President's Report

MAY 2020



President of Municipalities Newfoundland and Labrador

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Local leadership during a world-wide pandemic.

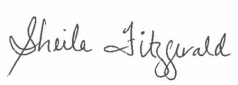
As the world around us seems to spin slightly off its axis, municipalities across the province are stepping up in dramatic form and adjusting operations to meet the realities of COVID-19. Like all other organizations, NGOs and businesses, MNL has had to re-think our business model and work plan to support local governments across the province to keep their communities safe and healthy.

Through this new format, the President's Report, our goal is to report back to you, our membership. We will share the outcomes of each Board of Director's meeting, keep you updated on key advocacy issues we're addressing and provide details on new programs. While working from home, our team has launched several new initiatives to engage our members and provide support online. Over 9 weeks, we've held four rounds of regional conference calls with the membership. The Honourable Derrick Bragg, Minister of Municipal Affairs and Environment, joined us for round three of these calls and had an open dialogue with the membership, which was greatly appreciated.

We've also launched our Webinar Series through MNL Advantage, our new membership services program. Its sole purpose is to help us serve you better. Right now, these webinars are free for MNL members. They provide guidance and opportunities for municipalities dealing with the COVID-19 pandemic. I encourage you to visit the MNL website and take advantage of this resource.

To quote Dr. Robert Greenwood, Director of the Harris Centre, "Coming out of this pandemic, we will all be changed, as individuals, families, communities and as a province and country."

This is a new era for advocacy. Our opportunity to develop the municipal sector and to make positive change is now. Regional policy and strategic planning are needed now more than ever. And, as the level of government closely connected to the residents of this province, we must have a seat at the table. The municipal sector will be a critical part of how we move through this pandemic. MNL will be here to help facilitate, advise, and advocate on your behalf as we get through this together.



President Sheila Fitzgerald
Municipalities Newfoundland and Labrador

Municipalities Newfoundland and Labrador

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Chief Executive Officer

How MNL is changing our business model to serve you better.

In this first President's Report I want to share with you the story of how we have been changing MNL to better meet your needs and to make us more sustainable in the long run. It's a story that starts five years ago. At that time, the Board of Directors looked closely at our programs, our staffing, our governance structure, and our headquarters. They knew that while MNL is a productive successful organization, its business model and organization limited our growth potential. We responded by conducting three independent reviews: one on organizational structure; membership services; and headquarters options. We also engaged five past presidents of MNL to do a review of our governance structure and processes.

Organizational **REVIEW**

Knightsbridge Robertson Surette's organizational review recommended changes to our organizational structure, staff remuneration, and human resources polices. The report recommended:

1. the creation of two management positions to better manage the two key areas of MNL's work – advocacy and programs/services;
2. the creation of new, simpler position descriptions and salary ranges; and,
3. the updating of our existing human resource policies.

The Board implemented the new positions within a year of receiving the report, hiring Rodney Codner as our Director of Finance, Dr. Deatra Walsh as our Director of Advocacy and Bradley Power as our Manager of Membership Services. At the same time, we made two other positions redundant, meaning our net staffing growth was minimal.

At the same time as our organizational review, we engaged a team of senior MBA students under the direction of Dr. Tom Cooper from the MUN Faculty of Business Administration to recommend how we improve working conditions for our staff and generate greater revenue from our headquarters building, lessening the pressure on membership fees.

After several years of analysis, the Board made the decision to buy a new, larger office building at 79 Mews Place and sell the existing building on Torbay Road

The new building greatly expands our ability to generate lease revenue from tenants and facilities rentals. Once fully leased, the building will cover most of its own operating costs. The net impact on MNL's finances is almost nil. However, we now have far greater revenue potential and own a far more valuable asset that will appreciate in value. The Torbay Road property is still on the market, but we are actively marketing the available space for lease so, until it sells, it is a net revenue generator for MNL.

Services **REVIEW**

Dr. Cooper engaged a second MBA team to help us plan for a new approach to membership services. For several years we have heard from you, our members, that you want more services and advice directly from MNL. We asked the research team to look at the economic feasibility of offering that level of services. Their input was critical in our decision to start planning for new expertise services offered directly by MNL, a new training program offered in partnership with College of the North Atlantic and new styles of services through third party providers.

We are currently surveying the membership on the kinds of services you are most interested in and putting together the necessary business plans to ensure we can deliver those services effectively and at a cost that is manageable by the members. We are expecting to begin implementation of this new approach in early 2021.

Governance **REVIEW**

The last piece of our transformation will clue up this year. The Board engaged a group of former MNL Presidents to review our governance structures and processes. This group completed much of the work and it has now been handed off to our "new" Past President, Mayor Tony Keats, to complete. Tony's work is focusing on the structure of the Board itself, how Directors get elected and how we manage representation on our Board of Directors. His work has been interrupted by the COVID-19 pandemic, but we still expect to review his recommendations this year and to bring them to the membership next year for full discussion and debate.

