pugwash);
- Pugwash administration centre will be a storefront location with limited staff;

- Cost of storefront leases are assumed to be approximately \$1,500 per month, or \$18,000 annually (however, they are left out of the calculation on the expectation that they will be equal in each option, with one storefront each in Parrsboro and Pugwash);
- Sale of the Upper Nappan administration centre independently of the public works garages is not feasible;
- All projected capital expenditures will be completed over the twenty-year period;
- Where renovations are required to allow use of a centralized service location, capital expenditures on interior work will be included in those renovations as a present cost and excluded from future capital demands; and
- The discount rate for Net Present Value (NPV) calculations is set at 2.0%.

Table 4.8 compares the net present value of each option.

Table 4.8 Administration Centre Models

Consideration / Option	Springhill (Sell Upper Nappan and Parrsboro)	Springhill (Rent Upper Nappan ¹ , sell Parrsboro)	Upper Nappan (Sell Springhill and Parrsboro)	Keep Springhill and Upper Nappan, sell Parrsboro
Revenue from Sale (Parrsboro)	\$ 299,900	\$ 299,900	\$ 299,900	\$ 299,900
Revenue from Sale (Other)	\$1,800,000 ²	--	\$1,275,000	--
Rental Income (Upper Nappan)	--	\$1,308,114	--	--
Rental Income (Springhill)	--	--	--	\$1,357,168 ³
Operating Cost Savings	\$1,371,885	\$ 374,448	\$1,618,791	\$ 374,448
Renovation / Relocation Costs	\$1,600,000 ⁴	\$1,600,000	\$1,050,000	--
Construct New Public Works Garage	See Section IV(d)	--	--	--
NPV 20-Year Capital Cost Projections ⁵	\$ 299,000	\$ 730,000	\$ 294,000	\$1,215,000
Total Net Present Value	\$1,572,785	\$ 347,538	\$1,849,691	\$816,516

1. Market rate of rental pro-rated by 60% to reflect unoccupied periods. Rental rates set approximately equal to Springhill square footage rates.
2. Option requires selling Upper Nappan public works garages as it is not considered feasible to subdivide the parcel and still provide adequate access to the facilities as independent entities
3. Rental calculation assumes present long-term tenants continue to use the space
4. Renovations include updating interior wall layout, plumbing and refinishing rental areas
5. Work included in renovations has been removed from the 20-year capital demand calculations

A summary of the facilities assessment is presented in **Section IV(e)**, where this analysis is combined with the public works garage assessment from **Section IV(d)**.

d) Public Works Garages

Public works garages are situated to allow a working centre for staff responsible for maintaining utility services throughout MCC. A wide range of services are delivered from these locations, and this analysis focuses on long-term sustainability of services in core areas such as potable water, wastewater treatment and transportation (roads). Other services such as recreation maintenance and operations are also delivered from these facilities and require similar considerations to the core service areas.

Existing Public Works Garage Functional Assessment

There are currently three public works garages providing services to the different geographic and functional areas in MCC. **Table 4.9** shows the services provided from each location. The public works garage in Springhill services Springhill and the Pugwash Water Treatment Plant; the Parrsboro garage provides services locally in Parrsboro and the Upper Nappan garages provide services to the remainder of the county, including wastewater services in Pugwash and Wallace, and service to the water distribution system at Biggs Drive.

Table 4.9 Public Works Garage Services

Springhill	Upper Nappan	Parrsboro
<ul style="list-style-type: none"> • Wastewater Collection 	<ul style="list-style-type: none"> • Wastewater Collection 	<ul style="list-style-type: none"> • Wastewater Collection
<ul style="list-style-type: none"> • Wastewater Treatment 	<ul style="list-style-type: none"> • Wastewater Treatment 	<ul style="list-style-type: none"> • Wastewater Treatment
<ul style="list-style-type: none"> • Water Treatment 	<ul style="list-style-type: none"> • Water Distribution 	<ul style="list-style-type: none"> • Water Treatment
<ul style="list-style-type: none"> • Recreation and Landscaping 	<ul style="list-style-type: none"> • Recreation and Landscaping 	<ul style="list-style-type: none"> • Recreation and Landscaping
<ul style="list-style-type: none"> • Water Distribution 		<ul style="list-style-type: none"> • Water Distribution
<ul style="list-style-type: none"> • Street and Sidewalk Plowing 		<ul style="list-style-type: none"> • Street and Sidewalk Plowing

Existing Public Works Garage Capacity Assessment

Public works garages are required to provide working space for public works staff, storage of equipment and parts to service public utility and transportation systems and provide a space for maintenance and inspection activities on public works fleet. **Table 4.10** compares the space available in each public works garage.

Table 4.10 Public Works Capacity Assessment

Public Works Location	Available Area (sq.ft.)
Springhill	9,000
Upper Nappan Garage A ¹	750
Upper Nappan Garage B	1,040
Upper Nappan Garage C	2,400
Parrsboro	6,000
Total	19,190

1. Located in Ed Fullerton administration building

Springhill

The Springhill public works garage, while the largest of the three facilities, is currently operating at capacity with no excess space for additional equipment storage or staff. It is located on a long, thin lot parallel to the road, and is constructed to suit the lot. There is a single bay door at one end, so equipment can only be stored in line with the building. To access equipment, it is necessary to double or triple handle equipment to allow access to machinery with other equipment parked in front of it. The lot is not well suited for expansion or adding additional buildings. Because the lot area is limited and oriented perpendicular to the road, vehicle turning movements with an additional building will be difficult, if not impossible to accommodate without impacting vehicle movements from the existing garage. Centralizing operations out of Springhill would require constructing a new public works garage and retiring the existing building and lot.

Conducting operations out of Springhill for the local water and wastewater service meets the target response times in **Appendix H** as well as for snow plowing in the winter.

Retiring the Springhill garage would require construction of a new facility. To combine all public works in one location would require a new facility of approximately 18,000 square feet, plus the land to build it on. There may be sufficient land at the north end of the existing lot for this expansion but this would require a detailed design analysis of access, egress and equipment turning movements to confirm functional performance. Without this confirmation, this report assumes that to combine Upper Nappan and Springhill would require a new facility of approximately 12,000 square feet, plus the land. The land market valuation is \$150,000 for purposes of this assessment. Using existing land and reducing the new building footprint to reduce building cost would not change the recommendations of this report based on the financial and service level assessment of the options.

Upper Nappan

The Upper Nappan public works garages are also operating at capacity for equipment storage, although access to the facilities is more efficient than in Springhill. The size of the garages is not sufficient to store any equipment from the other public works garages.

The Upper Nappan facility has three garages totalling 4,190 square feet. It also serves as the mechanical centre for servicing the fleet of seventy fire trucks. Relocating this service to Springhill would not be possible because of space constraints, nor could it be relocated to Parrsboro because of the distance to that facility.

Conducting operations out of the Upper Nappan garage allows ready access to materials and supplies that support operation of the rural wastewater facilities from suppliers in Amherst.

Retiring the Upper Nappan garages would require renting or constructing an additional 4,190 square feet of space to service the fire fleet and store additional material that cannot be rehoused to Springhill.

Parrsboro

The Parrsboro public works garage has the most space available for additional equipment, although it is not sufficient to store all the equipment from Upper Nappan or Springhill. Further to this consideration, the relative remoteness from the northern reaches of the County prohibits centralizing equipment here.

Retiring the Parrsboro public works garages would require obtaining space to store and service plow vehicles in the wintertime. The property also houses the water treatment plant for Parrsboro, which would have to be relocated to allow the building to be repurposed.

Travel Time

Travel times from each administration centre or public works garage are shown in **Appendix I**. Travel times throughout MCC are approximately equal from either the Springhill or Upper Nappan public works garages, with most distant locations between thirty and forty-five minutes.

Public works garages tend to be centered around the services they provide - in this case, the water and wastewater systems in Springhill, throughout the County and in Parrsboro. Snow plowing is also typically delivered locally to meet response times. It is not possible to deliver snow plowing services from a remote location as the plow trucks need to be in the area they are servicing as snow starts to accumulate; otherwise, they cannot reach their destination until plowing commences by NSTIR on provincial highways.

Relocating public works staff to a central location would also result in a reduction in “wrench time”, which is the time spent at facilities operating, maintaining, testing or otherwise doing the work needed to keep systems functioning. In the case of the Upper Nappan facility, this is compounded by the primary suppliers of materials for the rural wastewater facilities being in Amherst. Relocation of staff to Springhill would result in an approximate loss of 20% of wrench time on equipment, which is equivalent to the cost of just over one half of a full-time employee.

The level of service targets presented in **Appendix H** cannot be met if any of the three public works garages is shut down. In assessing these options, it is understood that retiring any of the three facilities will require a decision to lower levels of service in terms of response time to water or wastewater service disruptions, or in response time to snowfall events for plowing. The financial

assessment in **Table 4.14** incorporates a cost for a leased area to store plowing equipment in Parrsboro if the public works garage is sold.

Parking Requirements

Outside of the capacity to store equipment discussed above, there are no parking restrictions at any of the facilities, and all could be managed to accommodate existing public works staff along with a future 20% increase.

Financial Assessment

Financial projections of capital investments for each existing public works garage are based on site visits to assess the condition of each facility. The condition assessment and capital demands do not consider accessibility requirements under development in compliance with *Nova Scotia Access by Design 2030*. **Table 4.11** shows the projected replacement value, average condition and average anticipated remaining life of building components for each public works garage. Renewal costs are based on individual component upgrades and are approximately 25% higher than construction of a new building.

Table 4.11 Public Works Garage Summary

Public Works Garage	Asset Renewal Total Cost	Average Component Condition	Average Remaining Life (Years)
Springhill Public Works Garage	\$2,577,200	2.1	29.8
Parrsboro Public Works Garage	\$1,239,000	1.8	34.0
Parrsboro Storage Shed New (Rec)	\$ 51,600	1.0	42.0
Parrsboro Storage Shed (Old)	\$ 21,400	1.5	39.7
Parrsboro Salt Storage	\$ 259,400	1.4	52.7
Upper Nappan Public Works Garage A	\$ 119,300	1.2	37.8
Upper Nappan Public Works Garage B	\$ 165,300	1.1	41.0
Upper Nappan Public Works Garage C	\$ 387,500	1.0	39.9

1. Average condition is on a 1 – 5 scale, where 1 is Excellent and 5 is Very Poor

To complete the financial analysis, each facility was assessed by a commercial realtor to establish current market value. **Table 4.12** shows the current market value of each administration centre.

Table 4.12 Public Works Garage Market Value

Facility	Market Value
Springhill	\$ 249,900
Upper Nappan ¹	\$1,800,000
Parrsboro	\$ 220,000

1. Includes entire parcel with administration building. This report does not consider that the land is subdivided as grading and access to the site does not permit independent operation of the Upper Nappan administration building and garages.

Figure 4.2 shows the projected capital demands for each public works garage. The chart shows annual projections of required investment, average requirements over each five-year period and sustainable average annual investment over the twenty-year period. Projections are shown in current dollars and will increase annually with inflation.

Figure 4.2 Capital Demand – Public Works Garages

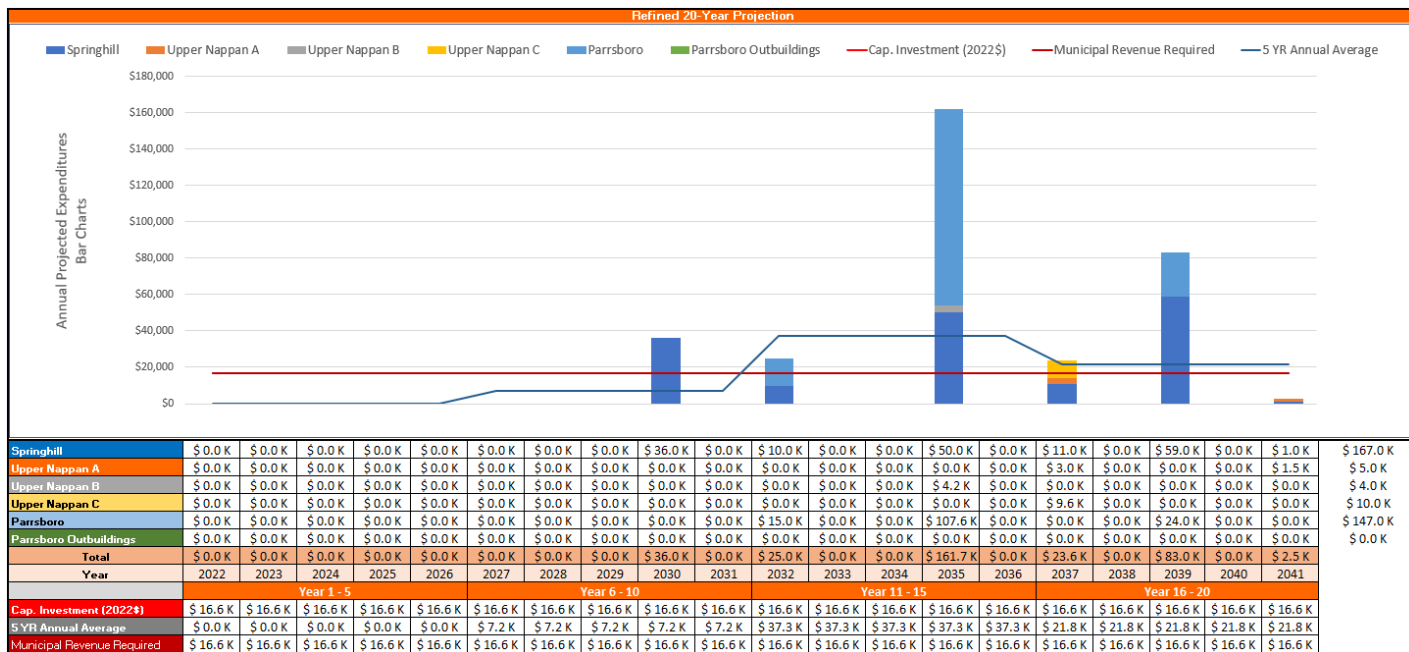


Table 4.13 summarizes the results of the capital projections for each facility and is followed by a summary of key renewals projected over the next twenty-years. These capital projections are based on anticipated useful life of building components and may be able to be refined by implementing an asset management plan with risk mitigation to extend the useful life of components.

Table 4.13 Public Works Garage Capital Projections

Facility	Total 20-Year Investment (2022 \$)	Sustainable Annual Investment (2022 \$)
Springhill	\$167,000	\$8,350
Upper Nappan ¹	\$ 20,000	\$1,000
Parrsboro	\$151,000	\$7,550
Total	\$338,000	\$16,900

1. Includes public works garages only. Capital projections for the administration centre are included in Table 4.7.

All public works garages are in relatively good condition because of good practices with ongoing maintenance activities. The twenty-year projection has few critical projects and therefore low overall cost. The identified projects are shown in **Table 4.14**.

Table 4.14 Public Works Garage Capital Projects

Facility	Project	Approximate Cost	Forecast Period (Years)
Springhill	Wall Finishes	\$36,000	5-10
Springhill	Floor Finishes	\$4,000	10-15
Springhill	Gas and Diesel Pump	\$15,000	10-15
Springhill	Parking Lot Rehab	\$31,000	10-15
Springhill	Chain Link Fence	\$11,000	15-20
Springhill	HVAC	\$36,000	15-20
Springhill	Comm Systems	\$18,000	15-20
Springhill	Furnishings	\$5,000	15-20
Upper Nappan B	Wall Finishes	\$4,160	10-15
Upper Nappan A	Wall Finishes	\$3,000	15-20
Upper Nappan C	Wall Finishes	\$9,600	15-20
Parrsboro	Replace fuel pumps	\$15,000	5-10
Parrsboro	Wall Finishes	\$24,000	10-15
Parrsboro	Parking Lot Rehab	\$83,500	10-15
Parrsboro	HVAC	\$24,000	15-20

A formal asset management plan is recommended to assist in considering future demands beyond the twenty-year planning period.

Detailed life-cycle cost planning is outside the scope of this assignment. However, a gross estimate of long-term sustainable investment for the public works garages over a fifty-year lifespan could be projected from the condition assessments. This estimate considers decommissioning and replacement of buildings and has been estimated at approximately \$89,000 annually.

MCC should consider proceeding with a full asset management plan or reserve funding for future investments to avoid large unfunded capital demands in the future.

Proposed Public Works Service Models

MCC has the option of meeting its service delivery targets with one of four models:

1. Centralize service delivery at a single Springhill public works garage, sell Upper Nappan administration centre and public works garages and sell Parrsboro public works garage;

2. Centralize service delivery at a single Springhill public works garage, sell Upper Nappan administration centre and public works garages, and retain Parrsboro public works;
3. Continue service delivery from Upper Nappan, sell Springhill public works garage and retain Parrsboro public works; and
4. Continue to operate all three public works garages.

