

Blueprint for Suburban and Rural Local Governance Reform in New Brunswick

Submission to the Honourable Daniel Allain,
Minister For Local Governance And Reform

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Mission

The Association of Local Service Districts of NB recognizes the unique and important way of life established in New Brunswick's unincorporated areas (LSDs) and therefore acts as a voice to defend the common economic, political and social interests of residents to government, while working to promote growth for strong regionally engaged communities

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A. INTRODUCTION

This submission from the Local Service District Association of New Brunswick (ALSDNB) is made after extensive consultations with LSD residents throughout the province. This document reflects the most commonly heard messages from LSD residents over the past year. These consultations have allowed us to identify current trends in the state of LSD management, its effects on residents and options that have potential to advance suburban and rural local governance and service delivery. These options must be further verified by each LSD, as no two are the same.

We note that this submission is also consistent with one of the identified purposes of the Green Paper, which calls for a reduction in the number of administrative entities from 236 to between 20 and 30 local governance units for suburban and rural areas province-wide.

Many of the residents of unincorporated New Brunswick consider it a priority to maintain and promote the unique lifestyle and environment of their communities. The areas known as local service districts are home to a large community of interest representing nearly 33% of New Brunswick's population and over 80% of the land area. These residents expect a local governance structure based on their needs, priorities, principles and challenges. Therefore, the ALSDNB advocates for a decentralization of legislative and administrative power expressed in a suburban and rural governance structure. The following statements and structures have been developed by and are therefore culturally appropriate and applicable only to a suburban and rural governance model (hereafter referred to as the LSD governance unit). This plan is relevant to all rural and suburban residents, regardless of demographics, ancestry or language profile.

B. STATEMENT OF PRINCIPLES

1. Right to Democracy

Restore the right to vote for local representation through independent and impartial elections under the responsibility of Elections NB, in accordance with the Canadian Charter of Rights and Freedoms, which has not been possible since the 1970s.

2. Interest-Based Governance Units

Based on extensive discussions with LSD residents to date, each local governance unit would be composed entirely of elected representatives of suburban and rural residents.

3. Fair property tax rates and local governance

Local regulation of property tax rates and the receipt of a fair share of current (equalization/gas tax) and future funding from various federal and provincial grant mechanisms are essential to the advancement of local governance in the province.

C. LOCAL GOVERNANCE

The following section attempts to summarize the extensive consultation with LSD residents across the province on the 4 pillars outlined in the Green Paper. Additional feedback from LSD residents on each of the 4 pillars can be found in Appendix A.

1. Structure

Aspects of the Green Paper included in options D and E best reflect the vision of consulted LSD residents:

D. Opportunity: Create new or reconfigured local governance entities

The Province could establish new or reconfigured local governance entities, based on minimum tax base and population criteria, that reflect broader communities of interest...

E. Option: Combine LSDs into local government entities

Combine LSDs only into larger local government entities, with the Rural Community being the preferred model...

A statement which more accurately represents the LSD vision, and combines opportunities D and E is as follows;

Establish new or reconfigured local governance entities, which would be based on minimum tax base and population criteria (D), composed entirely of LSD representatives (E).

As with an electoral district, which is superimposed on existing boundaries, there is no need to eliminate or merge LSDs. Nor is it necessary to establish common boundaries and no plebiscite is required. It is only necessary to define communities of interest (similar to an electoral district) and to ensure democratic representation

(mayor and council or board of directors) in a local and regional decision-making process.

- Each local governance unit will be responsible for the sound financial management and administration of basic services such as fire, police, solid waste and recycling collection, lighting, animal control, etc., which are currently the responsibility of the LSD Regional Manager's Office and the Regional Services Board (RSB).
- Land use planning is an excellent example where the LSD and regional governance entities need to collaborate.
- Once the LSD governance districts have been established and elections have been held, the LSD governance units will develop service benchmarks based on the needs of suburban and/or rural areas, based on LSD priorities, principles and challenges. These service benchmarks will be reviewed at regular intervals, based on changing demographics and other inherent factors.

2. Collaboration

The democratic deficit, resulting from the absence of a democratic electoral system since the 1970s, has had a restrictive effect on the power of LSDs to collaborate regionally.

- It is expected that the creation of elected and therefore-accountable LSD governance units, with their own budgets in each region, would energize and increase collaboration between communities.
- Credible data and evidence of economic, social, cultural or environmental benefit for all parties, must be the basis of regional collaboration
- For each collaborative regional service delivery initiative or responsibility, the cost components (use, population, land area or other component) must be identified and appropriately allocated in cost and benefit-sharing agreements.

- In order to ensure the successful implementation of the new governance structures, reform will need to provide for coordination between the staff within the current governance structure and the new democratically elected LSD governance units.

3. Land use planning

Land use planning can only succeed if democratic representation is in place and if planning is based on integration of the natural, social, cultural and economic environment, rather than artificial political boundaries placed on a map.

- We must also recognize the unique attributes of suburban and rural areas which challenge the urban dominated planning approach.
- Land use plans that affect the LSD area must be developed with democratically elected suburban and rural decision makers.
- An inventory of existing rural plans and land-use regulations in the LSDs will be necessary. Some by-laws will need to be revised and others will need to be developed by subject matter experts for each territory under the direction of each LSD governance unit.

4. Finance

Transparency of financial statements of revenues and expenditures should be required for all levels of government and service delivery agents.

4.1 Taxation

- Fair and effective taxation does not start with LSD residents subsidizing municipalities, landlords, second home owners and business property taxes, without their deliberate choice to do so.

