

DRAFT

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**BLUEPRINT**  
**for**  
**GOVERNANCE of**  
**THE REGIONAL COOPERATIVE COMMUNITY NORTHWEST**  
**(Zone 1)**

Submission to the Honorable Daniel Allain,  
Minister for Local Government and Reform

**By: The Association of Local Service Districts of New-Brunswick**

## 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, regional, engaged communities.

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## A. INTRODUCTION

After consulting with more than two thousand residents across the province and producing the briefs, "Response to the Green Paper" and "The Blueprint for Suburban and Rural Governance of Local Service Districts (LSDs) in New Brunswick", the Association of Local Service Districts of New Brunswick (ALSDNB) is submitting a plan for the Northwest region (Zone 1). This document reflects the most frequently heard comments from LSD residents over the past year in the Northwest as identified by a regional working team. Various members of interest groups were invited to participate in the discussions, including residents of LSDs without advisory committees, members of advisory committees, former presidents or key members of industry, the Green River Cottage Owners' Association, the Forest Products Marketing Board, members of the potato industry, and more. These public consultations allowed us to identify the current state of LSD management, its effects on residents and options that will advance service delivery, democratic local governance, regional collaboration and economic vitality.

This brief outlines one option for a governance structure that supports the priorities of many residents living in the unincorporated areas of the Northwest. These residents see the maintenance and promotion of their communities' unique lifestyle and environment as part of the heritage to be preserved, and they also believe that the outdoor tourism industry, the production of local products from the forests (maple syrup production) along with the agricultural industry are not only essential to regional food security and economic self-sufficiency, but are key to the economic development of the province. There are, however, a number of outstanding questions that need to be answered prior to the implementation of this Regional Master Plan in the northwest as outlined in Appendix A.

The governance statements and structures developed are therefore culturally appropriate and only apply to a suburban and rural governance model for LSDs hereinafter referred to as "Regional Cooperative Community" (RCC).

## B. STATEMENT OF PRINCIPLES

The new RCC would be developed in full compliance with the statements of principles contained in the September 3 Master Plan as follows :

### 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

A regional cooperative community would be a new and revamped local governance entity that would include elements of rural communities in reference to options D and E of the Green Paper.

This last option is supported by the Assemblée Nationale de l'Acadie, a group of people interested in various issues related to the New Brunswick Francophonie.

This new RCC would be established according to the foundations set out in the September 3rd Blueprint as follows:

### 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

We believe that this option would allow us to work together as a community of interest specific to the interests of rural areas, without losing the local identity of the individual LSDs. The status of the collaboration would be in reference to the Provincial Master Plan of September 2021 as follows :

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

Zone 1, the Northwest Region, is served by the Northwest Regional Services Commission (CSRNO) and includes the LSDs of Denmark, Drummond, Grand Falls, St. Leonard (Poitier) + Parent, Notre-Dame-de-Lourdes, Siegas, Ste-Anne, Rivière-Verte, St-Basile, St-Joseph, St-Jacques, Madawaska, St-Quentin and St-Martin. According to the 2016 census the total population of these LSDs was 12,985. The tax base for all currently stands at \$888,692,850.

This new entity would be more populous than most of the current cities in New Brunswick and would have a tax base at least three times larger than the majority of the current largest villages and even larger than the smallest city, Campbellton, with \$610,097,250 tax base.

The territory could be divided into four wards of approximately 3,000 population with one or two representatives elected by each ward and a mayor elected for the entire territory. The operation of the land use planning framework would be in reference to the Provincial Master Plan of September 2021 as follows :

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

Based on the 2021 budget forecast table in Appendix B, we can see how the LSDs manage their expenses and revenues in relation to their property taxes and grants received from the government. In addition to essential services such as police \$2,333,874 and solid waste \$1,386,093, there are other expenses in the LSD budget such as planning, street lights, recreation, dog control etc. The main revenue for each LSD is a function of the relationship of the property tax rate and the amount of assessment of the properties that form the basis of its tax base. Government grants are then added to the revenue base. In reference to the current budget, residents' property taxes are used to pay a total of \$406,171 in various administrative services, an amount of \$239,760 to the local manager's office of the Department of Local Government and an amount of \$166,411 in grants for protective service. At this time, the future of the equalization formulas is unknown, which could change this base amount. In addition, a fair share of the Gas Tax Fund (GTF) could be added for infrastructure projects. The budget statistics table may vary depending on the number of participating LSDs.

Thus, the amounts allocated to administration would be available for the management of the new CCR. This new entity could negotiate service fees with either the CSRNO, a village in our territory or create our own service, always depending on the costs and the efficiency of the service offered. The property assessment service, currently billed directly to residents, would remain the responsibility of the provincial government. Police services would be negotiated with the Department of Public Safety for the RCMP and/or another local police force. Or a regional police force could be created collectively, always with a

concern for cost and efficiency of protection. Fire protection costs would be negotiated with the fire departments that currently serve LSDs. Other options could also be considered, always with the intention of having the best and most appropriate service while respecting the ability to pay. This new CCR would therefore regroup sixteen LSDs into a single governance entity.