To compare the four options, the following underlying assumptions are incorporated:

- Cost of leased property is assumed to be approximately \$1.00 per square foot per month;
- Sale of the Upper Nappan administration centre independently of the public works garages is not feasible;
- All projected capital expenditures will be completed over the twenty-year period;
- New facilities will be constructed at a cost of approximately \$220 per square foot; and
- The discount rate for Net Present Value (NPV) calculations is set at 2.0%.

Table 4.15 compares the net present value of each option, while retaining service delivery targets.

Table 4.15 Public Works Service Models

Consideration / Option	Springhill (Sell Upper Nappan & Parrsboro)	Springhill and Parrsboro (Sell Upper Nappan)	Upper Nappan and Parrsboro (Sell Springhill)	Retain Three Facilities
Revenue from Sale (Parrsboro)	\$ 220,000	--	--	--
Revenue from Sale (Upper Nappan)	-- ¹	-- ¹	--	--
Revenue from Sale (Springhill)	--	--	\$ 249,900	--
Operating Cost Savings ²	\$ 735,800	\$ 302,500	\$ 650,000	--
20-Year Capital Projections ³	\$ 128,600	\$ 241,200	\$ 126,200	\$254,800
Construct New Facility	\$4,220,000	\$2,790,000	\$1,980,000	--
Leased Service area for Parrsboro plows	\$ 294,325	--	--	--
Relocate Parrsboro WTP	\$ 550,000	--	--	--
Total Net Present Value	\$4,237,125	\$2,728,700	\$1,206,300	\$254,800

1. Sale of Upper Nappan property is included in the administration building assessment in **Table 4.8** and is not duplicated here.
2. NPV operating costs extrapolated from administration building operations costs provided by MCC
3. Values presented here are net present values of the total investments in current dollars given in **Table 4.14**.

e) Optimal Number and Location of Facilities

The following section presents a summary of the preceding analysis of the administration centres and the public works garages, along with identifying the optimal-risk mitigation approach to combining services.

Capacity Assessment

Neither the Springhill or Upper Nappan administration centre has enough space to house all municipal staff. If MCC retires and sells either of these buildings, some staff will need to be located at non-municipally owned locations. A detailed analysis of options to relocate staff (such as work-from-home, hybrid offices with flex-space, rental locations, etc.) is not included in this report. These options are beyond the scope of this study and require careful consideration of organizational and human resource implications and are not recommended during the current reorganization. MCC may consider some of these solutions for alternate service delivery models following completion of the restructuring proposed in this report.

Functional Assessment

Selling the Upper Nappan property incurs a large cost with the loss of the public works garages, which results in a need to construct a new facility for public works equipment storage and fire fleet servicing. Any option that sells the Parrsboro public works garage incurs additional cost to store and service plow equipment in the wintertime, as well as requiring relocation of the Parrsboro water treatment facility which is located on the same property.

Springhill is the largest public works garage and cannot be replaced without constructing a substantial new building, nor can additional services be added to that location without adding facility space.

Customer Services Storefront

We recommend establishing leased storefront offices in Parrsboro and Pugwash communities to provide customer services for MCC information, permits, payments and other MCC staff coordination. This will provide local access to services for residents in these areas.

Travel Time Assessment

For public works delivery, it will not be possible to maintain service levels without retaining all three public works garages. Snow plowing cannot occur from a remote location because of unreliable transportation to the areas that need service. Water and wastewater distribution and collection systems cannot be effectively serviced from areas outside the communities they serve, as excess employee travel time to get to sites, transport equipment and collect supplies would cause a rapid drop in service levels.

Parking Assessment

Parking is available at Upper Nappan for all staff and limited visitors provided there is no increase in staffing levels above current. Springhill does not have sufficient parking to consolidate all staff,

and street parking will impact availability for business and residents in the town core area. There are limited solutions to parking capacity because of existing development around the Springhill administration building. Options for non-vehicle travel or group transit are limited because much of MCC is rural.

Overall Financial Assessment

Table 4.16 shows the results of the facility capacity and cost assessment, combining the administration centre and public works garage assessment, with the understanding that selling the Upper Nappan location prevents retaining three public works garages.

Table 4.16 Facilities Assessment Conclusions

Consideration / Option	Springhill (Sell Upper Nappan and Parrsboro)	Springhill (Rent Upper Nappan, Sell Parrsboro)	Upper Nappan (Sell Springhill and Parrsboro)	Springhill and Upper Nappan (Sell Parrsboro)
Administration Centre Net Present Value (Table 4.8)	\$1,572,785	\$347,538	\$1,849,691	\$ 816,516
Public Works Net Present Value (Table 4.15)	\$2,728,700	\$254,800	\$1,206,300	\$ 254,800
Total NPV	\$1,155,915	\$ 602,388	\$ 643,391	\$ 561,716

Based on the NPV financial assessment, the two leading options are (i) Upper Nappan and (ii) Springhill plus Upper Nappan. The difference in NPV between the two options is \$81,675 over a twenty-year planning period, which is negligible. The two options are effectively equal from a financial perspective.

Other Considerations

Selling the Springhill facility and relocating all administration services to Upper Nappan would result in the loss of Springhill’s municipal presence. This is undesirable in a population centre and results in a lower level of service than other alternatives. This would also require the RCMP to relocate from their current rental location in the Springhill offices.

Retaining both Upper Nappan and Springhill as administration centres retains the highest level of service for staff and residents. The additional space available by utilizing both centres adds training and teaching room capacity, seminar and meeting space for the benefit of the administration and the community.

Selling either of the Upper Nappan or Springhill administration facilities carries a much greater level of uncertainty and risk with little or no net financial benefit. Because neither administration building has sufficient space for all personnel, there will be additional cost to house staff in rented facilities or new construction. Further, there is considerable risk of organizational disruption and potential unforeseen costs for code upgrades in wide scale renovations to aging buildings. A final potential

unforeseen cost is housing municipal staff during renovations and relocations, along with temporary storage of moveable assets (desks, cabinets, tables, etc.) during renovation activities.

Retaining the two administration centres avoids considerable upheaval and opportunity cost that may occur during renovations and moving staff. Furthermore, the cost certainty of this approach is much higher than efforts to consolidate to a single location.

Conclusions

The lowest risk and most cost-effective option is to retain Springhill as the central administration centre with public facing reception, retaining Upper Nappan as an operations centre to accommodate departmental staff and public-facing services, keeping operations at all public works garage locations and selling, renting or repurposing the Parrsboro administration centre. Any other option is either less financially sound or comes with a high risk of incurring unexpected costs and organizational disruption to manage the change.

The Springhill administration centre should accommodate the CAO and his direct reports – enabling the CAO to have access to key personnel such as the Clerk, Finance department, HR, Communications and all Directors. This is in keeping with best practice and will enhance the effectiveness of the senior management team. Upper Nappan will house other administration functions such as the EMO Centre, Planning & Development, Recreation and Facilities and emergency management staff. Supervisory staff will also be located in this building. These decisions will be made by the CAO in consultation with senior staff based on where personnel can best be deployed between the two buildings. Both buildings can serve the Cumberland community well. This approach also addresses the need for sufficient parking for staff and visitors. Retaining Springhill and Upper Nappan provides good access for all residents, augmented by storefront locations in Parrsboro and Pugwash to serve those areas.

While the analysis presented here requires assumptions about current and future costs of infrastructure construction and service needs of residents, the report conclusions will not change with minor to moderate changes in these models with respect to construction costs, land value and real estate value. Selling one of the main administration centres will carry a high risk of incurring unexpected costs, lengthy periods of organizational disruption and accelerated staff attrition. The risks, in this analysis, do not justify the relatively low potential financial gains from this move.

All three public works garages are required to be retained in service if MCC does not want to risk a notable drop in service levels related to snow clearing, potable water servicing and wastewater servicing. Decommissioning is not justified when viewed in light of additional costs incurred to provide services for snow clearing, potable water treatment and distribution, and wastewater collection and treatment.

The following section of this report reviews the capital demand requirements for all facilities under this mandate and identifies a critical service need to direct capital toward linear infrastructure (pipes, manholes, lift stations, etc.) rather than construction of potential new facilities or extensive renovations to existing buildings.

V. PUBLIC WORKS FACILITIES / ASSETS – CONDITION ASSESSMENT

Along with the administrative centres and public works garages discussed in **Section IV**, MCC manages water and wastewater treatment plants to provide potable water and wastewater treatment services to residents. **Table 5.1** lists the plants and **Figure 5.1** shows the locations along with travel times from the major service delivery centres. Wastewater plant classification as rural or urban has been selected for ease of data presentation and does not suggest any difference in the service delivery targets for this infrastructure.

Table 5.1 Treatment Facilities

Location	Process Type
Rural Wastewater Treatment Plants	
Amherst Marsh WWTP	Aerated Lagoon
Biggs Drive WWTP	Sequencing Batch Reactor
Joggins WWTP	Aerated Lagoon
Maccan WWTP	Engineered Wetland
River Hebert East WWTP	Aerated Lagoon and Engineered Wetland
River Hebert West WWTP	Aerated Lagoon and Engineered Wetland
Wallace WWTP	Aerated Lagoon
Urban Wastewater Treatment Plants	
Parrsboro WWTP	Sequencing Batch Reactor
Pugwash WWTP	Sequencing Batch Reactor
Springhill WWTP	Aerated Lagoon
Water Treatment Plants	
Parrsboro WTP	Disinfection
Pugwash WTP	Biofiltration of Iron and Manganese
Springhill WTP	Dissolved Air Flotation

There is also a small disinfection station at Biggs Drive that is managed by a local citizen’s group. MCC provides operation and maintenance under a service contract but is not responsible for the infrastructure, so it has not been included in this assessment. The Biggs Drive wastewater treatment plant is owned and operated by MCC.

Facilities / Treatment Plant Capacity

Inspections of each facility provided an estimate of the condition of building components and equipment within the building. The following sections provide an overview of the forecasted capital demands at each location and an estimate of the sustainable investment for a twenty-year planning period, along with commentary on the long-term (lifecycle) costs of maintaining the assets. Capital forecasts have been developed on the understanding that the robust operations and maintenance programs currently underway will continue to maximize serviceable life of key assets.

Generally, all wastewater and water treatment plants are maintained in excellent condition and with the few exceptions identified herein, there are no critical short-term priorities to address. If MCC continues to invest in the treatment facilities in line with historical cost-of-service delivery investment, there is minimal risk to service delivery from the plants.

Capital projections for each facility class are shown below. **Figure 5.1** shows the twenty-year capital projection for the wastewater treatment plants classified as the rural locations; **Figure 5.2** shows the twenty-year capital projection for the wastewater treatment plants classified as the urban locations; and **Figure 5.3** shows the twenty-year capital projection for the water treatment plants. **Figure 5.4** shows the twenty-year capital projections for fleet.