4.2 Roads

- The main users of rural transport infrastructure are business and industry in general and, to a lesser extent, LSD residents.
- However, it is solely the residents of owner-occupied LSD properties, representing 33% of the New Brunswick population, who contribute 46.5% of the cost of local and regional road services.
- The components of road infrastructure costs (use, population, land area, etc.) must be identified and appropriately allocated in cost and benefit-sharing agreements.
- Due consideration must be given to the fact that LSD residents also contribute to municipal and provincial road and infrastructure projects through the distribution of provincial and federal taxes and, more specifically, through the asymmetrical distribution of the Gas Tax Fund.
- This reform must provide solutions, transparent accounting and fairness for tax payers in the management of road infrastructure.

D. CONCLUSION

Over the past year, LSD residents have been developing a blueprint for a suburban and rural governance structure. While the provincial government and municipal associations have had access to funding for their participation in the reform process, the LSD efforts have not. Our investment has been significant, with a big learning curve. By meeting and discussing issues from across the province, we have confirmed that the realities of local governance and service delivery vary considerably from region to region. Therefore, as noted in the introduction, this blueprint can only serve as a guide, and the need for a thorough discussion with each

LSD, not just those represented on the Regional Services Commission Boards, will be necessary if New Brunswick is to prosper.

Within our learning process, one main discovery, consistent across the province, is that a fair and collaborative process of local governance reform appears to be missing. However, we believe that the process can be improved if it is injected with transparent social, environmental and economic accountability, as well as additional meaningful consultation with all LSDs, not solely those representatives which sit on RSC boards.

With regard to the financial pillar, we need accessible and transparent accounting and a shared understanding of the management of LSD revenues, especially with respect to the distribution of federal and provincial funding. To be productive partners in local governance reform we also need the opportunity to view and provide feedback on any proposed distribution of cost and benefit components for new governance and service delivery models, and their relationship to taxation.

With respect to road infrastructure, we need to see the distribution of use and cost components, and how they are reflected in taxation.

The values, productivity and contributions of suburban and rural residents to the stewardship of ecosystem services and nature-based recreation must be attributed.

As we have seen recently with the global pandemic, New Brunswick must become increasingly self-sufficient, and our way to do this is to invest in and encourage social and economic diversity throughout the province.

There is every indication that the lack of democratic governance of the LSDs, coupled with the centralization of power and services, has contributed to a decline in food self-sufficiency, the virtual disappearance of the cooperative movement, and an economy that is less diversified and accessible to LSD residents - in short, a

general impoverishment of the province. In addition to the effects on the economy, this major democratic failure has also had effects on the deterioration of health services and a decrease in access to justice services; particularly affecting LSD residents.

Today's LSDs are communities of interest that must not only be preserved as part of our heritage, but also promoted and provided their fair share of investment dollars which will work to to rebuild the foundation of a sustainable and thriving New Brunswick economy. New Brunswickers recognize that it is the land base of LSDs that provides flood mitigation services, food, and our connection to and respect for nature, all of which are essential to a prosperous future.

Reform must recognize that municipalities benefit from the activities within LSDs. LSDs are an important and essential part of New Brunswick's economic supply chain and environmental "insurance". Due to the obvious lack of transparency in the province's financial statements, the failure to recognize the volunteer infrastructure of LSDs related to outdoor recreation, and the disregard for the ecosystem services provided in the LSD land base, LSDs have come to be viewed as the "weak link" in society, when in fact they are the crown jewel. The success of this reform relies on the availability of credible, good quality data, from which to base analysis and decisions.

Reform must also recognise that the LSD landscape is not just about resource extraction - an ideal NB has intensely and almost exclusively supported for too long. For example, camp leases on Crown land provide more revenue to provincial coffers than clear-cutting the same spaces every 40-60 years. Reform is the perfect opportunity to examine and reconcile disparities related to costs and benefits of diverse and often competing, economic sectors, with the goal of benefiting all New Brunswickers.

LSD residents also call on the federal government to fulfill its responsibility to ensure that equalization and gas tax transfers are accessible and contribute to the well-being and development of all segments of the population, including the 33% of LSD residents. The contributions of LSD residents to these funds have not been redistributed equitably. Access to these revenues has been limited by biased and selective criteria.

Genuine collaboration, and therefore positive outcomes from local governance reform, must recognize and mitigate the lack of transparency and literacy in the province's finances, which has not been resolved, and will lead to continued bias in the local governance reform process.

E. REFERENCES

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Appendix A

The following questions were brought up repeatedly by LSD residents during local governance reform discussion and remained unanswered.

- Is it fair that considering a higher consumption of fuel, the LSD residents (33% of NB) receive less than twenty percent (20%) of the Gas Tax Fund?
- Is it fair that only 7% of the provincial equalization redistribution is administered for the benefit of the 33% of the NB population in LSDs?

Regarding transportation infrastructure, the following questions came up continually.

- How is the provincial transportation tax included in every gasoline purchase managed and distributed?
- How is the tax revenue from recreational fuel and vehicle sales, which operate off-road, primarily on the forested trails of LSDs, managed and distributed?
- How is the tax revenue from the forestry and transportation industries' fuel and vehicle sales, which travel on local and regional roads, managed and distributed?

There were also questions regarding the management of activities and revenues with respect to Crown Lands, which are intended to benefit all New Brunswickers, but have higher impact in the LSDs where they are located.

- How are the revenues from the various types of leases (camp, freshwater/fishing, industrial) on Crown land managed and distributed?
- How are the royalties from logging on Crown land managed and distributed?
- How are the revenues from the sale of hunting, fishing and vehicle licences managed and distributed?