



Municipalities

Newfoundland and Labrador

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Municipalities & Regional Economic Development

A Community Development Project

An Operational Handbook and Workshop Guide

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A Municipalities Newfoundland and Labrador
Community Development Project

Operational Handbook and Workshop Guide
Prepared by
Dave Curran and Associates
and Graham Letto Municipal Consultant with Ryan Lane
for



460 Torbay Road, St. John's, NL A1A 5J3
Tel: 709.753.6820 / Fax: 709.738.0071
Email: mnl@municipalitiesnl.com / Website: www.municipalitiesnl.com

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Note: This Module can be used as an operational handbook or as a workshop guide for a facilitated session.

Operational Handbook

Introduction and Overview

Municipal government was very slow developing in Newfoundland and Labrador. The first incorporated town was St. John's in 1883 but it took another fifty-four years before the second municipal government was formed in Windsor in 1942. Municipal growth was rapid after confederation in 1949 so that by 1982 there were some 333 municipal organizations in the province – two cities, 167 towns, 140 communities and 23 local service districts.

In 2005 there were three cities, 280 towns and 182 local service districts. The strongest growth has been in Local Service Districts. Today there are approximately 280 municipalities in the province.

Compared to the rest of Canada, municipal government in Newfoundland and Labrador is considered to be weak and still in its infancy. Some of the reasons for this are:

- Historical – slow to develop as already indicated above;
- Cultural – individualistic and resistant to authority;
- Geographical – isolated and dispersed settlement pattern;
- Economic – underdeveloped resource based economy; and
- Structural/jurisdictional – single tier simple structure with limited jurisdiction.

In 1999, municipalities were given the authority to engage in economic development. (*An Act Respecting Municipalities. Chapter M-24, (203)*). The Act states:

Economic development

1. A council may encourage economic development as it considers appropriate and for that purpose, may enter into an agreement with another municipality, local service district, person, or the government of the province.
2. In this section, “economic development” means the continuation, expansion or establishment of a business or industry.

Many municipalities have taken up the challenge and become actively engaged in economic development primarily through participation in regional economic development boards (REDB).

Economic Development in Newfoundland and Labrador

Until the late 1960's, economic development had been the exclusive purview of the provincial and federal governments with little local or citizen involvement. The

concentration of effort was on major infrastructure projects and large manufacturing enterprises. Government economic policies encouraged a concentration of population and the resettlement program was created. (The resettlement program also served to alleviate some of the pressures on government from isolated communities that were demanding services).

In 1968, the rural development association movement began in resistance to the resettlement program and the industrial development policies of government. (It is interesting to note that rural development associations actually emerged as an alternative to government policy and not as an intended result). Eventually, by the late 1970's, the rural development associations were co-opted by government, funded through federal provincial agreements, and refocused as regional development associations.

In 1992, the province introduced the Strategic Economic Plan: Challenge and Change that called for a new approach to economic development focused on strategic industries, private sector investment and innovation. It also suggested a system of economic zones covering the whole province. In 1995, the Task Force on Community Economic Development released the Community Matters Report which recommended the establishment of 20 regional economic development boards with a mandate to plan and facilitate economic development in the regions. Municipalities are included as core membership in the regional economic development boards.

So, by 2000, we have a sort of convergence occurring in regional economic development, with municipalities provided a mandate for economic development and REDB's providing a regional institutional framework.

Regionalization

It is virtually impossible to find a consensus on what constitutes a region in the Newfoundland and Labrador context. For example, there are twenty zone board regions, nine rural secretariat regions, four health regions, and so on. Perhaps we need to think in terms of 'functional regions' – the purpose of the region and define it from the ground up.

The Burin Peninsula Regional Council of the Rural Secretariat provides the following definition:

“Regionalism is a way of thinking and an attitude of cooperation and collaboration among not only communities and towns but also among community groups, the business community and our citizens. Regionalism encompasses an individual's sense of community and pride in their region as well as their town. It is a focused effort towards a common goal.”

A LADR workshop on regional development and regional cooperation in 2007 defined regional cooperation as

“Multiple communities and partners (including one or more municipalities) working together, sharing effort, expertise and resources, to improve municipal governance, services and/or community well-being.”