Figure 5.1 Capital Demand – Rural Wastewater Treatment Plants

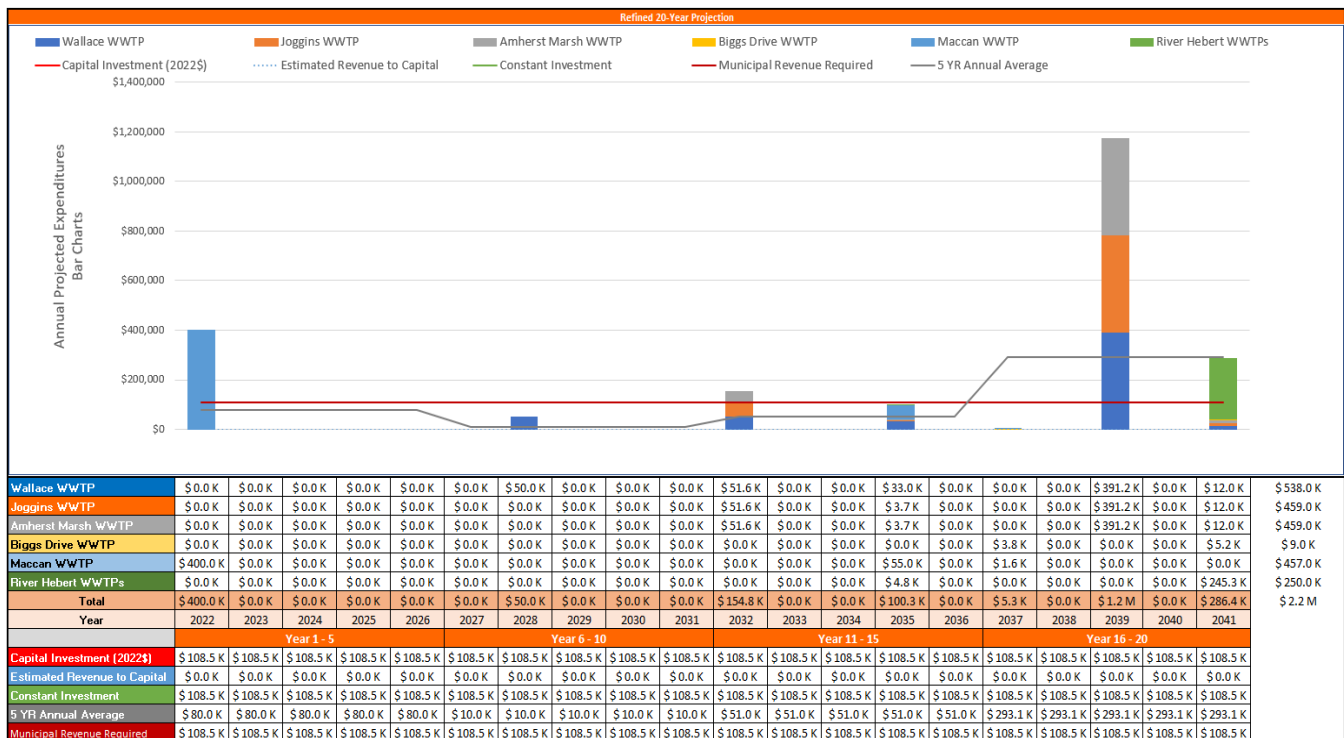


Figure 5.2 Capital Demand – Urban Wastewater Treatment Plants

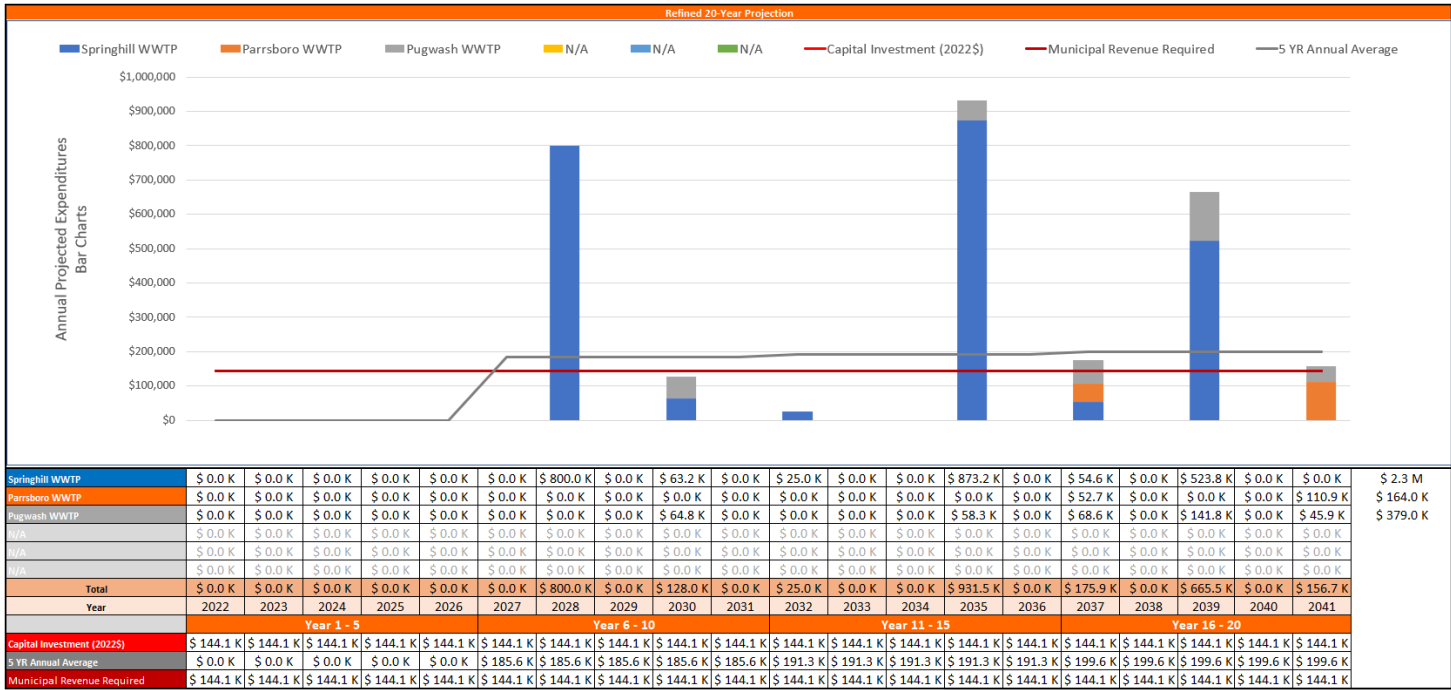


Figure 5.3 Capital Demand – Water Treatment Plants

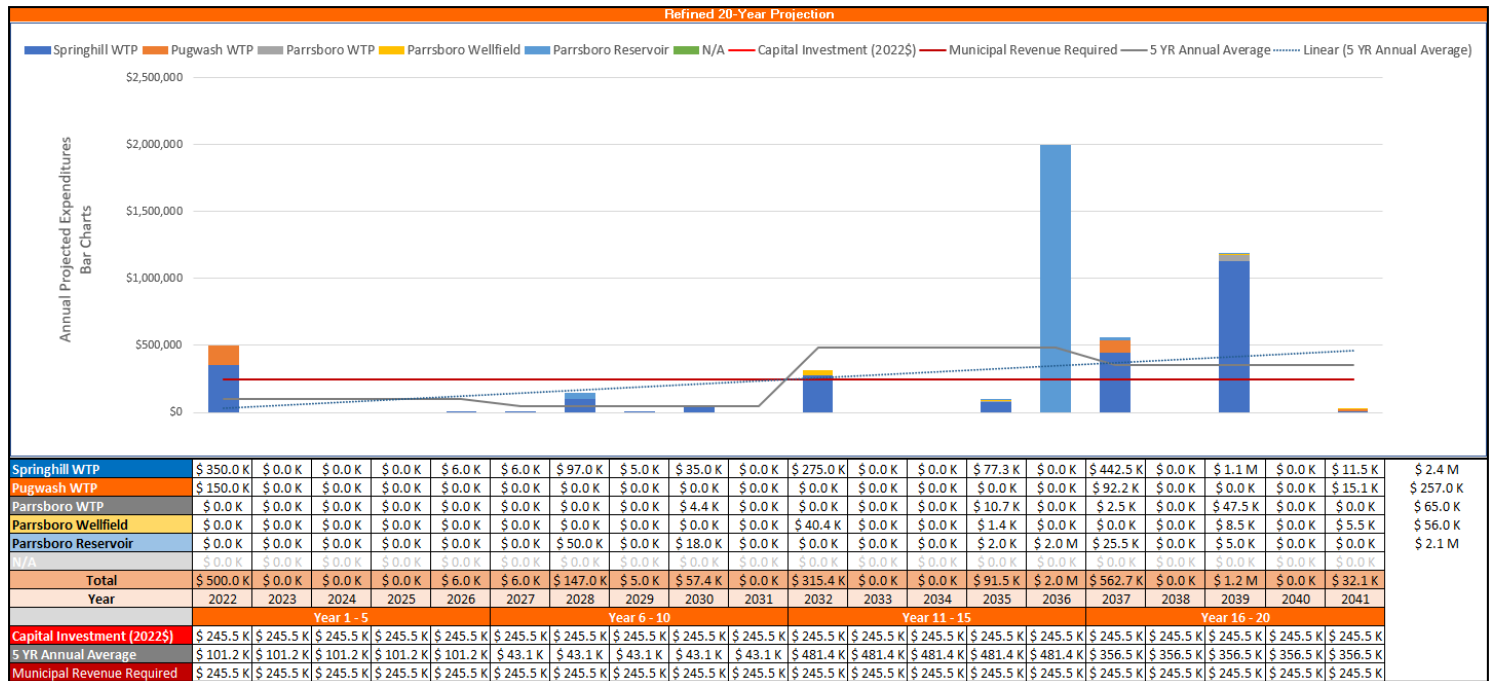


Figure 5.4 Capital Demand – Fleet

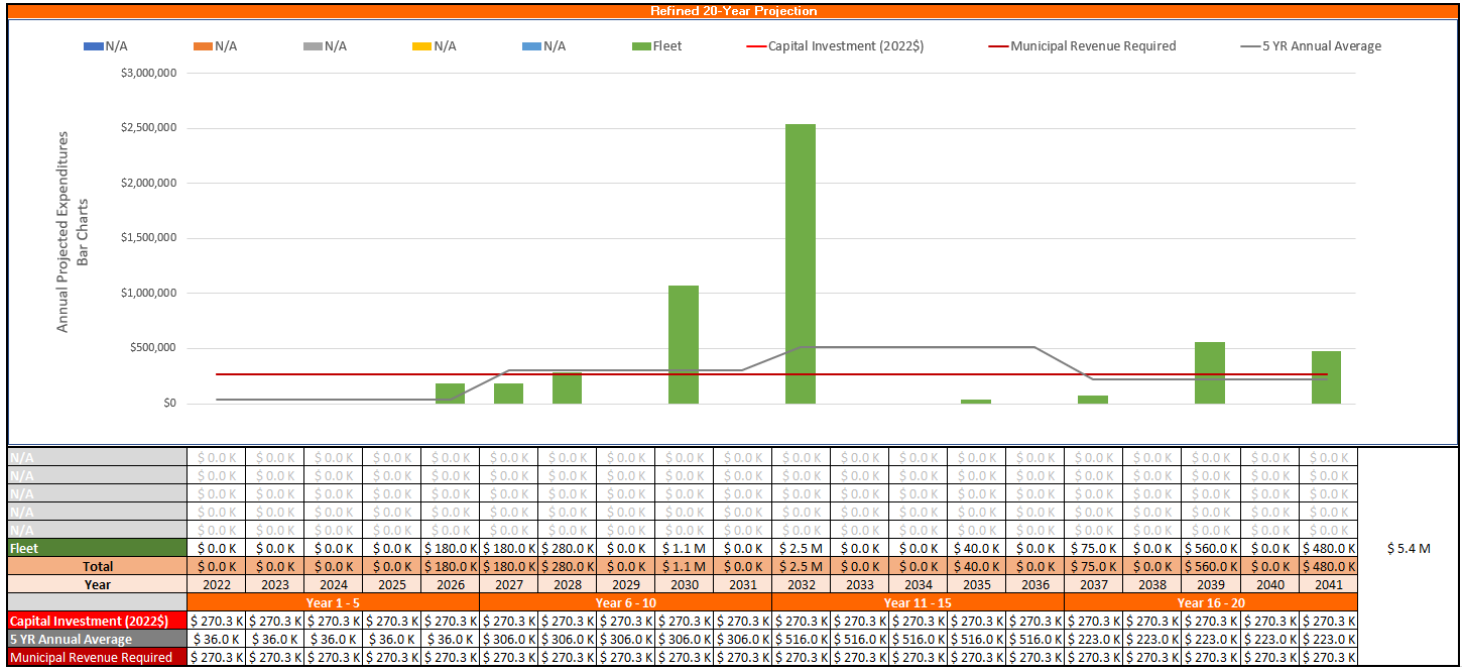


Table 5.2 identifies the total replacement cost of each location, average component condition at each facility and average remaining life of facility components. The averages are not weighted by cost, so a high average condition does not necessarily preclude the requirement for replacement of major components. The replacement costs are based on component upgrades, so construction of a new facility at a greenfield location would cost approximately 20% less than presented here. Cost estimates do not include linear infrastructure components that were outside the scope of this study such as manholes, lift stations, external piping, street valves, etc.

Table 5.2 Treatment Plant and Fleet Summary

Treatment Plant	Asset Renewal Total Cost	Average Component Condition	Average Remaining Life (Years)
Amherst Marsh WWTP	\$1,400,000	1.3	34.5
Biggs Drive WWTP	\$ 552,000	1.0	46.3
Joggins WWTP	\$1,400,000	1.8	38.4
Maccan WWTP	\$ 575,000	1.5	41.9
River Hebert East WWTP	\$1,200,000	1.4	45.0
River Hebert West WWTP	\$1,000,000	1.5	43.5
Wallace WWTP	\$1,400,000	1.9	36.9
Parrsboro WWTP	\$3,425,000	1.0	38.3
Pugwash WWTP	\$4,390,000	1.5	38.1
Springhill WWTP	\$6,070,000	2.5	28.0
Parrsboro WTP	\$ 179,100	1.9	33.4
Parrsboro Wellfield	\$ 230,700	2.0	33.4
Parrsboro Reservoir	\$3,170,000	2.7	23.0
Pugwash WTP	\$1,720,000	1.1	39.0
Springhill WTP	\$7,080,500	2.2	23.0
Fleet	\$5,400,000	2.7	12.4

A formal asset management plan is recommended to conduct risk assessments and define level of service targets to refine the capital projections and develop detailed capital replacement plans.

The following sections provide general commentary on each location along with critical projects that have been identified within the next ten years. The proposed capital investment plan assumes that the rigorous operation and maintenance program in place by municipal staff to clean filters, maintain pump impellers and seals, check fluid levels, and inspect equipment for defects will continue.

Amherst Marsh WWTP

The Amherst Marsh facility is in good condition with recent upgrades completed to the UV treatment building by MCC forces. There are no critical short-term projects identified for this location. The lagoons should continue to be monitored for performance and, given the size of

a lagoon remediation project, reserve funding should be considered to meet life-cycle capital demands for the system.

Joggins WWTP

The Joggins facility is in fair to good condition with recent upgrades completed to the UV treatment building by MCC forces. There are no critical short-term projects identified for this location. The lagoons should continue to be monitored for performance and, given the size of a lagoon remediation project, reserve funding should be considered to meet life-cycle capital demands for the system.

Maccan WWTP

Generally, the Maccan structure and equipment are in good condition. However, there is a critical failure with the wetland system. Sediment laden river water is entering the treatment system and causing rapid fouling of the UV treatment banks. To maintain regulatory compliance, MCC should retain an engineering firm to identify the cause of functional failure and appropriate remediation. A near term investment of \$250,000 has been included in the forecasts to address this issue.

River Hebert East and West WWTP

Both River Hebert facilities are in good condition with recent upgrades completed by MCC forces. There are no critical short-term projects identified for this location.

Wallace WWTP

The Wallace facility is in fair to good condition with recent upgrades completed to the UV treatment building and one blower by MCC forces. The second blower will need to be replaced within ten years. The lagoons should continue to be monitored for performance and, given the size of a lagoon remediation project, reserve funding should be considered to meet life-cycle capital demands for the system.

Biggs Drive WWTP

The Biggs Drive facility is relatively new, and all components are in good to excellent condition. There are no short-term critical projects at this location, but an asset management plan should be developed with detailed plans for long-term, lifecycle cost management of this facility.

Springhill WWTP

The Springhill wastewater facility is in fair condition and represents the highest capital investment required in the short-term. Piping to the lagoons is leaking and will need to be replaced under capital projects already planned. The pond liners, aeration valves and aeration system are original and in poor condition. A forecast of \$800,000 for remediation of this system is included in the next ten years. To manage costs on this upgrade, MCC should seek professional services to drain and clean the lagoons in phases to assess the liner below water. Options to rehabilitate may reduce the anticipated project cost.

Parrsboro WWTP

The Parrsboro wastewater facility is new and has no critical upgrades in the next ten years. There are some operational investments underway to improve the function of the plant and reduce staffing requirements, but these are not included here.

Pugwash WWTP

The Pugwash wastewater facility is in excellent condition because of ongoing investment in maintenance of plant components. The centrifuge was not operational at the time of the site visit, but replacement is not included in this report as it was already underway. The exterior cladding of the building will need to be replaced within 10 to 20 years.

Flooding of the facility with non-critical impact to function has occurred during storm surge events. Changes to high water levels during storm surges may increase the risk and impact of these flooding events. MCC should include a climate risk assessment of this facility when developing a formal asset management plan.

Springhill WTP

The Springhill water treatment plant is in fair to good condition with ongoing replacements of aging parts. Several critical near-term investments are included in this plan, including \$400,000 for:

- Construction of a catwalk around the dissolved air flotation (DAF) unit to address safety and access issues identified during the inspection
- Replacement of the skimmer paddle motors
- Replacement of non-functional automatic valves. These currently require manual operation and proper functioning of these parts is critical to the organization chart included in this plan
- Replacement of the skimmer drive chains and paddles as they are in poor condition and pose a risk of major service disruption
-

The remainder of scheduled activities can be addressed under the current cost of service model that has been used to provide ongoing upgrades.

Pugwash WTP

The Pugwash water treatment plant is a new facility. However, it was designed as an automated plant and there are system malfunctions that require frequent manual adjustments to maintain operations. The problem is on the control side and cannot be addressed with capital replacements. The projections include a \$150,000 contingency fund to allow system issues to be addressed, but it will be key to provide adequate staff time to engage the supplier of the package system to resolve the issues.

The site visits also identified a safety issue with over-pressurizing the system which appears to be a controls issue, not a hardware issue. Once these functional control issues are identified and corrected by the supplier, staff time in the water department will be freed up to meet service priorities.

Parrsboro WTP

The Parrsboro water treatment plant and wellfield are in good condition with no near-term critical projects identified. The Parrsboro reservoir is over 100-years old, and the floating liner is in poor condition and not functioning correctly. The level well is the original brick crock. The reservoir is an earthen berm several meters high, and failure would be catastrophic. The twenty-year projections include \$2,000,000 to repair or rehabilitate this feature. Prior to commencing this project, a formal monitoring program for seepage through the earth berm and at the toe should be put into place to mitigate the risk of failure. MCC should conduct a geotechnical study of the berm to identify stability of the clay core and establish whether the anticipated useful life can be extended before replacing. The floating liner should be replaced within the next five years. Snow and ice accumulation during the winter is causing artificial readings of reservoir level, resulting in insufficient storage volume in the spring.

All facilities have excess capacity and there are no restrictions suggested on expansion of the water or wastewater systems, other than assuring that the cost of new infrastructure can be accommodated while servicing infrastructure deficits of existing infrastructure.

Fleet

The average condition of MCC fleet is fair with approximately sixty percent of the fleet scheduled for replacement in the next ten years and the remainder in the subsequent ten years. Assessment of the fleet of approximately seventy fire trucks was outside the scope of this review; this fleet will represent a significant additional capital cost in the same period.

Linear Infrastructure

The mandate of this report was limited to water and wastewater treatment facilities. However, during the field visits, some critical issues were identified with the collection and distribution infrastructure that will have more impact on capital forecasts than the facilities, which have been relatively well maintained with revenue from rate collection.

There are twenty-eight lift stations with an order of magnitude value of \$10,000,000, all nearing end of anticipated life. Replacement of this infrastructure over the next forty years would require an annual investment of \$250,000.

Consultation with public works staff and review of SCADA logs from pumping stations indicated that there is a significant amount of inflow and infiltration from the sewer system, indicated by large increases in flow to treatment plants and lift stations during rainfall events. The increases are swift and short in duration which suggests that inflow is a greater contributor than infiltration, likely from connection of rainwater leaders and residential sump systems to the wastewater collection system. These rainfall related flow surges increase

demands on lift station and treatment facility pump systems, increasing operating costs and reducing the expected life of infrastructure. While MCC has by-laws in place prohibiting stormwater connections to the system, there are many cross connections grandfathered in with older developments. Adopting an aggressive program to decouple stormwater connections from the sewer system and directing these flows to surface conveyances will increase the serviceable life of infrastructure and support deferring linear infrastructure replacement for a longer period.

The water system, while aging appears to be functioning within acceptable levels of service. Except for the water system in Parrsboro, which still contains piping containing lead, there were no reports of excessive disruptions to service. Currently, the regulatory requirement for the presence of lead is being managed by operations staff who regularly monitor water chemistry to minimize the potential for leaching lead from the piping system. This is supported by an ongoing monitoring program to comply with Nova Scotia Environment testing and reporting requirements.

