



EASTERN REGIONAL SERVICE BOARD

SUBMISSION TO JOINT WORKING GROUP ON REGIONALIZATION

August 31, 2021



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INTRODUCTION

The Eastern Regional Service Board (the ERSB) is pleased to provide the following information regarding current regional service delivery as well as providing an outline for continued implementation of regional services for the Eastern region.

The ERSB feels that the province's regional service boards should be part of the Joint Working Group on Regionalization as these boards have the structure, resources, expertise, and experience in the delivery of regional services to all communities - not just incorporated towns.

The ERSB believes every resident in the region should have access to modern, fair, and equitable services.

ERSB STRUCTURE AND CURRENT SERVICES

The current regional service board model acts as a consolidated support organization for municipalities; local service districts; unincorporated areas and joint councils. The ERSB has a governance structure that is based on appointing and electing a mixture of board members from the municipal representatives and local service district committees within the Eastern region.

The ERSB is comprised of 20 members from municipalities or local service districts throughout the Eastern region in accordance with Section 6 of the *Regional Service Board Act, 2012*. For some larger municipalities including St. John's, Mount Pearl, Paradise, and Conception Bay South, council appoints their representative. In those areas where a Board member will represent multiple communities, an election is held for that position from amongst the communities in the area/ward. The Eastern region has been divided into 11 wards.

The ERSB currently delivers the following regional services:

- Curbside waste collection
- Fire and emergency services
- Regional network of waste infrastructure
- Regional water/wastewater operator pilot program
- GIS mapping and property ownership database
- Support to Joint Councils

ERSB PUBLIC ENGAGEMENT FEEDBACK 2018-2019 – REGIONAL SERVICES

In fall 2018 the ERSB engaged an independent consulting firm to reach out to approximately 26,000 permanent and 5,000 seasonal residents living in our service areas, asking them to tell us how they felt about regional services.

What we heard:

- 88% satisfied with waste collection
- 83% satisfied with fire and emergency services
- 36% satisfied with road maintenance
- 59% satisfied with access to safe drinking water

We think regional services benefit our communities and so do a lot of the people we service:

- 94% agree that all households should have access to drinkable water
- 86% agree that all households should have consistent, standardized waste services
- 80% agree that everyone in the region should have access to the same level of municipal services
- 70% agree that a regional approach can lead to more services in smaller communities
- 62% agree that a regional approach delivers services more efficiently
- 60% agree that regional services can result in cost savings
- 35% were willing to pay more for high quality services

What's most important to residents?

- 29.3% ensuring a clean and healthy community
- 25% keeping costs down
- 20.5% protecting the environment
- 14% ensuring access to all services
- 11.2% boosting local economy

The ERSB is committed to finding ways to enhance services through innovation and collaboration.

ERSB AND REGIONALIZATION

The ERSB recognizes that many communities in this province face serious demographic, governance and service delivery challenges that includes aging populations, youth out-migration, a lack of economic opportunities, and increased expenses. The province's regional service boards are uniquely positioned to provide well-organized and appropriately structured and resourced municipal services.

The development of the various regional service boards across the province to consolidate and implement the *Provincial Waste Management Strategy* (PWMS) has created a network of organizations that can be the backbone on which other initiatives/services are built. This leverages one corporate body for the benefit of many purposes and eliminates the creation of another level of government.

During the Provincial public consultations on Regional Government, What We Heard, December 2017 (p.7), *"Many participants noted concerns over the creation of an additional level or tier of government, with some stating that regional government would make things less efficient/more expensive."*

The addition of another level of government would add another level of taxation on residents and/or properties.

The ERSB is not in favour of another level of government for residents of the Eastern region.

In the report entitled “*Demographic Change and Regionalization of Public Services*” prepared for The Leslie Harris Centre on Regional Policy and Development, Memorial University, by Pat Curran (Curran report) in 2018, p.59, “... and concerns exist that an additional layer of formal governance sitting atop 270+ municipalities will not necessarily realize efficiencies nor address demographic and service challenges particularly in rural areas. Key stakeholders, including government and municipalities, appear to recognize that maintaining the status quo will not meet the province’s emerging demographic challenges, particularly in rural areas. In considering new approaches to regional governance, government and municipalities must focus not just on structures and regions, but services, optimal levels of delivery, legislative authority and municipal financing.”

The existing regional service boards are successfully delivering regional services and could continue to do so.

The ERSB sees future opportunities for regional collaboration with joint building inspections; regional water technician; road maintenance; joint snow clearing tenders; cost recovery for motor vehicle accidents; by-law enforcement; regional recreation; etc.

In addition, the ERSB provides the economies of scale for things such as corporate administration (audit, financial software, billing, etc.), equipment purchasing, specialized staff (engineering, planning, recreation, facilities management, water technicians, human resources, policing, regional fire chief, etc.).

