

CEO's Report

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"Plans are useless, but planning is everything."

General Dwight D. Eisenhower

I'm not big on quotes, but that one has always represented an important idea for me and 2020 certainly drove home its fundamental truth. On a shelf or otherwise, no plan could have prepared us for the massive changes the COVID-19 pandemic brought. But our "planning vs. plans" approach at MNL meant we were nimble and prepared in ways that more rigid organizations might not have been.

Of course, there was the immediate response to the COVID-19 pandemic last March. We created a new COVID website for members that included guidance documents, templates, policies and signage. We successfully lobbied for the early release of MOGs and for the federal Safe Restart Funding. We managed a public relations campaign supporting the safe reopening of our communities. We gave cover to members who were facing increasing pressure from residents to open playgrounds, arenas, and community centres earlier than was possible. We hosted six rounds of regional COVID-19 support calls. In total, 36 videoconferences with over 800 participants during the spring and summer of 2020.

Of course, we also changed how we operate.

Staff worked from home. We ramped up our existing Zoom capacity, converting a small meeting room to a Zoom studio that allows us to have regular calls with members, produce our own webinars and host large online events like this one.

Zoom and video-conferencing integration was also part of our strategic plan. MNL's Executive Committee held its first Zoom meeting in 2015. We've been working with the Zoom platform for six years and we believe it can fundamentally change the way we engage with you, just like it is today.

Zoom lets us connect with you more directly and more often. For the first time, we can meet regularly with councils or small groups of councils anywhere in the province any time you want. We don't need to wait for a regional meeting or a Symposium, or a Conference!

We're also focusing more on direct support to members. We've rolled out projects delivering you affordable access to engineering students, providing supports for asset management, and connecting College of the North Atlantic students with Work Integrated Learning opportunities in your offices.

We pivoted to this new approach fairly easily because of our strategic planning. It set us up for success. We had projects and new services already in the development pipeline – ideas directly from our strategic planning efforts. So, when the pandemic hit and we needed to pivot to new approaches, we were ready.

We had already committed to developing new approaches to providing services to our members. Delivering support directly from the MNL office rather than contracting that support out to third parties. And our experience with COVID showed us that is exactly what our members want and need.

Our planning didn't just help with responding to the pandemic. It was a critical part of the organizational change we made during 2020 as well.

Our 2017 organizational development plan recommended two new management positions: a Director of Finance and a Director of Advocacy. Over the course of 2018 and 2019, we filled both new positions. The plan also highlighted the need to review these positions regularly.



The departure of the Director of Finance in March 2020 allowed us to review the position and ask whether it was delivering what we needed for MNL and for our members. We decided that the senior management team should reflect our primary functions in supporting our members: advocacy and programs.

So, we eliminated the Director of Finance position in favour of a Director of Programs. The existing staff took on accounting functions with the Director of Programs and I taking a more hands-on approach to financial management. This change provided a clear focus for our work and is delivering new programs and supports for our members.

We've also convened a Financial Sustainability Working Group to help us improve our multi-year financial planning and our financial reporting functions. Having that organizational development plan in place was crucial to our seamless transition.

While the last two years have been difficult financially, we were prepared. We knew we would have operating losses for 2018 and 2019 and had built up the cash reserves to get us through that period. The operating loss for 2018 was \$64,227 and for 2019 it was \$173,705 (8% of our budget). The 2019 deficit was exacerbated because the sale of 460 Torbay Road took far longer than anyone anticipated. Neither were we able to secure tenants for that period to cover the operating cost. It tested us, to be sure, but we got through it and are once again building our financial capacity.

MNL generates a significant part of its revenue from events. We cancelled all 2020 in-person events due to the pandemic. In fact, revenue from events dropped from almost \$690,000 to \$200,000. In response, we made tough spending decisions, accessed Federal support programs to make ourselves as lean as possible and accelerated our lease program. All travel was cancelled, staff overtime was eliminated and hiring for a new position was put on hold. We also far exceeded our goal for leasing space in Mews Place.

Of the approximately 7,100 square feet available for us to lease at Mews Place, we have long-term tenants leasing 6,708 square feet. That's 95% of our available space leased. Our lease revenue covers 84% of our total cost to be in the Mews Place property – including our mortgage and operating costs.