The current study did not include assessment of recreational facilities, fire halls, libraries, fire trucks or linear infrastructure such as roads, sewers, waterlines and storm infrastructure. The transition studies conducted at the time of amalgamation for Springhill and Parrsboro were used to assess approximate ongoing costs of infrastructure management for elements outside the scope of this study. Discussions with public works staff and bulk counts of infrastructure for areas outside Springhill and Parrsboro were used to develop order of magnitude estimates on the infrastructure deficits for linear infrastructure outside the main population centres, with an assumption that aging, original infrastructure would be replaced in the next twenty years. The infrastructure deficit from this desktop exercise is \$97,400,000 over the next 20 years in current dollars, with a target investment threshold of \$4,870,000 annually. This forecast is based on older reports and, with a formal asset management plan, can likely be reduced significantly by adopting a risk management plan and strategically operating well-functioning infrastructure beyond its anticipated serviceable life, which is a common approach in Atlantic Canadian municipalities faced with large capital demands from aging infrastructure and limited time and resources to address the deficit.

An asset management plan and capital program can refine these order of magnitude projections to allow detailed planning for replacement of linear infrastructure, risk management to extend serviceable life to reduce capital demand projections and balancing future capital demands with projected revenue.

Capital Demand Projections

A summary of the twenty-year capital demand projections is shown in **Table 5.3**. Projections are shown as the total twenty-year demand, and the average annual investment, in current dollars, that will satisfy the projected demand. All costs are totals and do not consider funding contributions from other levels of government, as funding availability is not static and cannot be reliably predicted. However, detailed capital planning activities using the data collected here can be used to maintain a priority list of forecasted projects that can then be scheduled as funding becomes available.

Table 5.3 Capital Demand Projections¹

Facility	20-Year Projected Cost	20-Year Sustainable Annual Investment	Long-term Sustainable Annual Investment
Springhill Admin	\$1,049,000	\$ 52,450	\$ 104,000
Upper Nappan Admin	\$ 571,000	\$ 28,550	\$ 93,000
Parrsboro Admin ²	\$ 81,000	\$ 4,050	\$ 21,000
Springhill PW Garage	\$ 167,000	\$ 8,350	\$ 48,000
Upper Nappan PW Garages	\$ 20,000	\$ 1,000	\$ 12,000
Parrsboro PW Garages	\$ 151,000	\$ 7,550	\$ 29,000
Amherst Marsh WWTP	\$ 459,000	\$ 22,950	\$ 28,000
Biggs Drive WWTP ³	\$ 9,000	\$ 450	\$ 5,000
Joggins WWTP	\$ 459,000	\$ 22,950	\$ 27,000
Maccan WWTP	\$ 457,000	\$ 22,850	\$ 13,000
River Hebert East WWTP	\$ 133,000	\$ 6,650	\$ 22,000
River Hebert West WWTP	\$ 117,000	\$ 5,850	\$ 18,000
Wallace WWTP	\$ 538,000	\$ 26,900	\$ 28,000
Parrsboro WWTP	\$2,300,000	\$ 115,000	\$ 137,000
Pugwash WWTP	\$ 164,000	\$ 8,200	\$ 41,000
Springhill WWTP	\$ 379,000	\$ 18,950	\$ 75,000
Parrsboro WTP	\$ 65,000	\$ 3,250	\$ 4,000
Parrsboro Wellfield	\$ 56,000	\$ 2,800	\$ 4,000
Parrsboro Reservoir	\$2,100,000	\$ 105,000	\$ 65,000
Pugwash WTP	\$ 257,000	\$ 12,850	\$ 34,000
Springhill WTP ⁴	\$2,400,000	\$ 120,000	\$ 166,000
Fleet	\$5,400,000	\$ 270,000	\$ 244,000
Total (incl. Upper Nappan)	\$17,251,000	\$ 862,000	\$1,197,000
Total (excl. Upper Nappan)	\$16,680,000	\$ 834,000	\$1,104,000

1. Capital projections are suggested reserve costs for capital replacements and do not include annual costs of operation and maintenance, notably preventive maintenance and service upgrades
2. Parrsboro administration building is not considered in the planning estimates.
3. Biggs Drive is new so 50-year projections do not capture some aspects of major future costs (i.e., batch reactor tankage)
4. Major costs include DAF tank replacement and solar panel system replacement.

The final column shows an estimate of the annual reserve required for long-term, lifecycle sustainable investment. This will include major expenditures such as building replacement at end of life, based on an anticipated useful life of approximately eighty years for most structural components such as foundations, wall construction and roof structures. These lifespans can be extended with proper inspection and maintenance, so the long-term annual reserve

funding requirement can be considered a worst-case annual cost of operating the infrastructure. **Table 5.3** includes the facilities assessed in **Section 4** of this report and is a comprehensive summary of all facilities under this mandate.

Conclusion

Capital investment in water and wastewater treatment plants has exceeded that required to maintain targeted levels of service. All plants meet regulatory requirements and have excess capacity to accommodate expansion of the systems, particularly with a program to disconnect stormwater connections from the wastewater collection system as it is upgraded.

The capital projections are based on operating treatment plant infrastructure to its maximum anticipated serviceable life, which is a low-risk approach for MCC provided the robust routine maintenance and inspection programs developed by public works staff continue to be supported. This will allow greater capital investment to be directed toward renewal of lift stations and linear infrastructure (piped collection and distribution systems) which pose a service risk in the next ten to twenty years.

Capital investment targets for all facilities, including administration buildings, is targeted at \$862,000 annually. Because there are large capital improvements forecast outside the twenty-year window, such as rehabilitation or replacement of lagoon installations, MCC is advised to develop a short-term plan to increase this investment to approximately \$1,200,000. Without this increase, the future deficit projection will increase because of underfunding in the near term.

VI. FINANCE

a) Overview/CAFP and ORS

MCC is seeking a Capital Asset Financing Policy (CAFP) which will allow Council to fund new projects going forward with a “One Municipality” mindset. The purpose of a CAFP is to ensure MCC has adequate financial resources to provide infrastructure and services to its residents that are affordable and sustainable. A CAFP will also ensure MCC has flexibility to take advantage of cost sharing opportunities as they arise.

Principles of a Capital Asset Financing Plan:

- The plan should be structured to allow council to meet its long-term objectives and to align with its priorities.
- The plan should improve the financial viability and continuing prosperity of municipal government.
- A CAFP will focus municipal spending on effective and efficient delivery of service.
- The plan should fund not only new assets but also invest in the repair and maintenance of existing assets.
- The plan should be affordable, sustainable and leverage partnerships where possible; and
- Intergenerational debt should be used to fund assets with a long life.

In developing a CAFP, MCC will need an understanding of its financial position and future infrastructure needs. When assessing future infrastructure needs, MCC should evaluate the ongoing operating costs of the assets (both new and existing). Operating costs will have an impact on the municipalities’ operating budget and tax rates in the future.

In addition to a CAFP, MCC is also seeking an Optimal Revenue Structure (ORS) based on available services taking into account general and area rates and other revenue generating and cost recovery tools. The cost taxpayers are charged for services should reflect the level of service that is received. Tax policy should be equitable, transparent, simple, and fair.

Principles of an Optimal Revenue Structure:

- Those receiving the same level of service should pay the same rate.
- General services should be funded through general rates.
- Partnerships for service delivery should be leveraged where possible.
- Cost recovery for services should be based on the full cost of delivering the service; and
- Costing should be transparent, accountable, easy to understand and simple to administer.

Financial indicators to consider for both a CAFPP and ORS are assessment growth, tax revenue change, tax rates, debt levels and debt servicing costs. Services provided and tax competitiveness are important consideration for economic development purposes. MCC should be aware of its competitiveness as it relates to other similar jurisdictions in Nova Scotia. Both deliverables are linked and will require a review of similar information. Appendices containing graphs, charts and financial data, including how MCC compares to other rural municipalities in Nova Scotia can be found at the end of the report.

b) Background

General

The County of Cumberland was originally incorporated April 17, 1879. Since that time, MCC operated primarily as a rural municipality providing a base level of services to its residents. This changed with the dissolution of the Town of Springhill, April 1, 2015, and the Town of Parrsboro, November 1, 2016. Both towns were dissolved due to financial difficulties and administrative collapse.

The joining of Springhill and Parrsboro with MCC has resulted in MCC being required to provide an expanded list of services to its residents and businesses at varying service levels and cost. MCC has additional accountability for such services as roads and streets, traffic, water services, and sidewalks, in addition to the broader rural municipal services.

The additional services MCC is now responsible to deliver have come with aging infrastructure. Like most municipalities across the country, MCC is experiencing an infrastructure deficit. The investment in existing infrastructure is not keeping pace with the use of the asset resulting in asset deterioration. This deficit, coupled with citizen expectations for new assets such as recreation facilities, libraries, streets, and sidewalks, puts pressure on MCC's ability to plan and fund infrastructure. Also impacting the ability to deliver efficient and effective services is the development that is occurring on the northern shore of the county.

Demographics

Like many municipalities in Nova Scotia, MCC's population trend has been one of decline. With the result of the 2021 census this trend has been reversed. Statistics Canada is reporting a population of 19,964 for 2021 which is a 2.9% increase over a 2016 population of 19,402. While the population is growing at a higher rate than the 1.3% average population increase for all county municipalities, it is below the average 5.0% growth the Province of Nova Scotia is experiencing (refer to **Appendix J** for information on median income).

Legislative Authority

Municipalities in Nova Scotia receive their authority to act through provincial legislation, primarily the *Municipal Government Act (MGA)*. The *MGA* lays out reporting requirements, borrowing powers, authority for revenue generation, power to expend funds and authority to set tax rates to name a few (refer to **Appendix K** for a listing of relevant *MGA* sections).

The MGA gives the Minister of Municipal Affairs the authority to determine where municipalities can borrow for capital assets. Municipalities are required to borrow for capital assets from the Nova Scotia Municipal Finance Corporation, the relevant legislation is *Municipal Finance Corporation Act*.

c) Current Financial Position

MCC's financial position continues to improve. The Department of Municipal Affairs (DMA) releases a Municipal Profile and Financial Condition Indicators Results report on an annual basis for municipal units.

In 2018-19 MCC was given an overall assessment of high risk¹. In 2019-20 DMA upgraded the assessment for MCC to green or low risk². The Financial Indicators Assessment report for 2020-21 has not been finalized at this time.

Finance staff in MCC have filed their draft results for the 2020-21 fiscal year with DMA. The draft report indicates that the position of MCC has continued to remain at low risk with significant improvement in its level of outstanding operating debt (draft results are 1.60% in 2020-21 versus 17.5% in 2019-20) The operating reserve has improved from 17.5% in 2019-20, assessed as moderate risk, to a projected 24.70% in 2020-21, which would be rated as low risk (refer to **Appendix L** for a FCI comparison of MCC relative to all other rural municipalities in Nova Scotia).

MCC has improved its rate of tax collection, operating reserve balance, reduced its outstanding operating debt balance (line of credit), improved its liquidity, and increased its combined reserve balance. All these measures speak to positive financial management and moving forward with a continuously improving financial position.

Property Assessment

Trends in assessment values are important in evaluating fiscal sustainability. MCC's total assessment base is showing growth. This is being driven primarily by residential assessment growth in rural Cumberland County. Commercial assessment is lagging in all areas.

Residential and commercial taxes in the former Town of Springhill have fallen. In 2015, at the time of dissolution, the total assessment base was \$107.6 million. In 2021, it had fallen to \$93.4 million. In 2022, there was an uptick, total assessment was \$98.2 million. The total assessment growth came from residential properties.

The Town of Parrsboro's assessment, primarily residential, is showing modest growth on an annual basis, with the exception of 2022 which saw an increase of 8.7%. The total assessment growth for MCC in 2022 was 7.8%. Residential assessment increased 8.2% and commercial assessment grew by 2.3%. Refer to **Appendix M** for a breakdown of yearly

¹ municipality-county-cumberland-municipal-profile-and-financial-condition-indicators-results-2019-en.pdf

² municipality-county-cumberland-municipal-profile-and-financial-condition-indicators-results-2020-en.pdf

commercial and residential assessment growth for MCC and tax revenue and percentage change.

Tax Rates and Revenue

To be competitive, the tax burden in MCC should be comparable with other similar municipalities. Based on DMA’s 2019-20 Annual Report, MCC’s tax burden is 2.5%. This means that 2.5% of the median household income is used to pay residential taxes. The tax burden in Nova Scotia ranges from a low of 1.4% in the Municipality of Guysborough, to a high of 5.3% in the Town of Lunenburg. It should be noted that the measure only considers residential taxes, it does not include area rates and other fees and charges that may be levied by a municipality nor does it speak to the impact of commercial taxation.

With the dissolution of the Towns of Parrsboro and Springhill, MCC is effectively administering three different tax rates (excluding area rates and other charges). See Table 6.1 for the 2021-22 residential and commercial tax rates (refer to **Appendix N** for historical residential and commercial tax rates for Parrsboro, Springhill, and Cumberland).

Table 6.1: Residential and Commercial Tax Rates 2021-22

Fiscal 2021-22	Residential	Commercial	% Higher than MCC
MCC General Rate	\$1.190	\$2.780	
Former Town of Parrsboro	\$1.670	\$3.970	40.33% residential 42.81% commercial
Former Town of Springhill	\$2.050	\$4.960	72.27% residential 78.41% commercial

The difference in rates is related to the financial condition of Parrsboro and Springhill at the time of dissolution, as well as the services provided. It is not reflective of the state of infrastructure in the areas nor the service levels its residents receive. The tax rates do not include other area rates, LIC or other charges that may be levied in individual areas for such things as sewer services, streetlights, or fire services.

As MCC moves forward with a “One Municipality” approach, the disparity between taxation levels, services and infrastructure will need to be addressed. Residents receiving the same services should be paying the same rate. The Optimal Revenue Structure discussions (VI(f)) will speak to this in greater detail.

The general residential and commercial tax rates in all three areas have been holding steady since 2018. This is a positive sign for MCC. When coupled with the relatively low tax burden, MCC would have tax room as a means of funding a CAFPP.

Long Term Debt and Debt Servicing Costs

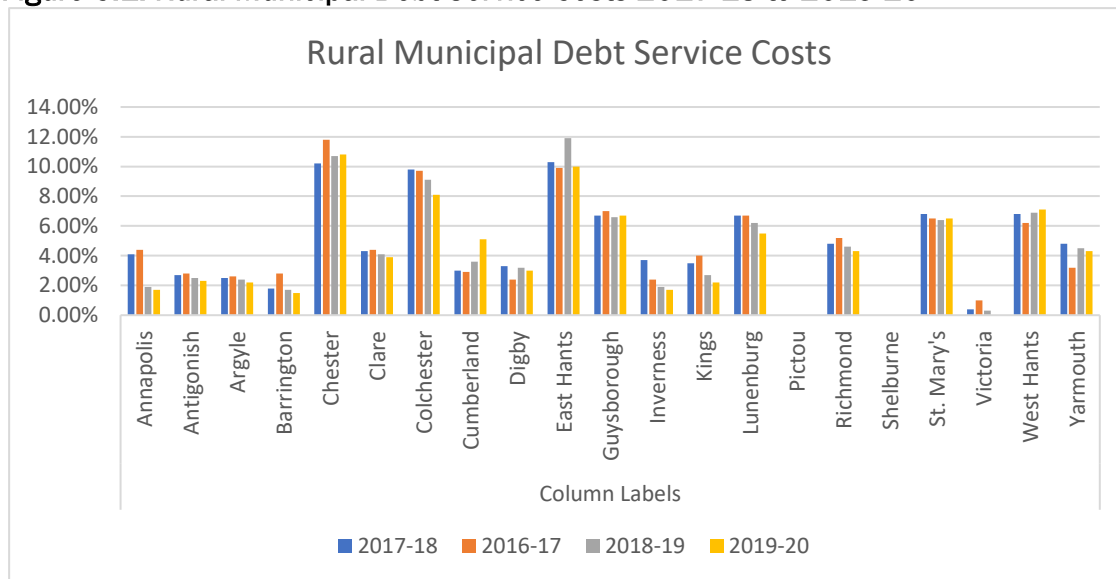
A key consideration in a CAFPP is debt level and debt room. Municipalities in Nova Scotia are required by legislation to borrow for capital assets from the Nova Scotia Municipal Finance Corporation (NSMFC). NSMFC arranges all municipal borrowings through the issuance of

debentures typically in the spring and fall. Borrowing terms are determined by the NSMFC. The only flexibility a municipality has is in determining the length of the term for the borrowing. There are no options for early payment of debt or making “extra” principal or interest payments.

DMA has set, by policy, a debt servicing ratio of 15% as the upward limit on municipal borrowing. Staff have calculated MCC’s debt service ratio for 2020-21 at 5.3%. While MCC’s debt service costs have risen since 2018, the ratio is still relatively low when looking at other rural municipalities. The issuance of debt is not a “bad” thing. What is important is how affordable the debt is and the debt is being used. Is it being used to finance long term assets or growth? Or is it being used to finance lower value assets with a short life such as vehicles?