There are a number of services that are delivered at the municipal level which require no political involvement beyond the initial setting of service standards. For instance, do we plow the snow or not; fix potholes; run the recreation programs; pick up the garbage; or treat the water. Day-to-day operations and corporate organization are not political. However, there are a host of municipal functions that need to be guided by a council or political body. This leadership is granted through the electoral process. These functions include economic development, land use planning, budget setting/approval, levels of taxation/fees, and service delivery policies.

Therefore, the act of making a one-time decision to provide a service and the choice of the level of service can be separate from the function of service delivery. This is where the creation of regional service boards provides the ability of a municipal entity to make the decision to provide a service and then make the decision how it will provide the service, i.e., internally through the municipality or buy from a regional service board.

The regional service board can provide services at a lower cost by spreading the cost of developing/operating a service over a larger number of residents/properties. This can allow the cost of specialized resources (staff/equipment) to be shared thus allowing communities that may not require a full-time or dedicated resource to purchase only what they need; for instance, the cost of providing a building inspector or recreation programmer.

In former consultations, a province-wide mandatory fee/property tax has been proposed. According to the Curran report (p.52), *“A mandatory and universal property tax would ensure consistency and equity in approaches to taxation, if not tax rates, across all local government entities and areas in the province, including LSDs and UIAs.” ... “Consideration must be given to the capacity of local governments to collect a property tax, potentially leading to the establishment of a municipal tax authority, as proposed by MNL, to assist municipalities in collecting and administering the property tax model (MNL 2014).*

The ERSB supports a mandatory and universal property tax for those communities without formal taxation, i.e., local service districts and unincorporated areas. This would ensure consistency and equity in taxation across all local governments and areas of the province. Currently those who live in unincorporated communities do not contribute to services such as snow clearing, road maintenance, street lighting, etc.

Incorporated towns would continue to set and collect their own taxes.

The ERSB has been supporting communities in the Eastern region by collecting fees on their behalf and remitting those fees to the communities. The Board currently has service agreements with four towns to invoice and collect fees for fire and emergency services. Therefore, the Board does not see the need for a municipal tax authority or another level of administration that will again increase costs for residents in those communities.

The ERSB is not in support of a ‘one fee fits all’ approach. Each region should be able to focus their spending in areas that will improve the achievement of the Board’s goals. The ERSB supports each region being responsible to set its own fees and manage its own costs. The Board is strongly opposed to subsidizing another region.

The ERSB works closely with the five (5) joint councils that exists in the Eastern region to ensure that the Board is in regular consultation with local councils’, LSD committees, community leaders, community groups, etc.

ERSB REGIONALIZATION CONCEPT

The ERSB sees the election of representatives to a council or local service district executive as the community/municipal representation. The council or LSD executive would then elect to the Joint Council and then to the Regional Service Board. There would also have to be allowance made for the unincorporated areas to elect representation. In the past, several unincorporated areas did seek representation at Joint Councils; however, they could not participate as these areas do not have a defined constituency.

The ERSB would be the corporate backbone, support the Joint Councils and be the shared service provider. There could be legislated services mandated to the Board for high priority objectives of the province such as water treatment, waste management, and wastewater treatment. Other areas