Benefits of Regional Cooperation

The potential benefits of regional cooperation are fairly obvious and begin immediately. These include:

- Cost savings through economies of scale, reduced administration/duplication and cost sharing
- More resources – human and financial
- More and better resources for planning
- Reduction of community rivalry and competition
- Innovation and new ideas
- More political influence
- Ability to influence government policy
- More efficient and cost effective service delivery
- Better communications and support among communities

Challenges to Regional Cooperation

The challenges to regional cooperation are less obvious and must be considered in the context of the particular region. The challenges include:

- Lack of financial resources – one of the most serious issues facing small, rural municipalities
- Resistance to change and fear of loss of community identity – the fear of loss of community identity is very pronounced in rural Newfoundland and Labrador
- Fear of amalgamation – the failure of the government policy on amalgamation during the 1990's left a sour taste and a general unwillingness to approach the issue again. This is related to the fear of government interference.
- Leadership- the style of leadership required is one that requires people to look beyond their immediate interests.
- Geography – dispersed settlement pattern – this becomes an especially important issue when trying to define the region. Sometimes one or two communities might be just too distant.
- Fear of government interference – a traditional fear but probably compounded by the government interference in the amalgamation issue in the 1990's.
- Fear of loss of staff in the community – loss of one or two municipal jobs could be a direct result of regional cooperation but will result in cost savings, increased efficiency, etc. – the reason regional cooperation is being considered in the first place.

The Current Situation in Regional Cooperation

Regional cooperation is a growing trend throughout Canada and the rest of the world. Even in Newfoundland and Labrador the trend towards regional cooperation is strong although it is often expressed through informal, ad hoc arrangements.

The 2003 Census of Municipal Government indicated that over 50 % of municipalities were sharing services with at least one other partner. By 2007, this had risen to 74 % of municipalities – a significant increase. The most commonly shared services are fire protection, garbage disposal and garbage collection. The most commonly cited reasons for service sharing are cost cutting and to maintain existing services. There are 17 joint councils in Newfoundland and Labrador today.

Regional Economic Development

The 20 Regional Economic Development Boards (REDB's) are the primary agencies for regional economic development. Municipalities are core partners on these boards but fewer than 50 municipalities (out of a total of 280) actually have seats on the REDB boards. While municipalities that have seats on the boards are there to represent the interests of all municipalities in the region, it is acknowledged that this is often a problem and communication back to other municipalities in the region is identified as one of the most serious drawbacks of the arrangement.

Participation by municipalities on red boards ranges from a high of six to a low of zero. The average is around 2 or 3 municipal representatives per board. In some regions the arrangement is working well for municipalities – usually in regions with a high municipal representation on the board.

Approximately 12 of the larger towns in the province have their own economic development departments along with budgets and staff. These also collaborate with the REDB's on regional economic development. The most seriously challenged municipalities are the small rural municipalities that do not have seats on the REDB's and are not otherwise proactive in regional economic development activities.

The challenge is to understand the links between service provision and regional economic development and to repeat the success achieved in regional collaboration in service provision with regional collaboration in economic development. In many ways one is simply an extension of the other – economic development increases municipal revenue, enhances infrastructure and, if properly planned, contributes to the quality of life and sustainability of the community and the region.

Municipalities bring a lot to the table in regional economic development. Physical infrastructure, development regulations, human resources, leadership skills, municipal planning and democratic representation are the most obvious ones. Are there others?

Issues and Tools

Define the region

The twenty REDB regions are essentially planning and co-coordinating regions. Implementation of initiatives is usually done by other agencies and often at the sub-regional level. If the REDB region is too large for effective participation and implementation, you may want to think in terms of a smaller sub-region, especially if it has a history of collaboration. However, the REDB is still essential for overall planning and coordination and must be kept within the communications network.

Two key questions need to be answered when defining the region. What is the history of collaboration in the region and what is the task – what needs to be done?

Governance

Another issue that needs to be addressed is that of a governance structure for the undertaking and what will be the nature of the collaboration? The key questions are:

- What communities will be involved?
- Will the collaboration be formal or informal?
- Is there another municipal structure such as a joint council that is more suited to the task?
- What other organizations such as the REDB, chamber of commerce, government agency needs to be involved?
- How will we work together?
- What will be the decision-making process?