When compared to other rural municipalities, MCC is the mid-range. See the graph below for a comparison of municipal debt service costs (refer to **Appendix O** for a graphic on MCC’s principal and interest costs as well as a comparison of other operating costs).

Figure 6.1: Rural Municipal Debt Service Costs 2017-18 to 2019-20



There is room in MCC’s debt servicing cost ratio to issue more debt. One of the questions Council will need to answer is, how much debt are they comfortable carrying in the future to fund infrastructure. As an example, if MCC issued an additional \$7m in debt in 2022-23, the debt servicing cost ratio would be 6.3%, a 1% increase over 2020-21, (this assumes a 2% increase in tax revenue, 3% borrowing rate with a 15-year term and semi-annual payments). The increase in principal and interest payments, approximately \$291K, would have to be factored into the operating budget.

Summary of Current Financial Condition

When looking at MCC’s key financial indicators over a number of years, as well as compared to other rural municipalities in Nova Scotia, MCC’s financial position is improving. The assessment base is growing (refer to **Appendix P** for the tax revenue and percentage change

year over year). MCC has maintained its tax rates and continues to invest in services. Over the last 5 years MCC has had surpluses in the range of \$468K to \$965K. It is MCC's practise to transfer surpluses to reserves.

MCC is well positioned to develop financial policies that will allow investment in infrastructure in the future in a sustainable and planned way.

d) Current Infrastructure

MCC has invested in a number of assets such as water treatment plants, and pumping stations, facilities, and fleet. Building infrastructure is in generally good condition. MCC has not been investing in horizontal infrastructure such as pipes. Asset management requires ongoing investment in existing assets to ensure the useful life of the asset is realized. Failure to invest in existing assets on a regular basis can result in increased operating cost, lost productivity due to down time and increased risk to MCC. It is best practice to invest in existing assets before expanding services (refer to **Appendix Q** for other operating costs) or constructing new infrastructure.

On an annual basis MCC produces a 5 Year capital investment plan (CIP) that is based on historical information, visual inspections, and ad hoc information as opposed to an asset management plan. MCC has developed a 5 Year CIP in the range of \$20.94 million. The CIP is projecting that MCC will need to invest \$5.4 million in funding, the majority of the capital funding is coming from the federal government under various infrastructure programs (refer to **Appendix R** for a chart of MCC's 5 year CIP by category).

The current infrastructure deficit for fleet and facilities discussed under this mandate is \$26,000,000 over the next 20 years in current dollars, with a target investment threshold of \$1,300,000 annually. Investments are intended to focus on critical safety and performance issues in the water and wastewater treatment plants, as well as renewal of aging fleet and lift stations. The targeted investment levels rely on MCC adopting a policy of reviewing the capital investment plan periodically to increase annual investment in pace with inflation costs of goods and services to support operations.

The current study did not include assessment of recreational facilities, fire halls, libraries, fire trucks or linear infrastructure such as roads, sewers, waterlines and storm infrastructure. The transition studies conducted at the time of dissolution of Springhill and Parrsboro were used to assess approximate ongoing costs of infrastructure management for elements outside the scope of this study. Discussions with public works staff and bulk counts of infrastructure for areas outside Springhill and Parrsboro were used to develop estimates on the infrastructure deficits for linear infrastructure outside the main population centres, with an assumption that aging, original infrastructure would be replaced in the next twenty years. The infrastructure deficit from this desktop exercise is \$97,400,000 over the next 20 years in current dollars, with a target investment threshold of \$4,870,000 annually.

The total infrastructure deficit is \$6,170,000 annually, or \$30,850,000 over the next five years. Current investment levels are insufficient to meet this demand. The larger portion of infrastructure demand results from aging infrastructure outside the scope of this study. A

formal capital asset management plan and update to condition assessments and target investment levels for linear infrastructure is a critical step to balancing the shortfall using risk management based decisions and examining the levels of service provided by this infrastructure.

Closing the gap will require a detailed understanding of MCC's infrastructure needs (through the development of an asset management plan) and policy direction from Council. Staff should develop policies for cost sharing in capital assets. Local improvement charges by-laws (LIC's) and capital cost contribution policies (CCC's) are two important tools that will assist with funding decisions for infrastructure. LIC's and CCC's detail what infrastructure costs are included, cost sharing levels, approval processes and repayment options. These policies should be developed in advance of service expansion or new service delivery decisions.

e) Capital Asset Financing Plan (CAFP)

Section 1

MCC Capital Asset Financing Plan

The CIP is a preliminary document, it is not a comprehensive list of all infrastructure needs. To address MCC's infrastructure needs (both current and future needs) MCC would like to develop a Capital Asset Financing Plan CAFP.

GFOA (Government Finance Officers Association) state that capital planning is critical to water, sewer, transportation, sanitation, and other essential public services. It is also an important component of a community's economic development program and strategic plan. Capital facilities and infrastructure are important legacies that serve current and future generations. It is extremely difficult for governments to address the current and long-term needs of their citizens without a sound multi-year capital plan that clearly identifies capital needs, funding options, and operating budget impacts.

A properly prepared capital plan is essential to the future financial health of an organization and continued delivery of services to citizens and businesses.³

The purpose of a CAFP is to ensure MCC has sufficient resources to invest in its infrastructure at the right level, at the right time to provide the services its residents and businesses require. It allows MCC to plan for future infrastructure investments in a deliberate manner.

Benefits of a CAFP

When properly implemented a CAFP will:

- mitigate risk to MCC, including financial, environmental, and economic risk;

³ [Multi-Year Capital Planning \(gfoa.org\)](http://www.gfoa.org)

- improve service delivery, assets will be maintained, lost productivity due to down time will be minimized;
- ensure fiscal sustainability, provide certainty in tax levels, by avoiding large swings in rates, maintain debt and debt servicing costs at manageable levels, use other revenue sources to fund assets than the general tax rate;
- leverage other funding sources, funds will be available to take advantage of cost shared programs and partnerships by establishing and funding reserves; and
- align with council's strategic priorities and its citizens expectations.

Broad Principles

The development of a CAFP should be grounded in broad principles. Principles serve as a touchstone for council and staff. Common broad principles include:

Matching infrastructure projects with a similar funding source – rehabilitation or renewal projects (state of good repair) should be funded with ongoing funding sources that are stable and predictable. Examples of this would be capital from the operating budget, stable funding from senior government such as Gas Tax funding and reserve funds.

Growth should pay for growth - new and expanded infrastructure should be funded with new revenue, such as debt, development charges, user fees and senior government funding. Capital reserves should be established and funded to finance large one-of-a-kind projects such as a recreation center. Typically, these projects are unable to be funded within the existing capital improvement plan. One means of funding capital reserves is using a dedicated tax. As an example: 2 cents on the tax rate.

Debt should be used strategically – debt is simply an alternative to increasing the current tax rate. When issuing debt, council should be aware of intergenerational impacts. *The intergenerational equity of public debt means that it is not the future generations, but those who receive the public goods and services that should pay for them.*⁴ Where possible, the term of the debt should match the life of the asset. As an example: financing a fire truck with a 25-year life over a 10 year term means that residents that move to MCC in year 11 receive the benefit of the fire truck for 15 years for free. Conversely, financing a fleet of vehicles with a 5-year life over 10 years means taxpayers are paying for an asset for an additional 5 years beyond its useful life.

The CAFP should be fully integrated into a broader vision for MCC - including a long-term operating plan and a strategic vision for the whole municipality. A CAFP should balance a) residents' and businesses' ability to pay taxes and revenues against the benefits of capital spending; b) the needs and costs of existing taxpayers and future generations; c) the economic cost and impact of higher capital funding; d) should be calculated using full life cycle costing; and e) the appropriateness of using municipal taxation versus more specific municipal user fees, charges, and other revenues.

⁴ [\(PDF\) Intergenerational equity of public debt \(researchgate.net\)](#)

Niagara Region has taken some of these broad principles and have incorporated it into a graphic.⁵

Table 6.2: Niagara Region’s Capital Plan

Niagara Region’s Capital Plan		
Asset Management Plans Responsible growth and Infrastructure Planning Current tax base maintaining existing level of service	Strategic Improvements Debt required to support projects with future beneficiaries	Growth Business/Economic Growth Growth pays for growth
Other External Sources grants, subsidies, local area municipal cost sharing		
Pay as you Go (reserves) Utilize funds set aside from Operating Budgets	Federal Gas Tax Federal funding to support local infrastructure priorities Debt Funds raised from creditors for capital projects Required to transition to the policy	Development Charges Used for growth projects based on DC study and receipts

Determining Infrastructure Needs

When developing a CAFPP, Council will need to understand their current infrastructure state as well as future growth and need. Citizen expectations for service will have an impact on MCC’s infrastructure needs. Some questions Council should ask are:

1. Are we spending too much, or too little, on infrastructure – is the infrastructure deficit continuing to grow?
2. Do we need all the assets that we have? Or should we sell some and contract for the service or space?
3. Are we maintaining our existing infrastructure at the appropriate level or are we investing in new infrastructure?
4. Are we looking at development patterns to see where future infrastructure needs will occur?

⁵ [filestream.ashx \(escrimeetings.com\)](http://filestream.ashx(escrimeetings.com))

5. Does our capital plan look into the future 10-20-50 years or is it focussed on today's needs?
6. Do we understand what citizens are willing to pay, or not willing to pay for?
7. Do we have the right information required to make these decisions?
8. What is the impact of this year's decisions on the next generation?

To be successful, the development of a CAFP needs citizen engagement and input. MCC should consult with its residents and businesses in developing the answers to the above questions.

Best Practise Review

A number of municipalities in Canada have implemented long term financial planning policies and guidelines, or CAFP's. The examples reviewed all have common themes: guiding principles, guidance on when debt should be used, options for financing infrastructure, and connecting infrastructure projects to existing municipal objectives. The recommendations below have come from a review of both academic literature and adopted municipal policies.

A list of some of the more relevant examples of debt policies and long-term financial planning strategies can be found in **Appendix S**.

Section 2

Recommendations for CAFP

At its most basic, a CAFP is simply a list of projects and a means of financing the projects. The foundation of a CAFP is the asset management plan, this details the investments to be made and when. The financial pillars the CAFP rely on are: debt policies, a pay as you go strategy and establishing reserves, or savings accounts to pay for significant investments or take advantage of opportunities, such as infrastructure programs.

In moving forward with a CAFP, it is recommended that MCC Council adopt a number of policies. It is important that the citizens of MCC be engaged in the process. They are the consumers of the services and the ones required to pay for them. Direction should be given to staff to carry out the following actions.

1. Develop a robust CIP, or asset management plan. Infrastructure investments should be based on need as opposed to sharing scarce capital dollars along geographic boundaries. Best practise is to invest in the assets you have first rather than expand or provide new infrastructure. The asset management plan is the cornerstone of the CAFP and is a large body of work. The plan should include all assets that provide service in MCC. Building on the infrastructure work covered in this report, the CIP should include fire services, recreation, water utilities.
 - a. The CIP should cover a 20-year period. Years 1 to 5 should be planned work that has been designed or is ready for design with funding and approvals in place. Years 6 to 10 are longer term projects that are part of regular renewal or

based on future need. Years 10 to 20 are projects that require major renewals and signature projects that MCC would like to undertake but does not have the capacity to do so currently.

- b. Projects that are listed on the CIP, especially Years 1 to 5, should be evaluated based on risk, alignment with Council priorities and capacity to deliver. Staff should present the rankings to Council as part of the capital budget process.
 - c. Projects on the CIP should be categorized as rehabilitation or renewal (state of good repair) or new, growth projects and signature projects.
 - d. Council should designate the majority of its annual capital budget for rehabilitation projects. This ensures that existing infrastructure does not deteriorate.
 - e. Projects should include operating costs. New projects may require additional spending, for example maintenance on vehicles. Rehabilitation projects may result in cost savings, for example improving the energy efficiency of a building. Both factors should be included in the operating budget.
2. Develop and adopt a debt policy. Council should determine its tolerance for long term debt.
- a. The debt policy should establish a debt target. The target could be an absolute debt amount, a maximum debt service ratio or debt linked to growth in assessment, as examples. Regardless of the measure, it is important that Council is aware of the long-term impacts on the operating budget of the debt target that is used.
 - b. The debt policy should include sensitivity analysis to calculate the impact of rising interest rates on municipal borrowing and fiscal sustainability.
 - c. The policy should clearly articulate when debt will be used. Debt is not bad if used in a deliberate manner. Debt should be used for assets that have a long life. Where possible, the term of the debt should match the life of the asset.
 - d. Where possible, debt should not be used to finance the rehabilitation of assets.
3. Budget for capital from operating budgets. Council should establish an annual operating budget appropriation to be used for capital assets.
- a. Targets should be set for the annual operating budget. These targets should increase on a regular basis. The increase can be based on cost of living increases, increase in dwelling units or assessment growth, as examples.
 - b. Capital from operating should be used to finance rehabilitation projects and assets with a short life span, such as vehicles.
 - c. Council could designate that operating surplus be directed to the next year's budget for capital from operating.
 - d. Council could levy a tax rate increase that is to be used solely for infrastructure investment. A one cent increase on the tax rate would generate \$167,215.

4. Revise capital reserve policy. The capital reserve policy can be used to fund signature projects. By deliberately setting aside funds in the capital reserve, Council will have funds available to leverage cost sharing projects or partnership opportunities.
 - a. Council could direct all or some of any operating surplus to the capital reserve (similar to funding capital from operating).
 - b. In the case of large value assets or signature projects, Council could levy a tax rate increase that would go into the reserve and only be used to fund that project.
 - c. Like its debt policy, Council should clearly state when reserve funds are to be used.

5. Council should establish cost sharing tools: LIC's and/or CCC policies. These tools are important for the long term sustainability of MCC. Development, while positive for the long term health of a community, increases infrastructure servicing costs. Those that are driving the cost should pay for it.
 - a. The LIC and CCC policy should clearly outline the types of infrastructure costs included in the policy.
 - b. How the costs are calculated, frontage, square footage, area density adjustment and how are vacant lots treated. When developing cost sharing policies staff should look to other jurisdictions for comparability.
 - c. Where the LIC or CCC is applicable, geographic area.
 - d. How cost sharing from senior orders of government will be treated and what MCC's maximum contribution should be.
 - e. Other CCC features: Master infrastructure and financing plans requirements and timing sequencing of planned works.

6. Seek partnerships and cost sharing opportunities. Wherever possible, Council should be actively looking for partnership opportunities for infrastructure projects with other orders of government, municipalities, non-profits and the private sector (within legislative authority).
 - a. Council should identify projects that would be eligible for senior government cost sharing. Identification of projects would ensure MCC is ready to take advantage of opportunities.
 - b. Partnerships present an opportunity to mitigate operating and capital costs, and to mitigate risk. When embarking on a signature project Council should canvass potential partners to offset costs. These partnership arrangements should be formalized in a contract.

The development of the policies for a CAFPP does not have to be an onerous task. There are numerous examples of policies and plans that have been implemented by other municipalities in Nova Scotia and across the country (refer to **Appendix S** for a list of links to some examples including a brief description of what each site contains). Often policies that are written in plain language are the easiest to explain and follow. The policies should be based on citizen input, transparent and easy to administer.

Implementation Plan

Development of the asset management plan is the cornerstone of the CAFPP. It is a long-term initiative. There are a number of policies that can be developed in advance of the asset management plan or concurrently with it. When developing the CAFPP, it is important to include time for public engagement and citizen input.

1. Developing an asset management plan is a long-term objective. Staff should build on the asset management work carried out as part of the Clearing the Deck review to develop the plan.
2. The development of a debt policy, capital from operating policy and capital reserve policy are short-term objectives. It is work that can be carried out in advance of the completion of the asset management plan. This work could be prepared for Council approval in the short term (3-6 months). Based on the asset management plan findings, the policies may have to be revised to reflect the asset management plan objectives.
3. Starting in 2023-24, MCC should budget for capital from operating in its operating budget. These funds should be used to fund capital improvements for existing assets (state of good repair).
4. Development of cost sharing policies is a two phase approach.
 - a. Developing a LIC by-law is a shorter term objective (3-6 months) and one that should occur prior to further service expansions or new infrastructure development occurring. The LIC will detail how much the taxpayers are required to contribute to the service and how much the municipality will cost share, if anything.
 - b. Development of a CCC policy is driven by the amount of development that is occurring. It is a longer-term objective (18 – 24 months). However, if there is potential development in the next 3 to 5 years, MCC may want to develop the CCC policy sooner to ensure it is in place well before any potential development occurs.
5. Seeking senior government funding and partnerships for infrastructure funding should be an ongoing activity. Council and staff should continue to maintain and develop relationships with other orders of government, municipalities, non profit organizations and local businesses.

f) Optimal Revenue Structure (ORS)

MCC is seeking an Optimal Revenue Structure (ORS) based on available services taking into account general and area rates and other revenue generating and cost recovery tools. The cost residents are charged for services should reflect the level of service that is received. Tax policy should be equitable, transparent, simple, and fair.