In terms of financing, the major issue of this reform is our tax rate which varies from .5613 for the LSD of Grand Falls to .7961 for the LSD of St-Joseph. The latter has a renewed fire department with a new fire station and a new community center. In general, it should be noted that 65% of the LSD budgets are spent on police and fire departments.

For all 236 LSDs, the government will pay 6.4 million in 2021, representing only 9% of the community equalization grants for 32% of the population of the province. The 10 cities receive \$42,137,102, the towns receive \$13,757,356 and the villages receive \$11,271,751. It should be remembered that the LSDs have no debts, except for the one they share with the municipalities for solid waste management. As of January 1, 2021, the 10 N.B. cities had outstanding long-term debt of \$648.3 million, the towns \$175.7 million, the villages \$74.4 million and the rural communities \$27.1 million. The financial condition of the new CCR meets the September 2021 Blueprint of the ALSDNB reference statements as follows:

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

In the latest document tabled by the Minister entitled "What we heard..." on page 9, it is stated that the current viability criteria for a municipality of 4000 residents and a tax base of \$200 million may no longer be considered sufficient in creating a new entity. This statement puts at risk the possibilities of new regional LSD cooperative communities or affiliation with surrounding communities as several are sparsely populated with low tax bases. Thus, our choices are becoming increasingly limited, if we are to respect the wishes of LSD residents to protect our way of life and not to be part of a large regional urban municipality as proposed by the majority of municipalities.

One of the issues following the Minister's consultations is the consultation process itself. The first round of consultations was done in a Zoom format with questions selected by the Ministry to be answered. A second round of regional consultations in person, which is fine, but still three closed questions, asked by the department and well controlled with a time limit. Failing to ask our own questions in person, it would be opportune for the Minister to respond to the questions in Appendix A of this document. As an association we are interested in receiving questions from residents of LSDs affected by the reform and forwarding them to the Minister before the release of his White Paper. A "Transparent Book" on the management of the province's general funds could also precede decisions on local governance reform. The awarding of grants should be based on real needs and not on the appearance of needs caused by the mismanagement of public funds.

However, we would like to point out the obstacles to the consultative participation of residents in what should be a massive democratic process. In addition to the non-existent financial support, the current health restrictions have increased the challenges for workers by limiting the availability of volunteers and limiting the number of meetings before the White Paper is published. Furthermore, the unavailability of basic contact information for LSD committee members, and the unavailability of government servants, paid from LSD budgets, to respond to requests other than from their bureaucratic subordinates, have created significant obstacles to the consultative process. Since the situation is beyond our control, it

would be appropriate for the option presented in this document to be validated locally via consultation between government and the various interest groups mentioned earlier (forestry, agriculture, outdoor tourism, etc.) in another step within the framework of local governance reform.

We are publicizing our blueprint for a regional cooperative community made up solely of LSDs. We have no other indication of the existence of another Regional Master Plan for the LSDs of Madawaska-Victoria. If, however, another plan is presented to you, in full compliance with the September 2021 Blueprint presented by the ALSDNB that involves the above mentioned LSDs, we ask that you hold a plebiscite under the responsibility of Elections New Brunswick asking residents in our region their preferred choice.

The main challenge of this reform is to enhance the community of interest that constitutes the LSDs of the Northwest and to preserve the richness of its heritage perpetuated from generation to generation by productive and proud residents. This reform must also enhance the value of this rural and suburban region of New Brunswick by having allocated to it its fair share of public funds in order to enhance its way of life and ensure a sustainable and prosperous regional economy.

## E. REFERENCES

Government of New Brunswick. 2020-2021. Working Together to Build Vibrant and Sustainable Communities, Green Paper.

ALSDNB. 2021. Reaction to the Green Paper, Brief presented as part of the reform of local governance in New Brunswick after extensive consultation with LSD residents.

ALSDNB, September 2021, Blueprint for Suburban and Rural Local Governance Reform in New Brunswick, after extensive consultation with LSD residents.

Government of New Brunswick September 2021, What We Heard

## Appendix A

### Questions for the Minister on Local Governance

With the proposal to create 16 large regional municipal entities, will LSD residents become financially responsible for the debts incurred by the municipalities included in the new municipal entity?

With this same proposal, will LSD residents become financially responsible for the overall administrative costs of the new municipal entity?

Will the suggestion or proposal to transfer the costs of maintaining and repairing secondary roads to the new entity, the former LSDs, be preceded by a negotiation with the entities concerned in order to clearly define local, regional, provincial roads, etc.?

In the case of such a transfer of responsibility for roads, will there be a structural assessment of the condition of these roads, bridges and culverts, sewerage, flooding risks, so that an equitable transfer is accompanied by appropriate financial compensation for these transfers of responsibility? Secondary roads are not all in the same condition throughout the province, so it would be unfair to transfer them without considering the investments that need to be made to give them some equity.

With this major reform of local governance, can we be assured that the funding of provincial services - health, education, justice and welfare - will remain entirely the responsibility of the provincial government?