Community Profiles

A community profile and a regional profile are essential tools for regional economic development. These can be prepared by volunteers but if available it is recommended that some guidance be sought from the REDB. Information on how to prepare a community profile is attached.

SWOT Analysis

SWOT stands for strengths, weaknesses, opportunities and threats and is a tool for assessing the internal and external factors that can guide and affect your plan for regional economic development. Strengths and weaknesses are usually internal while opportunities and threats are usually external.

Business Retention and Expansion

Too often communities look outside for economic development without taking the time to consider the existing business and industrial enterprises and how they can be assisted to maintain or expand operations. There is little point in trying to bring in new enterprises if you are not taking care of the ones you already have. BR&E is an

Template for a Detailed Community Profile

Features and Sources

Feature	Source
Introduction and Welcome - Message from the Mayor. Community Vision	Municipality
Area Overview	Zone Board, Community Accounts - Rural Secretariat
Community geography and history	Municipality, Historical Society
Demographic Profile	Zone Board, Community Accounts, NL Statistics Agency
Economic Profile	Zone Board, Community Accounts, NL Statistics Agency
Labour Force Profile	Zone Board, Community Accounts, NL Statistics Agency
Education Profile	Zone Board, Community Accounts, NL Statistics Agency, School Board, Post Secondary Institutions
Infrastructure	Municipality
Community Services	Municipality
Housing/Real Estate	Municipality, Local Realtors
Health Care	Municipality, Local Health Care Facilities
Transportation	Municipality, Dept. of Works, Services and Transportation
Utilities	Municipality
Leisure, Cultural and Recreation Facilities	Municipality, local organizations and recreation groups
Taxation	Municipality
Business Climate	Chamber of Commerce, Business Association
Environmental Factors	Municipality, Dept. of Environment
Financing	ACOA, INTRD, Municipality

Common Screening Criteria for Investment Inquiries

Site locators and companies looking to establish a new business in a community generally make their assessments based on a number of key criteria.

Labour:

- Community population, projected growth, size of labour force and availability
- Wage levels, average manufacturing wage rates
- Level of education, presence of specialized skills
- Current employers in the community with sector breakdown
- Labour management – relations issues
- Training capabilities, programs, facilities (community college, tech school, high school)
- Catchment area for potential labor, commuting times
- Unemployment figures and underemployment estimates
- Laws and regulations regarding hiring practices, wages, benefits etc.
- Percentage of unionized companies in the area
- Average income level
- Employment Standards Legislation

Real Estate/Accessibility:

- In order for a municipality to attract a top quality manufacturer, it needs to develop and create first class sites. Information related to the following factors will be requested:
- Inventory and availability of existing buildings and manufacturing facilities
- Availability of serviced land (acreage) municipally and privately owned with listed price
- Zoning and land use of property, both current and previous
- Proximity of land to schools, residential and commercial or incompatible industrial uses
- Municipal tax rates, development charges etc.

Infrastructure and Planning:

- Proximity to airports, highways, and ports
- Utilities (hydro, network cable), location in relation to property, size, capacity
- Water supply & Wastewater treatment (available capacity) size of pipes,
- Proximity to industrial property, billing structure, surcharge rates;
- Potential for sewer expansion and list of future capital upgrades
- Permit approval process and expected time lines

Logistics:

- Proximity to markets, distances, shipping times to various distribution centers or hubs
- Access to raw materials
- Region access, center of sales activity, suppliers, vendors
- Freight costs

Financing and Services:

- Local, provincial, federal funding programs
- Human resources training support
- Business financing options
- Financial lending institutions
- Availability of lawyers, accountants and doctors
- Industrial suppliers, vendors

Quality of Life:

- Cost of Living (e.g. housing costs)
- Average commuting times
- Quality of schools, healthcare
- Median income level
- Culture and Recreation
- Landscape and Natural Amenities

(Source: Government of Ontario, Investment Attraction www.reddi.gov.on.ca/strategies_investmentattraction.htm)

Funding and Partner Opportunities

The funding of all activities in the municipal is always a concern. With relatively limited resources and ongoing operational requirements it is often necessary to seek outside sources of funding. Depending on the nature of the investment there may be options available that fit your situation. Currently the Gas Tax Agreement has identified regional initiatives and capacity building as eligible projects so it would be a good idea to start by discussing those possibilities with the Department of Municipal Affairs.