Section 1: Introduction

There has been significant disparity between the area rates applied to the former Towns of Springhill and Parrsboro. The *Clearing the Deck* review RFP stated, “that the disparity was almost completely due to the way that fiscal services are funded.” Fiscal services refer to the debt and principal costs (for infrastructure) and accumulated deficits of the former towns.

Prior to the dissolution of the Town of Springhill and the Town of Parrsboro, the MCC tax structure consisted of a general tax rate and other charges. MCC charged its taxpayers a general tax rate for general services. These services would have included services that all residents and businesses shared (i.e., administration, police services or solid waste collection). Taxpayers in areas that had a higher level of service would have paid for those services through area rates, water fees, local improvement charges (LIC's) or streetlight costs. Those charges would only apply to those taxpayers receiving the service.

With the dissolution of the former Towns, the suite of services provided by MCC was increased to include streets and roads, sidewalks, recreation, operation of water and wastewater facilities.

Upon dissolution, the Town of Springhill had outstanding long-term debt. The cost of debt servicing has been calculated in the Springhill area rate. In addition, there has been a calculation to fund reserves on an annual basis. Springhill's reserve balance, in 2020-21, is \$1.9M, with an accumulated surplus of \$103K. The Town of Parrsboro did not have outstanding debt at the time of dissolution and there has only been one small transfer to the general rate reserve. Parrsboro is facing an accumulated deficit of \$272K with no reserve balances. Despite a stronger financial position in Springhill, its residential area rate is 22.3% higher than Parrsboro's and the commercial rate is 25% higher in fiscal 2021-22.

Currently MCC levies numerous rates and charges:

- one common general rate for all MCC;
- a separate area rate for Springhill and Parrsboro;
- two village area rates for the Village of Pugwash and River Herbert, both rates are different;
- eleven sewer rates based on a per unit rate;
- approximately twenty-five rural streetlight service fees; and
- and per account maintenance and improvement fee for private roads.

In addition to the rates and fees levied by MCC, the municipality's three water utilities also levy fees to its users. Water rate charges are determined by the NSUARB and are not included in this analysis. The exception is the Biggs water system, a private water utility which does not currently report to the NSUARB.

The cost calculation is different for several of the fees and charges, and the administration is cumbersome for staff. Finance staff indicated that they are running the finance accounts as if the three separate municipalities existed.

Section 2: Tax/Revenue Policy Principles and Definitions

Municipalities generate revenue to pay for the provision of services to their taxpayers. Before redefining the revenue structure, MCC must understand the services being delivered, and at what level. The *Clearing the Deck* review is examining some of the services that are delivered by MCC. Any revenue structure review should look at all services provided by MCC, both direct delivery and contracted services. Some questions to ask when reviewing services:

1. Are the services being delivered part of MCC's core mandate? Local governments tend to deliver property services (i.e.: streets, protective services, water and sewer) as part of its core mandate with provincial governments delivering people services (i.e.: education, health care, social services).
2. Are the services delivered in a consistent manner?
3. Are there services that MCC should be providing to its taxpayers? Are there services that MCC should stop providing?
4. Are the services provided by MCC at a level the taxpayer expects?
5. Are the services sustainable?
6. Do the services provide value to the taxpayers at the level that they cost?

Local governments are restricted in their ability to generate revenue. Most municipal revenue comes from a general tax rate on property. Depending on legislative authority, municipalities can levy a LIC or implement user fees and area rates to generate additional revenue. Often municipalities will put a by-law in place to ensure that developers pay for infrastructure that will be required to support new developments within the municipality. These are typically called either capital cost contributions (CCC's) or development contributions. The taxpayers bear the operating costs.

Regardless of the revenue generation method used, the fundamentals are the same. Taxation should be fair, simple, and efficient. Costing of services should be transparent, accountable, easy to understand, and easy to administer.

The general principles of an ORS should include the following:

- Those receiving the same level of service should pay the same rate;
- General services should be funded through general rates;
- Partnerships for service delivery should be leveraged where possible;
- Cost recovery for services should be based on the full cost of delivering the service; and
- The cost structure should be efficient, transparent, and sustainable.

Regardless of the way revenue is generated, it impacts tax room and competitiveness of the municipality (refer to **Appendices T & U** for charts on how MCC compares to other rural municipalities). When looking at revenue generating options, decision-makers should consider the full impact of taxes, rates, and other charges on the taxpayer, both residential and commercial.

Section 3: Tax Rate Structure in MCC

Based on a review of the Orders of Dissolution, it appears that the tax rate structure for both Springhill and Parrsboro was based on maintaining a multiplier between the residential and commercial tax rates of 2.53, as opposed to a determination of services received in the county and former towns.

In December 2020, MCC Council took steps to realign municipal services based on a general tax rate and an area tax rate. Staff’s recommendation was referred to the Audit Committee. At this time, the Audit Committee has not reported back. (Refer to **Appendix V** for a representation of the services included in the general and area rate taxes.)

The allocation of these services in 2021-22 resulted in the following tax rate structure:

Table 6.3: 2021-22 MCC Tax Rate Structure

Fiscal 2021-22	Residential	Commercial	% Higher than MCC
MCC General Rate	\$1.190	\$2.780	
Parrsboro Area Rate	\$0.480	\$1.190	
Total General and Area Tax Rate	\$1.670	\$3.970	40.33% residential 42.81% commercial
Springhill Area Rate	\$0.860	\$2.180	
Total General and Area Tax Rate	\$2.050	\$4.960	72.27% residential 78.41% commercial

As part of the 2022-23 budget process finance staff recommended the area rate in Springhill and Parrsboro be the same, \$0.48. The proposed tax rates were approved by Council as part of the budget process.

Moving to an area rate that is the same for those taxpayers in the former towns is a good start in harmonizing tax rates for MCC. The next step would be to develop a tax rate structure based on the services received.

The *Municipal Government Act* (MGA) gives municipalities the ability to charge different tax rates for different areas based on the services that they receive. MCC should establish a suburban tax rate based on a suburban level of service and a rural tax rate based on a rural level of service. Area rates and LIC's should only be used in isolated areas (those areas not included in a service boundary) where the residents directly receive the benefit of the service. Examples of such services are water or wastewater.

Under a rural and suburban tax structure the former general rate would essentially become the rural tax rate. When developing suburban and rural tax rates staff should look at each service and ask:

1. Do all taxpayers benefit from the service? If yes, then it is included in both the rural and suburban tax rate.
2. Is the service delivered in Springhill and Parrsboro, but the majority of MCC taxpayers benefit from the service? If yes, then it is included in both the rural and suburban tax rate. That does not mean that the costs should be borne equally. It is an acknowledgment that residents and businesses outside of the former town boundaries benefit from service delivery in the area, such as sidewalks in Springhill and Parrsboro.
3. Is the service something that primarily benefits the taxpayers in Springhill and Parrsboro with only a very minor impact on County residents? If yes, then it should only be included in the suburban tax rate.
4. Can beneficiaries of the services be clearly identified? As an example, a community outside of the serviced area receiving wastewater services. If so, then a LIC charge or area rate would be appropriate.

Included in the review of services covered, MCC should determine how it apportions debt service costs. If MCC is borrowing for a municipal asset that benefits most of the municipality, it should form part of the general tax rate. As an example, if a new public works facility benefits the whole municipality, these costs would be included in both the suburban and rural general rate. Costs for water and wastewater facilities that benefit a few would be part of an LIC charge for those that receive the service.

Determining service boundaries for a suburban and rural tax rate can be based on a number of factors. Often service boundaries are developed, residents or businesses within those areas are charged a suburban rate. It can be based on areas where development is occurring or on a geographic area. For example, any dwellings within a 2 km circle of the former town boundaries are captured in the suburban rate.

Section 4: Area Rates and LIC's

The terms "area rates" and "LIC's" are often used interchangeably. LIC's tend to be contained in a by-law and are for services such as water, wastewater, sidewalks and streets (on February

16, 2021 MCC passed a revised LIC By-law⁶). Generally, a LIC is driven by a large infrastructure need, such as a wastewater system. The cost of the service is high and is recovered over a specific timeframe. In some ways it is a financing plan for the taxpayer where they pay \$x per year until the cost of the “improvement” has been recouped by the municipality.

A LIC should detail the process for approving a project as well as how costs will be apportioned. The cost allocation method used to charge the property owner may be different depending on the type of infrastructure project and whether or not the project has been initiated by the municipality. The cost allocation method should be transparent and accountable with those property owners receiving the same service being charged using the same cost allocation method.

Area rates are a tax rate based on assessment to cover costs; they are like a mill rate. In some cases, area rates can be driven by the ratepayers for improvements to an area, such as the installation of a playground or park. The rate remains in place as long as the service is delivered. Often in the case of an area rate, the municipality is acting as the banker for the resident association. The municipality collects the tax revenue on behalf of the residents and then holds it for them until they need the money to pay for the service. The *Maintenance and Improvements of Local Roads By-law* is an example of this.

There should be a clear public policy benefit to establishing a LIC and/or area rate. There is a cost to MCC to set up and administer the rates. Depending on the purpose of the area rate, public expectation may be that the municipality will continue to deliver the service if the resident association decides they no longer want to manage it.

Area rates often distort the benefit that residents receive. It tends to be the wealthier areas that support or ask for area rates to be established. This can lead to a disproportionate level of service in those areas that can pay for it. Staff should develop a guideline on the process for establishing area rates for council approval.

The guideline should clearly define what an area rate is, when area rates will be used, what are the permitted uses, the process for approving them, the method by which funds will be disbursed back to the association, and the association's reporting requirements.

Section 5: Current By-laws and Policies

MCC has a number of by-laws and policies for water services, sewer, LIC's, fees, and streetlights. The policies/by-laws vary in age. Many of them relate to only one area of the municipality. They are quite different in their drafting and level of detail regarding how charges are calculated and what is included in the various charges.

Building on the by-law review conducted as part of the RFP review, MCC should review the by-laws and policies related to revenue. The objective of the review should be to reduce the number of different by-laws that cover the same service, and to streamline the process as

⁶ file.html (cumberlandcounty.ns.ca)

much as possible for both the taxpayer and staff. Consolidating a number of revenue by-laws into one, where possible, will ensure transparency and fairness for the taxpayer. All taxpayers will be treated the same for receiving the same service whether it is paying service fees or cost sharing on major infrastructure projects.

At a minimum, the by-laws should:

- Clearly define the purpose to the by-law – what services or projects are covered;
- Use common terminology and definitions within all by-laws;
- Indicate who is covered by the by-law (geographic area) and how coverage is determined;
- Approval process for the project: petition, 50%+1 or is a 2/3 majority required;
- Use a common methodology for apportioning costs – the same service should be charged using the same method. The method for calculating the cost should be straightforward. As an example, instead of charging based on numerous pipe sizes, classify the costs by tiers, i.e.: pipes 4” and less would be charged one rate, pipes between 4” and 8” would be charged a different rate and pipes over 8” would be charged another rate.
- Indicate what the municipality will cost share in and at what level; there are often sound public policy reasons for the municipality to cost share in a project. As an example, cost sharing in a wastewater system protects the environment for the whole municipality; and
- Clearly lay out the payment options for the services.

There are numerous examples of by-laws and policies on the internet. Several are from Nova Scotia municipalities and could serve as a template for MCC’s review. There is also a large body of information regarding taxation, tax policy and when it is appropriate to use fees/rates versus the general tax rate (refer to **Appendix W** for links to resources).

Section 6: Recommendations

MCC has several tax rates, area rates, LIC’s, sewer rates, and fees. The general tax rate and area rates are not linked to services, resulting in a tax structure that is not equitable or transparent and is complicated to administer and explain.

1. MCC staff should conduct a fulsome review of services. This review will form the basis of the ORS. Citizen engagement in the service review will be key in answering the following questions:
 - a. Staff should review the current services that are delivered in MCC to determine if MCC is providing the right services to its taxpayers at a level taxpayers expect.
 - b. Are the services provided part of MCC's core mandate, services related to property?
 - c. Should MCC provide more services such and eliminate others.

2. Based on the service review, MCC should establish a suburban tax rate and a rural tax rate for both residential and commercial taxpayers. Those receiving a suburban level of service would pay a suburban tax rate and those receiving rural services would pay a rural tax rate. This is a longer-term objective.
 - a. The suburban tax rate would be based on the services delivered, not the absolute dollar cost to deliver them. Snow removal charges in Parrsboro should be included in the calculation of the tax rate, the same as in Springhill.
 - b. The rural tax rate should reflect the fact that rural residents benefit from services within the suburban areas. Plowed roads and well-maintained sidewalks are of benefit to all residents and businesses.
 - c. Finance staff should report the costs for MCC as a whole. If MCC is to function effectively as one municipal unit, budgets and reports should reflect the municipality based on rural or suburban services, not former municipal boundaries. It should be acknowledged that for reporting purposes, staff may want to track costs at a location level within the financial system for analytical purposes.
 - d. Tax rates should be transparent in what is included in the rate and what is not.
3. Staff should review cost recovery by-laws to see which can be consolidated into one by-law and which ones can be streamlined. The by-laws should be reviewed for consistency, transparency, ease of reading and administration. Some questions to consider in the review of cost recovery by-laws are below. The development of cost recovery policies is also included in the Capital Asset Financing Plan (CAFP) recommendations.
 - a. Currently MCC has a separate streetlight by-law. Can this by-law be incorporated in the LIC by-law for increased transparency and reduced administration? Are there other charges that can be incorporated in the LIC by-law such as the Bigg's Water Utility?
 - b. Can the same cost allocation method be used for all infrastructure projects? When is road frontage appropriate vs consumption? The same type of service should use the same cost recovery method.
 - c. Should some of the services currently charged as a rate be included in the calculation of the rural or suburban tax rate?
 - d. Will MCC cost share in any LIC projects? If so, when and at what level? How are projects covered by a LIC determined? These decisions should be formalized in policy as opposed to on a case-by-case basis.
4. Staff should prepare an area rate guideline for Council's approval. The area rate guideline would assist with determining when new services, those not covered by the LIC by-law, would be approved. Area rates come at a cost to the municipality. They take up tax room and can result in wealthier areas of the municipality receiving a higher level of service simply because they are willing to pay. At a minimum, the guideline should set out:
 - a. What an area rate is.

- b. What an area rate can be used for.
 - c. How area rates are approved, both by the residents and Council
 - d. When the funds will flow to the resident association and what happens to remaining funds upon dissolution.
 - e. Accountability and reporting requirements of the association.
5. Staff should develop a CCC By-law for Council approval. CCC's help offset the cost of new development; the cost causer pays for the infrastructure. The CCC By-law will support the CAFP and is listed as a recommendation there.
 6. Staff should review MCC's fee policy. Fees can be an important source of revenue for a municipality. The fee policy should be reviewed for completeness, competitiveness, and percentage of cost recovery the fees are generating.

Municipalities have limited legislative authority to generate revenue. It is important that municipalities are using the revenue tools that they have as effectively and efficiently as possible.

As a matter of practise MCC Council and staff should seek out partnership opportunities to help offset the cost of service delivery to MCC taxpayers. Establishing and maintaining relationships with other municipal units, orders of government and non-profit organizations is key to community building.

Section 7: Implementation Approach

1. The service review is the most important component of the ORS. A full service review is a large undertaking and will require a level of effort to analyze the effectiveness of the services (18-24 months). Findings from the service review will inform all other aspects of the ORS. In advance of the service review, staff should conduct an inventory of services, both direct delivery by MCC and contracted services. Building on the service center work and public works review, MCC staff should complete the service inventory in the short term (3-5 months).
2. MCC has started to align the area tax rates in Springhill and Parrsboro. This work should continue with an objective of establishing suburban and rural tax rates as part of the 2023-24 budget process. Moving to a rural and suburban tax rate is a significant undertaking. It will require decisions on service boundaries and service standards. Staff may determine it is prudent to engage outside tax policy experts in order to develop the process to determine the tax rates. Refinement of the tax structure will be an ongoing process as part of the fulsome service review.
3. Reviewing cost recovery by-laws is a mid-term objective (6-9 months), except for the LIC by-law. The LIC by-law review is the more critical piece of work. MCC should defer service expansions or new infrastructure investments until the LIC by-law is completed. As stated in the CAFP it is best practise to invest in existing assets prior to expanding

services or building new. In 2021, MCC revised its LIC by-law. The by-law would benefit from additional clarity around cost sharing and harmonizing other infrastructure services into a single policy. Attached is a proposed model LIC by-law for illustrative purposes (see **Appendix TT**). Developing comprehensive cost sharing policies contributes to the fiscal sustainability of the municipality by ensuring the cost causer pays for the service. The elimination of existing by-laws and harmonization with the LIC by-law will require a legal review.