Staffing **UPDATE**

Recently, the Director of Finance accepted a position with another firm, giving the Board the opportunity to review the new organizational structure after almost two years. They reached the consensus that the management team structure needs to focus more tightly on the needs of our members. While the Director of Advocacy position is clearly focused on members, we felt the Director of Finance position was divided between membership development and internal financial issues.

We replaced the Director of Finance position with a Director of Programs. This position is completely focused on how MNL best supports our members with services and programs. We were very lucky to be able to promote an existing employee into this new position and in March, Bradley Power took over as our new Director of Programs. His old position has been eliminated. Later this year we will recruit for a new Operations Manager position to provide the management team with critical financial advice and accounting services.

A Sustainable **FUTURE**

The last five years have seen a lot of change at MNL. These changes will make us a better, stronger, more financially viable organization in the long run. Already we are seeing the proof of this as we navigate the loss of many revenue-generating events (e.g. regional meetings and the annual Municipal Symposium) without laying off any staff and, in fact, increasing our productivity.

In the short term, we are in an investment phase. Our financial statements will show losses for a few years, but most of these losses do not represent real cash losses. In fact, our cash reserve is healthy and is one of the reasons we continue to operate at 100% when many other associations are cutting services, staff or closing outright.

Our plan is to expand MNL's capacity and services through non-dues revenue. New services, rental revenue from our building, and new funding proposals are at the heart of making MNL financially successful in the future. This means more and better services for municipalities and better, more effective advocacy on your behalf. It is a winning combination and your Board of Directors is solidly behind this vision.



Director of Programs



Director of Advocacy and Communications

Municipalities Newfoundland and Labrador

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79 Mews Place, St. John's, NL A1B 4N2
Toll Free: 1-800-440-6536 | Phone: 709-738-0065

Email: info@municipalnl.ca | www.municipalnl.ca

Programs **UPDATE**

MNL has been working closely with its members since the World Health Organization identified the COVID situation as a global pandemic on March 11, 2020. To date, we've held 4 rounds of regional calls, engaging hundreds of our members at each. Reports detailing these calls can be found online.

We held meetings with Regional Health Authorities and other key government and non-governmental partners. We received in excess of 220 emails to our COVID19 municipal address. Our set of 50 COVID-19 municipal frequently asked questions, available online, has garnered attention and driven further engagement.

Since April 7, MNL has hosted 13 free webinars for our members to support them in things such as business continuity, working remotely, safety, and labour law, among others. Over 250 individuals have participated in these webinars thus far. There are more to come.

MNL has also expanded its partnerships with key suppliers surrounding the provision of personal protective equipment and other products/services that will help municipalities function during and after the pandemic period. These partnerships are in addition to already established membership services maintained by MNL.

Advocacy **UPDATE**

MNL works with several advocacy items at any given time. Prior to COVID-19, we addressed and confirmed our position on key issues, namely: regionalization, emergency preparedness, drinking water, infrastructure and asset management, climate change and the environment, and wastewater. We continue to collaborate with our counterparts at Environment and Climate Change Canada on advancing our wastewater asks. We are working toward a reopening of the Wastewater System Effluent Regulations (WSER) to enable our municipalities to receive a transitional authorization. As you may recall, this was a key advocacy campaign throughout the fall of 2019. We will be sharing updates on our successful advocacy efforts soon and we will be reaching out to members to better understand where they are with wastewater and where they need to go. Please stay tuned.

As with other provincial-territorial associations across the country, advocacy has taken a new and different direction as a result of COVID-19. The pandemic amplifies municipal issues which pre-dated it, including the need for municipal fiscal sustainability, the importance of local and regional economies, the vulnerability of municipal infrastructure and the need for new, innovative ways to address asset management. It shows the importance of community, and it exposes inequalities. Perhaps most importantly, it is reminding us about safety – what we need to work and live safely with one another. These are all points for advocacy.

MNL is supporting the Federation of Canadian Municipalities in their ask to the Federal Government for $10 billion in emergency municipal operating funding. It is advocating for clear, municipal specific information from the Provincial Government on the implications and meaning of the Alert levels. On April 27, MNL launched a COVID municipal impacts survey – 238 individuals participated in the survey. We are working with you, our members, on the development of a series of recovery pillars that make sense for you moving forward.

We are now at a turning point - one that requires municipalities to contribute to and receive clear guidance on how to move forward safely and responsibly. Municipalities own most of the public facilities where residents normally gather. They deliver vital public services and are an integral part of the governance system. Our members need a plan for how to open these facilities in accordance with the easing of the Public Health State of Emergency directives.