Finding sources of funding can be a daunting task but there may be opportunities to increase the investment at the local level through partnerships. While funding sources are often referred to as “partners” there may be opportunities to share the initial investment as well. While there may be multiple local partners such as local businesses, not for profit groups, or non-government entities, the most common partner could be a neighbouring municipality. When seeking partners first examine current partnerships or collaborations and then expand out to others you would like to work with. While it is not always possible to partner on projects, there are sometimes

opportunities where shared service is not only possible but desired. As an import part of the process should be to determine if a partnership for the development of the required project or service would be appropriate. Of course with regard to regional economic development the natural choice for partners would be the local Regional Economic Development Board. At the very least they can provide advice and insight on the economic development initiatives taking place at the local level.

Conclusion and follow up

Of all the possible approaches and tools to improve economic development, regional collaboration and partnership can offer the best value for money spent. With all the possible partners and even REDBoards that are dedicated to regional development there are many ways to take advantage of service sharing or a regional approach. In addition to regional implementation there are opportunities for regional or shared planning as well. Refer to the accompanying module on “Land Use Planning and Municipal Economic Development” for further details on the land use possibilities. On the strategic planning from there are the Integrated Community Sustainability Plans (ICSP) that municipalities have completed that can be developed regionally and actually require that economic development be discussed. Regardless of the method there are many possible opportunities to take advantage of a regional approach to economic development.

Workshop Guide

Workshop Basics

Basic Concept:

To assist participants understand the possible benefits and challenges of regional approaches to economic development.

Objectives

- To explore roles and approaches for municipalities in regional economic development.
- To examine the benefits and challenges of regional cooperation
- To discuss potential linkages between municipal roles in service delivery and regional economic development
- To identify tools for municipalities in regional economic development

Materials

- Printed tables
- Flipchart and markers
- Printed sub-section introductions if desired

Timeframe

This workshop contains 5 detailed exercises and a full day is suggested to meet the objectives and complete the tables. A short 5 minute break between exercises is recommended along with a meal break at approximately the midway through the workshop

Suggestions

- Provide participants with the written sections at the beginning of the module.
- The introductions for each exercise can be read aloud, distributed to each group to read or discussed in general so long as the basic ideas presented are understood before the activity begins.
- Only distribute materials and handouts immediately prior to each individual exercise.

Groups

- For this workshop groups can be comprised of participants from the same municipalities.
- If this is not possible or not desired for some reason then groups should at least be comprised of participants from similar municipalities.

EXERCISE #1

Is Your Municipality Prepared for Regional Economic Development?

Time: 30 minutes

Objective:

This exercise serves the two objectives of getting participant participation very early in the workshop and also assessing their current practices and level of participation as municipalities in regional economic development.

Exercise:

- Have participants fill out questionnaire individually.
- Collect responses to each question and collate scores on flip chart.
- Discuss results. .

Resources required:

Questionnaire copies, flipchart.

Note to facilitator:

You can check back to the information gathered here at various points during the remainder of the workshop. Especially if there is more than one municipality participating and/or if the scores are low.

Municipal Readiness for Economic Development

(Adapted from *Municipal Readiness for Economic Development, Municipal Affairs and Housing, Ontario*)

	Yes	No
1. Does your municipality have a key or main contact for economic development matters by outside parties?		
2. Does he/she have quick and easy access to technical information such as availability of industrial/commercial sites, taxes, etc?		
3. Does he/she have a copy of the town plan and know council's policies on new development proposals?		
4. Does your municipality have a community profile?		
5. Is it updated on a regular basis?		
6. Does your municipal council have an economic development committee?		
7. Does your municipal council have any staff dedicated to economic development?		
8. Does your municipal council have a budget dedicated to economic development?		
9. Does our mayor or EDO meet with local business people, zone board or chamber of commerce on a regular basis?		
10. Does your municipality work cooperatively with other nearby communities on economic development matters?		
11. Do you pool resources with other communities for marketing efforts?		
12. Do you partner with other groups such as the zone board, chamber of commerce for planning or marketing of your community?		
13. Have potential investors ended up elsewhere in the past?		

Score: For each yes answer score 1 point.