4. Development of an area rate guideline can help support the establishment of suburban and rural tax rates. Ideally, the guideline would be approved by Council in advance of the 2023-24 operating budget process. The LIC by-law review will help inform what type of services are covered by an area rate. The LIC by-law review should be completed prior to the area rate guideline being approved.
5. Development of a CCC policy is a common recommendation to both the CAFP and this review. A CCC policy is driven by the amount of development that is occurring. It is a longer-term objective (18 – 24 months). However, if there is potential development in the next 3 to 5 years, MCC may want to develop the CCC policy sooner to ensure it is in place well before any potential development occurs.
6. Reviewing the Fee Policy is not a critical piece of work. While not critical, it is a recommendation that should be quick to carry out. Depending on priorities and resources, this work could be carried out within 3-5 months. MCC may want to move forward with this recommendation as an early deliverable.

There are numerous resources available to assist MCC staff with the development of policies, guidelines and establishing tax rates. Refer to **Appendix W** for a list of resources and links.

VII. BY-LAWS AND POLICIES

a) Introduction

The Project Team reviewed the policies and by-laws currently in place across MCC, inclusive of the former towns of Springhill and Parrsboro, to make recommendations regarding the harmonization of policies and bylaws that existed on dissolution.

When the Town of Springhill was dissolved in 2015 by the NSUARB and formally absorbed into Cumberland (2015 NSUARB 12, M06158), and when the Town of Parrsboro did the same in 2016 (2016 NSUARB 100, M07110), the by-laws and policies of the former towns remained “active”. This led to conflicting areas of municipal governance with multiple sets of overlapping by-laws and policies. Our policy and by-law team, assisted by Cumberland staff, completed a review of the by-laws and policies across Cumberland and the two former towns. This report contains our findings and recommendations going forward.

b) Scope of Review

Limitations

We encountered several obstacles in fulfilling this deliverable which limited our ability to develop a definitive by-law package for review and adoption at this time:

- Conducting a comprehensive review in a relatively compressed timeframe;
- Lack of clarity around records keeping from the former Towns of Parrsboro and Springhill; we cannot say with certainty that we were able to identify all by-laws in existence at the time of dissolution;
- The loss of institutional knowledge with respect to by-laws and policies at the time of dissolution due to personnel changes since dissolution.

The lists compiled, included in this report as Appendices, represent best efforts to create an accurate and current list of by-laws and policies for Cumberland, as well as the two former towns.

Methodology

Our methodology for by-law and policy review consisted of the following:

- Investigating existing by-laws and policies;
- Researching and analyzing applicable legislation and best practices; and
- With staff assistance, scrutinizing available documentation to determine opportunities for repeal and standardization of by-laws and policies.

The first part of the review and analysis consisted largely of comparing various distinct lists of by-laws and policies for each of the three locations.

The key elements of our review are summarized in the chart below:

Cumberland	<ul style="list-style-type: none"> • Consulted the Cumberland website⁷ • Consulted the Association of Municipal Administrators Nova Scotia (“AMANS”) website • Consulted the spreadsheet provided by the Cumberland Clerk’s office on the “Clear the Deck” Sharepoint Drive (the “Drive”) • Compared and contrasted by-laws on Cumberland website, AMANS website, and Spreadsheet. • Compared and contrasted policies on Cumberland website, AMANS website, and Spreadsheet.
Parrsboro	<ul style="list-style-type: none"> • Consulted the Cumberland website regarding Parrsboro by-laws⁸ and policies⁹ • Consulted the Parrsboro By-Laws List at Dissolution¹⁰ which was included in the NSUARB application in 2016 • Consulted the scan of Parrsboro policies on the Drive,¹¹ which appears to have been taken from a Policy binder that existed at some point in time (accurate to 2012)
Springhill	<ul style="list-style-type: none"> • Consulted the Cumberland website¹² including the Consolidated By-laws (1944).¹³ • Consulted list of By-Laws at Dissolution¹⁴ which was included in the 2015 NSUARB application <ul style="list-style-type: none"> ○ Advised by NS Department of Municipal Affairs that this list was not complete. • Consulted Microsoft Word document¹⁵ on the Drive containing embedded copies of Springhill by-laws <ul style="list-style-type: none"> ○ Specifically, consulted embedded document containing a master list, accurate to at least 1999, of all Springhill by-laws¹⁶ • Used the 1999 list as a starting point and cross-referenced it with the by-laws on the NSUARB list as well as the individual by-laws embedded in the Word Document alongside the 1999 list. • Consulted Human Resources Policy Manual¹⁷ • Consulted 1999 Policy Manual scan (incomplete)¹⁸ • Consulted Cumberland Personnel Policy (19-02), which appears to repeal the entirety of the Human Resources Policy Manual.

7 See Appendix “X”

8 See Appendix “Y”

9 See Appendix “Z”

10 See Appendix “AA”

11 See Appendix “BB”

12 See Appendix “CC”

13 See Appendix “DD”

14 See Appendix “EE”

15 See Appendix “FF”

16 See Appendix “GG”

17 See Appendix “HH”

18 See Appendix “II”

Throughout this process, we maintained an annotated master spreadsheet of all by-laws and policies for each of Cumberland, Springhill, and Parrsboro. This spreadsheet is attached as **Appendix JJ** to this report.

Documenting the status quo of by-laws and policies included the following review:

1. We referred first to the documents submitted to the NSUARB and the ultimate dissolution decision to verify whether the NSUARB or any other party had commented on the issue of by-laws of former towns continuing after dissolution. We also consulted the *Municipal Government Act*, SNS 1998, c 18.
2. We verified with Cumberland staff members what the practices for harmonizing the by-laws had been to date and discovered that some initial attempts had been made by Council to repeal redundant and outdated by-laws and policies in the former towns.
3. As part of our research and analysis, we also consulted with the following staff: Allie McCormick (Cumberland), Shelley Hoag-Eaton (Cumberland), Steve Ferguson (Cumberland), Nick Barr (NS Dept of Municipal Affairs), Janice Wentzell (AMANS), and Nelson Benzanson (Cumberland).
4. The Project Team came together periodically to discuss various project deliverables. These periodic check-ins assisted our understanding of particular areas where by-laws and policies may need further attention through implementation of the report's recommendations.
5. Due in part to the limitations expressed above, we determined the best way forward would be to create a list of by-laws and policies to recommend for repeal, and a list of by-laws and policies that would require follow-up with a designated "point person". The benefit to this approach is that the appropriate personnel will be able to speak to whether the Parrsboro and Springhill by-laws have continued to serve a purpose in some limited areas, while also ensuring that the implementation of Cumberland by-laws pre-existing dissolutions does not leave governance gaps in the former towns due to specificity of geographic scope in drafting language.

c) Findings

Active Lists of By-laws and Policies

We determined that numerous by-laws and policies remained from the former towns. We anticipated having more ready access to the by-laws of the former towns and did not anticipate how much time would be spent simply tracking down an up-to-date list of the by-laws and policies existing at the time of dissolution. With that said, we have assembled a reasonably accurate list of by-laws and policies for consideration at this time.

Cumberland

Although the Cumberland by-laws were not meant to be a principal focus, there are several items we wish to identify for the Municipality:

1. Many of the active by-laws and policies are not listed on the Cumberland website. Some of the by-laws which are not available on the Cumberland website are available on the AMANS website, but some are missing from both.
2. Currently, the by-laws and policies which are listed are mixed together and ordered alphabetically. There are also some by-laws currently listed on the Cumberland website which have been repealed or replaced (for example – earlier versions of the PACE by-law).
3. Cumberland has passed several policies and by-laws since 2016 which repeal either previous by-laws/policies in the Municipality, or specific by-laws/policies from the former Towns of Springhill or Parrsboro. We have compiled lists of Cumberland by-laws and policies which repeal Springhill and Parrsboro by-laws and policies, either explicitly, or generally as part of the Municipality:

Cumberland by-laws that repeal previous by-laws in the Municipality:

- **16-01:** Building
- **20-02:** Livestock Control

Cumberland by-laws that repeal previous by-laws, explicitly mentioning Springhill/ Parrsboro:

- **17-01:** By-Law Respecting Tax Exemption for Fire Companies, Charitable and Non- Profit Organizations Repeal By-Law (repeals Parrsboro's by-law on this subject)
- **18-02:** Solid Waste (repeals all previous Solid Waste By-laws, and those of Springhill and Parrsboro)
- **19-02:** By-law to Repeal Taxi By-laws (repeals taxi by-laws of Springhill and Parrsboro, as well as any provisions of other by-laws of these former towns relating to the regulation of taxis or taxi businesses)
- **20-01:** Canine Control (repeals all previous dog by-laws in the MCC, as well as Springhill and Parrsboro)
- **20-04:** Public Sewers (repeals all former by-laws of MCC, and those of Springhill and Parrsboro)
- **N/A:** Land Use By-law (repeals by-laws of MCC, Springhill, Parrsboro, as well as the "Central Planning Area", Joggins and Pugwash)

Cumberland policies that repeal previous by-laws, explicitly mentioning Springhill/ Parrsboro

- **15-05:** Policy to Repeal the Town of Springhill Dangerous or Unsightly Premises Policy
- **16-06:** Dr. Carson and Marion Murray Community Centre Pets Policy (repeals previous policies of Springhill)
- **16-11:** Policy to Repeal the Town of Parrsboro Dangerous or Unsightly Premises Policy
- **18-12:** Fees (repeals all former fees policies of the municipality, as well as all fees charged by Springhill and Parrsboro in relation to land use planning and development, or building and demolition permits)
- **18-15:** Streetlights (repeals previous policies of MCC, Springhill and Parrsboro)
- **21-02:** Health and Safety (repeals all previous health and safety policies of MCC, Springhill and Parrsboro)

For purposes of completeness, lists of active by-laws and policies for Cumberland (annotated) are attached as **Appendix KK** and **Appendix LL**.

Parrsboro

Cumberland Council has taken a piecemeal approach to repealing Parrsboro by-laws in the course of reviewing Cumberland's own by-laws and policies for broad application.¹⁹

Cumberland by-law 16-01 was adopted on December 22, 2016, almost two months after the dissolution of Parrsboro took effect on November 1, 2016. Cumberland by-law 16-01 repeals "all former Building Code By-Laws of the Municipality". By December 2016, that would have included Parrsboro by-law 68 ("Building"). We therefore consider by-law 68 to be repealed.

For purposes of completeness, lists of active Parrsboro by-laws and policies (annotated) are attached as **Appendix MM** and **Appendix NN**.

Springhill

Through the Municipal Clerk, we were provided with two Cumberland "omnibus" by-laws which specifically repealed numerous Springhill by-laws all at once. Cumberland by-law 21-02²⁰ was adopted by Council on June 24, 2021 and repealed 16 by-laws of the former Town of Springhill. Cumberland by-law 21-05²¹ was adopted by Council on December 8, 2021 and repealed a further 22 by-laws of the former Town of Springhill.

We understand Ministerial approval was not sought with respect to Cumberland by-law 21-02 and 21-05. At least two of the repealed by-laws, being those relating to subdivision regulations repealed in by-law 21-05, continue to require Ministerial approval to repeal. One of our recommendations is that by-law 21-05 be supplied to the province for review and approval.

We encountered difficulties securing the Springhill policies. As stated above, we were provided two versions of a Human Resources Policy Manual ("HR Manual") and two policies which also appear to be Human Resources-related but are not included in the HR Manual. The older of the two policy manuals is incomplete but does contain a number of policies not included in the HR Manual (specifically related to certain Municipal positions such as Town Administrator, Director of Finance, Director of Works, etc.). We have recommended these position-specific policies for repeal.

Cumberland policy 18-07 "Policy to Repeal all Personnel Related Policies of the Former Towns of Parrsboro and Springhill"²² appears to repeal the entire Springhill HR Policy Manual, and likely the remainder of the 1998 policies as well, but we recommend follow-up on the latter

19 For example, the Parrsboro Taxi bylaw (#40) was repealed by Cumberland by-law 19-02, "By-Law to Repeal Taxi By-Laws", which repealed the taxi by-laws for both Parrsboro and Springhill. The Parrsboro Hiring and Hiring of Summer Rec Staff policies, #2 and #16 respectively, were both repealed by Cumberland policy 18-07 "Policy to Repeal all Personnel Related Policies of the Former Towns of Parrsboro and Springhill". Parrsboro by-Law #51 "Re Civil Emergency Planning", is still on the website but is hand-marked as "REPEALED JUNE 8, 2011".

20 See Appendix "OO"

21 See Appendix "PP"

22 See Appendix "QQ"

policies to be certain. The Springhill policies also did not appear to follow a standardized numbering convention, and many were not numbered at all.

For purposes of completeness, lists of active Springhill by-laws and policies (annotated) are attached as **Appendix RR** and **Appendix SS**.

Research and analysis of legislation and best practices

Neither of the NSUARB dissolution decisions comments on the continuation of by-laws of the former towns after dissolution. The Report on Behalf of the Town of Springhill and the County of Cumberland, filed as an exhibit in the NSUARB application, addresses the matter at page 105 as follows:

Under the terms of the Municipal Government Act (MGA), the existing Town by-laws would continue to be in force following dissolution of the Town and its becoming part of the County of Cumberland.

It is, of course, open for a future council to seek to harmonize the by-laws of the former town with those in place in the County following appropriate management and consultation processes and compliance with the MGA.

The section of the MGA which the report is referencing is s. 366, “Policies and by-laws continue in force”. That section states:

366 (1) When municipalities are amalgamated, the policies and bylaws in effect in each continue in force in the area of each former municipality until repealed by the council.

Our initial plan when embarking on this project was to compare the Cumberland by-laws and policies with those of the former towns to identify any which created overlap and redundancy. By way of approach, rather than comparing the former towns’ by-laws with the Cumberland by-laws and determining where there was overlap, the preferred approach was to identify by-laws and policies that were both still applicable and unique in their application to the towns. Additionally, through discussion with Department of Municipal Affairs, and with confirmation from Cumberland staff, we recognized that any by-laws of the former towns of Springhill or Parrsboro which required Ministerial approval on adoption will similarly require Ministerial approval to repeal.

The recommendations provided below are a work-in-progress and may need to be adapted as the Municipality proceeds with implementation of the report’s recommendations.

Results of By-Law and Policy Review

Part of our review involved assembling complete and accurate lists of all active by-laws and policies for Cumberland as well as both former towns. As mentioned throughout this section, we attach as **Appendices KK, LL, MM, NN, SS & RR** lists of by-laws and policies which remain active for Cumberland, Parrsboro, and Springhill, subject to the limitations previously described. Attached as **Appendix JJ** is our Master spreadsheet which contains our notes and tracking of by-law and policy repeals.

Our recommendations for further consideration are set out below in Section (d). With the objective of providing a package of materials to Council to assist with harmonization of by-laws and policies, we have included in Tables 7.1, 7.2, 7.3, 7.4, 7.5, 7.6, 7.7, and 7.8 lists of Springhill and Parrsboro by-laws and policies which are either “recommended for repeal” or “recommended for review”. These lists are included in Section (d) following the list of recommendations. It is possible that some or all of the by-laws listed as recommended for review may also end up being repealed, but if they were identified in that category, it is because, through consultation with staff, we believe there is a chance that some part of that by-law may need to be preserved. Alternatively, it may be more appropriate to amend existing Cumberland by-laws to include any Parrsboro or Springhill-specific provisions which should be retained.

d) Recommendations

1. **Make all current by-laws and policies available on the Municipality’s website.** They should be organized separately as by-laws and policies.
2. **Remove repealed by-laws and policies from the Municipality’s website.** This includes by-laws and policies of Parrsboro and Springhill which have been repealed.
3. **Seek Ministerial approval on the repeal of the Springhill Subdivision regulations.** These were repealed as part of by-law 21-05.
4. **For each of Parrsboro and Springhill, begin process of repealing outdated and redundant by-laws.** To assist with this recommendation, we have provided a list of by-laws which we believe can be repealed without further input as Tables 7.1 and 7.2. We have provided a list of by-laws which we believe need further review as Tables 7.3 and 7.4.
5. **For each of Parrsboro and Springhill, begin process of repealing outdated and redundant policies.** To assist with this recommendation, we have provided a list of policies which we believe can be repealed without further input as Tables 7.5 and 7.6. We have provided a list of policies which we believe need further review as Tables 7.7 and 7.8.
6. **Consult with Cumberland Municipal directors and other staff, where applicable, to verify Parrsboro and Springhill by-laws and policies which may still have application.** As indicated previously, we identified some by-laws and policies which we could not recommend for repeal without further input from Cumberland staff. This may be best done by arranging a roundtable with all directors in order to facilitate a focused discussion across relevant areas of Municipal activity.
7. **Repeals of Springhill and Parrsboro by-laws can be done all at once, bearing in mind that the repeal of some by-laws may require approval from the province.** The objective is to ensure that all by-laws are properly repealed. We have made best efforts to flag for the Municipality those by-laws which were passed with approval from the province, but were not able to review every by-law for this purpose.
8. **Consult with Cumberland Municipal directors and other staff, where applicable, to ensure there are no gaps in by-law and policy coverage.** The objective is to ensure that current Cumberland by-laws apply as and where necessary to the former towns and to consider other areas for near term attention guided by recommendations within this report (for example recommendations with regard CAFP and ORS noted above).