On page 1 of the green paper, in the second to last paragraph, the Minister states: "In addition, the government is also working on education and health reforms that will need to be considered as part of this process to ensure alignment and collaboration on information gathered and overlapping issues." Why is the Minister's statement necessary if education, health, justice and welfare are still the financial responsibility of the provincial government?

With the tabling of the White Paper, will there be any further consultations or negotiations with communities and citizens of NB?

The Working Team is also interested in having answers to the questions in Appendix A of the ALSDNB Blueprint on September 3:

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 9% 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?



## APPENDIX B

Section 3.0

LOCAL SERVICE DISTRICT, REGIONAL MUNICIPALITY AND RURAL COMMUNITY SERVICES ADMINISTERED BY THE MINISTER OF LOCAL GOVERNMENT AND LOCAL GOVERNANCE REFORM- 2021 /  
 SERVICES DES DISTRICT DE SERVICES LOCAUX, MUNICIPALITÉS RÉGIONALES ET COMMUNAUTÉS RURALES GÉRÉS PAR LE MINISTRE DES GOUVERNEMENTS LOCAUX ET DE LA RÉFORME DE LA GOUVERNANCE LOCALE - 2021

Taxing Authority	Taxing Authority Name	General Government	Land Use Planning	Cost of Assessment	Fire Protection	Police Services	Emergency Measures	Dog Control	Street Lighting	Community & Recreation Services	Solid Waste Management	Non-Tax Revenues	2021 Net Budget	Grant	Warrant	2021 Tax Base	2021 Tax Rate
Mandataire de taxation	Nom de mandataire de taxation	Administration générale	Urbanisme	Coût d'évaluation	Service d'incendie	Services de police	Mesures d'urgence	Contrôle des chiens	Éclairage des rues	Services récréatifs & communautaires	Gestion des déchets solides	Recettes non-fiscales	Budget net 2021	Subvention	Mandat	Assiette fiscale 2021	Taux d'imposition 2021
<b>LOCAL SERVICE DISTRICTS (LSD) / DISTRICTS DE SERVICES LOCAUX (DSL)</b>																	
<b>RSC 1 Region / Région CSR 1</b>																	
130.00	Denmark	16,570	39,644	13,806	50,925	186,899	1,028	2,274	0	0	110,999	(3,604)	418,541	18,932	399,609	71,167,200	0.5615
129.00	Drummond	41,262	100,337	34,944	115,904	473,033	2,603	5,756	45,100	0	280,935	(9,121)	1,090,743	27,761	1,062,982	180,121,400	0.5901
132.00	Grand Falls	17,678	43,932	15,300	50,282	207,115	1,140	2,520	0	0	123,006	(3,993)	456,980	14,273	442,707	78,865,300	0.5613
119.00	Madawaska	380	915	319	4,296	4,314	24	52	0	0	2,562	(83)	12,779	129	12,650	1,642,700	0.7701
125.00	Notre-Dame-de-Lourdes	2,636	6,328	2,204	13,346	29,833	164	363	0	0	17,719	(575)	72,018	3,539	68,479	11,359,900	0.6028
123.00	Rivière-Verte	10,721	20,382	7,098	34,516	96,087	529	1,169	0	0	57,066	(1,853)	225,715	9,151	216,564	36,588,150	0.5919
122.00	Saint-Basile	8,775	20,659	7,195	61,031	97,396	536	1,185	0	0	57,843	(1,878)	252,742	7,619	245,123	37,086,450	0.6610
120.00	Saint-Jacques	24,516	59,377	20,679	170,150	279,927	1,540	3,406	41,000	0	166,249	(5,397)	761,447	20,541	740,906	106,590,600	0.6951
121.00	Saint-Joseph	48,529	49,471	17,229	237,707	233,226	1,263	2,838	0	6,700	138,514	(8,689)	726,808	19,794	707,014	88,807,800	0.7961
126.00	Saint-Léonard	13,964	33,605	11,703	68,900	158,431	872	1,928	0	30,164	94,093	(3,055)	410,605	8,263	402,342	60,327,200	0.6669
126.01	Saint-Léonard (Poitier)	6,975	18,146	6,320	39,501	85,548	471	1,041	4,400	16,288	50,807	(1,649)	227,848	1,544	226,304	32,575,100	0.6947
126.02	Saint-Léonard-Parent	2,583	6,537	2,276	13,788	30,817	170	375	5,700	5,867	18,302	(594)	85,821	2,741	83,080	11,734,400	0.7080
912.00	Saint-Quentin	34,513	67,914	23,652	75,473	320,177	1,762	3,896	0	89,080	190,154	(6,173)	800,448	18,533	781,915	121,917,100	0.6413
124.00	Sainte-Anne	7,004	20,224	7,043	54,222	95,345	525	1,160	0	0	56,626	(1,838)	240,311	9,820	230,491	36,305,600	0.6349
124.01	Seigas	2,493	5,151	1,794	13,261	24,279	134	295	5,100	0	14,420	(468)	66,459	2,587	63,872	9,245,050	0.6909
923.00	St. Martin de Restigouche	1,171	2,428	846	2,719	11,447	63	139	4,800	218	6,798	(221)	30,408	1,184	29,224	4,358,900	0.6704

This data is based on the 2021 budget forecast