- A score greater than 10. Good for you! You are in good shape.
- A score of 8-10. You need to improve a little.
- A score of 5-7. You need to improve a lot.
- A score of less than 5. Get out the midnight oil!

EXERCISE #2

Benefits and Challenges of Regional Cooperation

Time: 60 minutes
(40 minutes in small groups and 20 minute feedback)

Objective:

To examine the benefits and challenges of regional cooperation.

Exercise:

- Divide participants into small groups of 5-6.
- Have them discuss and list benefits and challenges of regional cooperation in their own region and community.
- Report back to main body on flipcharts.
- Ensure that they include all the items on the attached list.

Resources required:

Flipchart, markers, tape.

Note to facilitator:

Remember to draw out participant's own experiences in regional cooperation or how they expect it would happen in their region and community. Probe.

Benefits and Challenges of Regional Cooperation

Benefits of Regional Cooperation

Cost savings

More resources – human and financial

More and better resources for planning

Reduction of community rivalry and competition

Innovation and new ideas

More political influence

Ability to influence government policy

More efficient and cost effective service delivery

Better communications and support among communities

Challenges to Regional Cooperation

Lack of financial resources

Resistance to change and fear of loss of community identity

Fear of amalgamation

Leadership

Geography

Fear of government interference

Fear of loss of staff in the community

EXERCISE #3

Opportunities for Municipal Services Sharing

Time: 45 minutes

Objective:

To identify existing shared municipal services and to identify potential new opportunities for sharing services.

Exercise:

- Have participants mark an X in the appropriate box for any shared municipal services.
- Identify trends or common shared services.
- Discuss obstacles to service sharing that participants have experienced.
- Determine if any of the obstacles can be overcome.

Resources required:

Copies of handout, flipchart

Worksheet

Service	Do you share it?		Can you share it?	
	Yes	No	Yes	No
Economic Development				
Planning				
Tourism				
Ambulance Services				
Emergency Planning				
Fire Protection				
Staff				
Equipment				
Group Benefits				
Maintenance of Operations/Facilities				
Payroll Preparation				
Purchasing				
Town Office				
Computer Systems				
Libraries				
Snow Clearing				
Road Maintenance				
Water Supply				
Water Treatment				
Garbage Collection				
Rescue Services				
Energy Efficiency				
Fisheries Management				
Forestry Management				
Watershed Protection				
Community Stewardship				

Service	Do you share it?		Can you share it?	
	Yes	No	Yes	No
Seniors Programs				
Recreation Centre				
Parks				
Animal Control				
Building Inspection				
Fire Inspection				
Policing				
Tax Collection				
Accounting				
Engineering				
Legal Services				
Recycling/Composting				
Sewage Collection/Treatment				

EXERCISE #4

Are there links between Service Provision & Regional Economic Development?

Time: 60 minutes
(40 minutes in small group and 20 minutes feedback)

Objective:

1. To discuss potential linkages in regional service delivery and regional economic development
2. To discuss benefits and challenges of municipalities in regional economic development

Exercise:

- Divide participants into small groups of 5-6.
- Have them discuss questions below and report back to main body on flipcharts.

Questions for Discussion:

1. What are the linkages between regional service delivery and regional economic development?
2. What are the advantages, benefits and challenges of a regional approach to economic development?

Resources required:

Copies of handout, flipchart

EXERCISE #5

Suggestions & Tools

Time: 60 minutes
(40 minutes in small group and 20 minutes feedback)

Objective:

1. To identify some approaches and tools for municipalities in regional economic development
2. To begin action planning

Exercise:

- Divide participants into small groups of 5-6.
- Have them discuss questions below and report back to main body on flipcharts.

Questions for Discussion:

If you were to take a regional approach to economic development, how would you go about the following?

1. Defining the region
2. Determining the governance procedures
 - What communities will be involved?
 - Will the collaboration be formal or informal?
 - Is there another municipal structure such as a joint council that is more suited to the task?
 - What other organizations such as the REDB, chamber of commerce, government agency needs to be involved?
 - How will we work together?
 - What will be the decision-making process?
3. Determining priority sectors

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460 Torbay Road, St. John's, Newfoundland & Labrador A1A 5J3
Toll Free: 1.800.440.6536 / tel: 709.753.6820 / fax:709.738.0071 / email: mnl@municipalitiesnl.com