Table 7.1: Parrsboro by-laws recommended for repeal

By-Law	By-Law Name	Notes
8	License for Automatic Machines	
15	Boundaries	
16	Ratepayers' Meeting	Not on MCC website
17	Amusement of Circus Organizations Operating in Town	
18	Poll Tax	
19	Regular Monthly Meetings	Not on MCC website
21	Boundaries	
23	Automatic Machines	Not on MCC website
24	Conduct in Public Places	
25	Interim Tax Billing	Not on MCC website
26	One Assessor for Town	
27	Water Shed Timber	
32	Rental Controls	
34	Amendment to Municipal Elections	Not on MCC website
36	Public Meetings	
39	Lord's Day Act	
40	Anti-Litter	
47	Destruction of Documents	
53	Development Officer Resolution	
54	Amendment to Tax Exemption RE; SCI	Not on MCC website; Verify status*
56	Installment Billing	
57	Deposit by Candidates at an Election	
59	Prevention of Disorder & impropriety (Amended)	Verify status*
61	Deposit by Candidates at an Election (Amendment)	
62	Recreation Committee 1981	
62A	Recreation Committee 1986	
65	Chief Administrative Officer	
82	Regional Emergency Measures	

* We could not definitively determine whether these by-laws have already been repealed.

Table 7.2: Springhill by-laws recommended for repeal

By-Law	By-Law Name	Notes
1	Interpretation	No physical copy
3	Pounds and Pound Keepers	No physical copy
6	Fees in Civil Suits in the Municipal Courts	No physical copy
7	Weighing & Measurement	No physical copy
8	Re Licensing of Pedlars, Hawkers, and Traders of Goods who are not Ratepayers	No physical copy
9	Bicycles	No physical copy
12	General	No physical copy
13	Theatres and Public Shows	No physical copy
14	Pounds and Pound Keepers	No physical copy
15	Poll Tax to be Paid	No physical copy
17	Extend Boundaries	No physical copy
18	Boundaries of Wards	No physical copy
19	Poll Tax, Rates Chargeable by Licensed Truckmen, Rates for Water Privileges	No physical copy
20	Re Closing of Retail Stores	No physical copy
21	Water Works	No physical copy
23	Dogs, Truckmen's Licenses, Licenses for Vehicles for Hire	No physical copy
24	Restaurants	
29	Boundaries	Ministerial approval
30	Restaurants	Ministerial approval
33	Amendment to Early Closing By-law	Ministerial approval
34	Re Closing of Barber Shops	Ministerial approval
35	Re Early Closing Retail Shops	
36	Amendment to the Closing of Barber Shops By-law	Ministerial approval
37	Boundaries in Wards 1 & 3	Ministerial approval
39	Automatic Machines	Ministerial approval
77	Amendment Board of Police	

Table 7.3: Parrsboro by-laws recommended for further review

By-Law	By-Law Name	Point person	Notes
2	General*	Nick Barr?	
22	Pension – Molly Marwick	Betty Anne* Andrew	Still required?
25	Garages and Filling Stations	Nelson	
28	Amendment to Pension – Molly Marwick	Betty Anne* Andrew	Still required?
31	Subdivision Bylaw	Nelson	Might require approval
39	Parking Meters	Justin	
41	Tax Exemption Bylaw (Lions Club)	Andrew	Not on MCC website
42	Retiring Allowance for Molly Morwick	Betty Anne* Andrew	Still required?
44	Tax Exemption Bylaw (Masonic Lodge)	Andrew	Not on MCC website
45	Tax Exemption Bylaw (Rebekah Lodge)	Andrew	Not on MCC website
47	Fire Dept. Policies & Procedures	Bill	Not on MCC website
52	Amendment to Tax Exemption Bylaw RE: SCT	Andrew	
52	Subdivision Regulations	Nelson	Might require approval
55	Retiring Allowance for Molly Morwick	Betty Anne*	Might require approval

		Andrew	
58	Amendment to Tax Exemption RE; PCB Hall	Andrew	
59	Amendment to Trade & Licensing	Shelley	
63	Minimum Housing Standards	David Buell	
64	Heritage Property	Nelson	Currently being reviewed
69	Closing Public Street	Justin	
70-1	Fire Department	Bill	Not on MCC website
70-2	Trade and Licensing Bylaw	Shelley	Amended by #81
74	Noise Bylaw	Shelley	
81	Trade and Licensing Bylaw	Shelley	

* Betty Anne Paris should be consulted only insofar as establishing whether Ms. Morwick is still living or has a living spouse. Regarding the applicability of the by-law, Andrew should be consulted.

Table 7.4: Springhill by-laws recommended for further review

By-Law	By-Law Name	Point person	Notes
1	General	Shelley	No physical copy
2	Amendments	Shelley	No physical copy
4	Amendments	Shelley	No physical copy
10	Re Public Streets	Justin	No physical copy
11	Re Waterworks	Justin	No physical copy
12	General	Shelley	No physical copy
16	Keeping Goats and Pigs within Certain Limits	Bill	No physical copy
21	Water Works	Justin	No physical copy
22	Fees	Andrew	No physical copy
25	Closing Streets to Motor Traffic	Justin	No physical copy
26	Traffic on Streets	Justin	No physical copy
27	Pigs, Goats	Bill	No physical copy
28	Curfew	Bill	No physical copy
38	Repeal of Water Utility	Justin	Ministerial approval
40	General	Shelley	No physical copy
41	Consolidation of By-Laws	Shelley	Ministerial approval
75	Municipal Development Plan and Zoning	Nelson	
79	Street Closing (Mason Street)	Justin	Ministerial approval
81	Amendment to Municipal Development Plan (MDP)	Nelson	
82	Amendments to License By-Law	Shelley	
85	Minimum Housing	David Buell	Ministerial approval
86	Amendment to MDP	Nelson	
87	MPS Land Use Map	Nelson	
94	Fire Department	Bill	Ministerial approval
	Minimum Standards for Residential Occupancies	David	

Table 7.5: Parrsboro policies recommended for repeal

Policy	Policy Name	Notes
1	Provision of Street Lights	
3	Stringing of Christmas Lights	
5	Provision of Policies to General Public	
6	Voting Procedures	
9	Cheque Signing Authority	
11	Signage	
14	Committee Appointments	
14A	Charge for Using Fax Machine	
15	Donations in Memory of former employees	
17	Smoking in Town Hall	
18	Local Purchasing	
19	Lowering of Flag	
20	Tax Collection Procedure	
21	Tax Sale Policy	
22	Grants to Organizations	
26	Web Site Policy	
29	Recorded Resolutions	
30	Info Requested from Organizations for Grants	
32	Woodfirst	

Table 7.6: Springhill policies recommended for repeal

Policy	Policy Name	Notes
10.41	Photocopy Charges	Website
	Donations Policy	Website
	Town Administrator	Tab 16
	Director of Finance	Tab 17
	Secretary III	Tab 18
	Cashier	Tab 19
	Chief of Police	Tab 20
	Director of the Fire Department	Tab 21
	Building Inspector/Development Officer/Technical Officer	Tab 22
	Director of Works	Tab 23
	Director of Economic Development	Tab 24
	Director of Recreation	Tab 25
	Arena Manager	Tab 26

Table 7.7: Parrsboro policies recommended for further review

Policy	Policy Name	Point Person
4	Provision of Culverts	Justin
7	Tax Exemption re Industrial Park	Andrew (Not on the website)
8	Sale of Documents (MPS & LUB)	Nelson
12	Lots sold in MacKenzie Park	Nelson
13	Grading Private Roads	Justin
27	Involuntary Destruction of Property	Andrew
28	Water Utility Service Pipes	Justin

Table 7.8: Springhill policies recommended for further review

Policy	Policy Name	Notes
110-01	Tax Sale Policy	Tab 1
211-01	Travel Policy	Tab 2
213-01	Human Resources Management	Tab 3
213-02	Human Resources Records Policy	Tab 4
213-03	Performance Appraisal Policy	Tab 5
213-04	Employee Conduct	Tab 6
	Occupational Health and Safety	Tab 7
21125	Safety Policy	Tab 8
	Council Orientation Policy	Tab 9
	Code of Ethics	Tab 10
	Rule of Order of Council	Tab 11
A	General Purchasing	Tab 12
B	Purchase of Goods and Services	Tab 12
C	Local Purchasing	Tab 12
D	Policy on Requests for Quotes	Tab 12
E	Policy on Calling Tenders	Tab 12
F	Awarding Contracts	Tab 12
	Employee Assistance Policy	Tab 13
	Vacation	Tab 14
	Retirement	Tab 14

VIII. IMPLEMENTATION

During the course of its mandate, the Project Team considered implementation issues with regard to the restructuring initiative. While not strictly speaking within the scope of the RFP, the Project Team thought it would be useful to provide Council with suggestions as to how best to tackle implementation. We have also included a suggested list of priorities based on our review.

Looking to the future, there are avenues Council should consider as critical to the successful implementation of the report's recommendations.

- Senior management actively participated in the review process over the past two months. Their expertise and corporate knowledge equips them to effectively help deal with implementation in the months to come. MCC is encouraged to establish project teams to review the report's key recommendations and bring forward plans for successful implementation of specific changes.
- The best way to create and sustain alignment is to communicate relentlessly. Lack of time did not allow the Project Team to engage fully with staff or the public with regard to the review issues. However, with the political will to implement the report's recommendations, the Project Team urges Council to share the recommended structures and service delivery model with staff and the public to enhance opportunities for successful implementation of the recommended changes.
- The recommendations set out in this report will require change within the organization and its people. Working together as "One Municipality" will need to be purposeful. The CAO is focused on service delivery, strategy, overall administration, and Council engagement and requires support to lead the necessary transformational change. In order to implement the recommendations in this report, it will take dedicated resources and teamwork to establish a timetable and agenda for implementation.
- We suggest a completion timeline of 12-18 months. Develop a firm timeline with target dates for a change management process to support MCC moving forward with recommendations set out in this report. This timeline should allow MCC to prioritize and tackle implementation priorities on a short/medium/longer term basis beginning immediately.
- Council should consider and set aside additional budget for costs relating to successful implementation (additional staff, consultants, etc.).

Implementation Priorities

The Project Team identifies the following items for Council's immediate attention to follow through on the work of the review. In our view, addressing these issues is critical to the successful implementation of the report's recommendations in the next 12-18 months:

1) Communication

- Communicate “One Municipality” vision to staff and a similar message from Council to constituents:
 - CAO craft “One Municipality” message;
 - Senior staff to communicate within departments; and
 - CAO / Deputy communicate to Council and citizens.

2) Create a Project Team

- Form staff project team within one month to lead organizational change and implement recommendations;
- Create an implementation workplan (i.e. actions, timelines, outcomes, persons responsible); and
- Workplan outlines what work can begin right away and what changes may take up to 18 months to implement due to budgets and other considerations.

3) Organizational Changes/Personnel

- Hire Deputy CAO and Director of Development and Planning (create structure for both of these department areas);
- Move senior management team to Springhill administration centre; and
- Work through creating the structure for remaining departments.

4) Public Works Departmental Restructuring

- Announce Public Works (“PW”) departmental restructuring;
- Communicate water and wastewater DRC assignments;
- Set Director and PW management staff meeting schedule;
- Establish staff facility location plan; and
- Standardize hours of work.

5) Staff Skill Building

- Update job descriptions to reflect new positions and responsibilities;
- Undertake a management/staff training assessment for leadership and management education plan; and
- To support role clarity and priorities, institute an exercise called “Start, Stop, Continuing” (led by CAO and Directors).

6) Facilities and Department Locations

- Confirm Central Administration in Springhill (Council, CAO, senior management, Financial Services Department and corporate services such as HR, Communications, etc.);
- Confirm Operations Centre (North) in Upper Nappan with department staff (Protective Services, Planning, EMO, Fire) and public-facing service counter;

- Confirm continuation of Public Works depots at Upper Nappan (North), Springhill (Central) and Parrsboro (South);
- Define specific activities and responsibilities to be delivered from each Public Works depot; and
- Establish SOP's and KPI's for Public Works services.

7) Alternative Public Service Centres

- Explore sale or lease of former Parrsboro administration building;
- Determine the most efficient and cost-effective ways to provide services in Parrsboro and the North Shore; and
- Establish customer service storefronts in Parrsboro and North Shore / location and hours of operation to be determined.

8) Asset Management Plan

- Address safety and operational issues at water treatment plants immediately;
- Develop a five year capital spending plan for near-term projects identified by facility for budgeting process;
- Define asset management priorities with a policy and defined level of service targets for all service areas;
- Document O&M plans and procedures for all facilities;
- Complete a condition assessment of the remainder of asset inventory (linear including lift stations, parks and recreation, aboiteau, etc.);
- Complete a comprehensive asset management plan for all service areas that aligns a five-year capital spending plan, twenty-year average annual deficit projections and long-term sustainable investment estimates with the capital financing plan.

9) Finance

a. CAFP

- Develop a debt policy, capital from operating policy and capital reserve policy: (i) funds will cover ongoing costs of maintaining and rehabilitating existing capital infrastructure and (ii) future infrastructure needs will be considered while making any capital funding commitments;
- Review local improvement charges and other related by-laws to harmonize existing user fees, rates and charges for municipal services across the Municipality; and
- Consider adoption of a Capital Cost Contribution (CCC) policy (including establishing serviceable boundaries for central water and sewer (to manage future service extensions or new infrastructure development with master infrastructure and financial plan).

b. ORS

- Undertake service inventory to initiate service review;
- Commence work towards establishing suburban and rural general tax rates as part of 2023 – 2024 budget process; and

- Review LIC by-law and CCC policy tools to ensure cost-causer pays for extensions of service and future infrastructure.

10) By-laws and Policies

- Establish cross-departmental staff team to complete review work necessary to repeal redundant by-laws and policies and harmonize other documents where required with existing Cumberland by-laws and policies.

IX. CONCLUSION

Many reports written over many decades have encouraged municipal reform in Nova Scotia. And pockets of reform have happened as evidenced by, for example, the regional municipalities of Cape Breton, Halifax and the recent amalgamation of Windsor and West Hants.

Cumberland adopted a different approach. With Parrsboro and Springhill now part of Cumberland, the Municipality determined to reinvent itself from within, embracing the best of what was, while streamlining and simplifying operations to make the Municipality optimally efficient and structured for future success.

Cumberland has acknowledged that future challenges are inevitable. The Municipality's demographics, and the decades-old trend towards urbanization, make it more difficult to confidently plan for the renewal and expansion of the public services required in a modern society.

That said, other trends are working in Cumberland's favour.

High end employment, with commensurate salaries and benefits, is increasingly available to those who prefer a rural lifestyle. It is now possible to live in Cumberland and, for example, work in London or New York, occasionally taking advantage of our regional airports. And as the global economy has evolved away from commodities towards services and high margin products, businesses that serve the world can operate from places like Cumberland.

There is no guarantee of success in this changing world. What does seem certain, however, is that those municipal governments that operate the most efficiently, delivering the best possible services to citizens who themselves are engaged in making their communities better places to live, will do better than those that fail to manage themselves well.

Cumberland has chosen to build its own dynamic future. The present review represents a serious reflection on what will ensure Cumberland's evolution post – dissolutions for years to come.

The Municipality signalled change with its call to "Clear the Decks."

We trust this report and recommendations will help foster further dialogue and action towards better meeting the needs of the residents of Cumberland County.

Now it's time for "all hands on deck". It's time to finish the job.

PROJECT TEAM



Per: Kevin Latimer, Q.C.

Dated: July 26, 2022