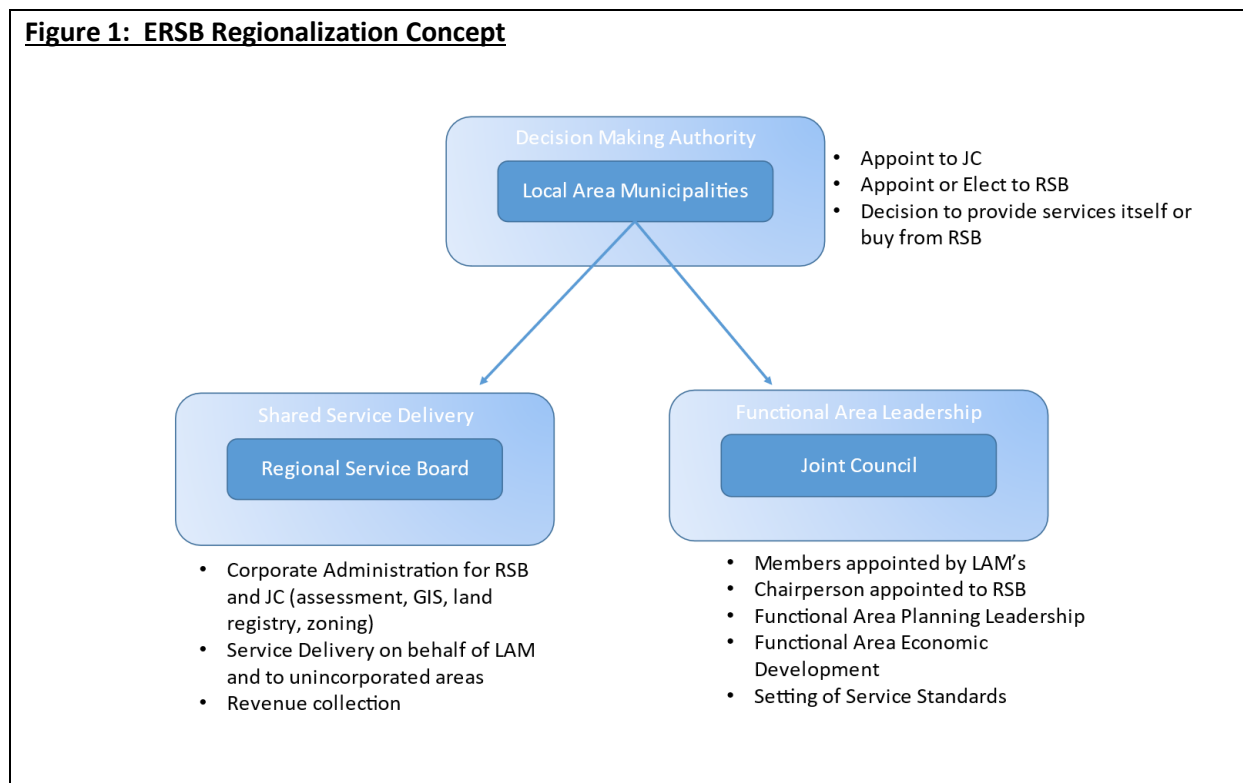
would be partnership driven with the regional service board receiving the mandate for delivery through the authority (decision) of the local area municipality.

In other words, the decision-making authority remains with the communities included in a ward. These communities would decide who to appoint to the Joint Council for the area as well as who to appoint and/or elect to the regional service board. They would also decide what services they want and whether to provide the services themselves or buy the service through the regional service board.

The Regional Service Board would provide the corporate administration for the region; service delivery on behalf of municipalities, local service districts, and to unincorporated areas; and revenue collection.

The Joint Councils will have their members appointed by their respective communities and the Chairperson for the Joint Council would be appointed to the regional service board; responsible for function area planning and economic development; and setting of service standards.

Figure 1: ERSB Regionalization Concept



Benefits for communities include:

- Cost efficiency of one organization (invoicing, tendering, revenue collection, etc.)
- Leverage data and experience across several services
- Common implementation of objectives

- Pay for services that you receive
- Scale for large projects and services that benefit from size/volume
- Greater specialization

Positive Aspects of the Regional Service Board Approach:

- Municipality/local service district remains center of decision making. They choose to buy or provide services themselves
- Flexible – the Board may tender for services or build its own
- Benefits from economies of scale
- Share professional resources across a larger number of residents/communities
- Set one service standard
- Mechanism to collect fees from LSDs and unincorporated areas
- Gentle imposition of regionalization based on partnerships and collaboration.
- NOT another layer of government but provides representation

PRINCIPLES TO ENHANCE AND SUPPORT REGIONAL SERVICES DELIVERED BY ERSB

The ERSB believes that the following principles will guide, enhance, and support local governments and facilitate regional services:

1. Every resident will be represented by a regional government.
2. Every resident will have an opportunity to participate in a regional government.
3. A regional government will be fiscally responsible and flexible in supporting the needs of all residents.
4. A regional government will be legislated to provide existing municipal services and provide new regional services, as determined necessary on a regional basis.
5. A regional government will provide greater coordination for more efficient and effective service delivery.
6. Every resident will fairly and equitably contribute to the region's revenue requirements to enable the provision of applicable services.
7. A regional government will undertake life-cycle cost benefit analysis in determining service provision.
8. A regional government will work with others to advance economic planning and development.

CONCLUSION

Concerns regarding the sustainability of local governments in the face of aging populations, youth out-migration, lack of economic opportunities, and increased expenses are real. The focus on regionalization is a realization that the *status quo* is no longer sustainable. The ERSB believes that the province's regional service boards are uniquely positioned to provide well-organized and appropriately structured and resourced municipal services.

The regional service boards have region-wide leadership and governance framework, program development capacity, and long-term strategic focus to serve as the lead entities for continued implementation of regional services in the province.

In addition, the ERSB has a strong, direct public and fiscal accountability to local governments due to the presence of elected officials who serve on the Board. Therefore, the Board can address local issues in a comprehensive, efficient, and cost-effective manner.

The ERSB believes that regionalization will help build and sustain better and more competitive services that ensures the continued viability of the communities in our region.

The ERSB is available to discuss the contents of this report or to provide additional information if required.

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Eastern Regional Service Board

The ERSB believes every resident in the region should have access to modern, fair, and equitable services.

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Submission on Regional Governance for Joint Working Group on Regionalization - August 2021