Once we lease the remaining 5% of the available space, lease revenue will cover 97% of our mortgage and operating costs. At that point, our net annual cost to be in this modern building will be \$8,000 or about \$667 per month - less than our net costs at the old building on Torbay Road. In fact, in five years we expect lease revenue to be 107% of our mortgage and operating costs which means, as intended in our business development plan, the building will be making money for MNL.

The purchase of 79 Mews Place is a critical planned investment in our financial sustainability. But it also an important investment in you. Mews Place has meeting space you can use to host meetings with MHAs or Ministers in St. John's. You can host these important meetings and have the staff of MNL at your disposal to assist. We have also equipped the building with videoconferencing capabilities that you can access for meetings and that we use to deliver training and to meet with your councils.

Like most businesses and non-profits in the province, 2020 has been a challenging financial year for MNL. But here again, our planning has ensured that MNL has continued to deliver effective advocacy and programs for municipal governments with little or no interruption. As noted in the finance report, for 2021 we have a balanced budget, with an operating surplus. This surplus, and future surpluses, will be critical for us to rebuild our cash flow and ensure that we have the necessary reserves to face future challenges-

So, spoiler alert, I'm big on planning and flexibility. This approach has served us well through the last couple of years, but it's done much more than that.

It meant we were ready when the province finally expressed openness to adopt new fiscal tools for municipalities in 2014. The 2015 provincial budget responded to our calls for a rebate on the HST as well as a new transfer of 1 cent/litre of the provincial gas tax, bringing an extra \$25 million dollars into the sector every year.

It meant we were ready to move when the province showed its readiness to act on regionalization. We called for a Regionalization Working Group to finally draft a plan for a regional future. The provincial government agreed and that working group is on schedule to deliver recommendations to the Minister in June.

It meant we were ready when the province agreed to our call for new enabling legislation for our sector. We participated in the Municipal Legislative Review Working Group and expect new, modern legislation to be adopted this fall.

The big three changes the province has made, or are about to make, in our sector all started as advocacy from MNL. That was not an accident. It was not luck. It was the result of research, tenacious lobbying, and planning.

This past year also brought challenges. We worked through a legal and logistical labyrinth when the Corporations Act and our own By-laws made it impossible to hold our 2020 AGM in 2020. We had already started reviewing our By-Laws, so we were able to find a solution quickly.

More recently, we faced the difficult decision brought on by our President contravening our Code of Ethical Conduct. Having the Code in place gave the Board clear direction to navigate this difficult situation. However, the situation also opened an opportunity for MNL to address how we take a more active role in addressing under-represented peoples in our sector and becoming a true anti-racism, anti-discriminatory organization. We will address this opportunity the way we always do, with flexible planning. Short-term action and a longer-term vision.

But you know, even planning is useless without the people to make it work. And we have some of the best people around working for us at MNL. I've been here 20 years and I can't remember ever having a team that has been so focused, so cohesive, and so able to deliver on the immense challenges we put in front of them.

The MNL staff worked from home from March 2020 to October 2020 and again starting in March 2021. We live and work on Zoom and our staff text thread. Everything that MNL delivered this past year – the regional calls, the policy wins like the opening of the wastewater regulations, our work on the new municipal legislation, all the COVID support documents we created and shared – all of it happened in our kitchens and living rooms and back decks. And we didn't lose a step.

We also delivered the first virtual conference in our history. The biggest one this province, and many other provinces, had ever seen. Three days. Almost 70 sessions. Over 100 speakers. 24 hours of content. And of course, this Symposium and AGM with another first – online voting for elections and resolutions.

Every one of our staff has stepped up in a way that I am humbled by and I thank them for everything they do.

I was in a cab recently and having a great chat with the driver through the shower curtain he'd rigged up to separate us. Eventually, of course, our conversation turned to COVID and how fast the year seemed to be flying by. He said, "Time passes quickly when you're waiting for something to end."

But at MNL, we're not waiting for something to end anymore. We're getting busy with starting things. Starting new services. New ways of doing business. New ways of communicating. New ways of advocating for you. New ways of reaching out to those who are underrepresented in positions of power.

The start of embracing change. Making change happen instead of waiting for it to happen to us.