



Issue Paper

DATE: February 21st, 2018

TO: Council

FROM: Marie Walsh, CAO

RE: **Viability Study**

Background

The Cape Breton Regional Municipality received a letter from Derek Mombourquette, Minister of Municipal Affairs, dated January 25th 2018 indicating the Province of Nova Scotia Department of Municipal Affairs is offering to provide funding to the amount of \$224,000 to support CBRM's economic development efforts. This was to include how the CBRM can address the various issues that are impacting the long term viability in response to **Recommendation 17** of Fiscal Review.

Recommendation 17 states:

"Noting concerns over CBRM's viability, and noting that many options for improved viability available to most of the other municipalities in Nova Scotia (such as shared servicing, structural changes, etc.) are not realistic options for CBRM, it is recommended that the municipality and the Province conduct an immediate joint review to assess the viability issues facing CBRM. This review will make recommendations on how to best address the specific issues facing CBRM, including recommendations on appropriate provincial grants for the municipality."

Along with identifying Recommendation 17, the letter also suggests that the CBRM should look at establishing itself within the Regional Enterprise Network (REN) in order to ensure funding for economic development initiatives for the 2018/19 year. Additional potential deliverables are provided in the attached letter.

Recommendation

The Municipality would establish a steering committee to create a terms of reference and to be an oversight committee for the study. This committee would be made up of DMA, CBRM and strategic members of the community. The study would review items such as taxation, infrastructure pressures, fiscal capacity or any items identified by the committee that affect the viability of CBRM.



Detailed Recommendations:

1. That CBRM undertake a study to satisfy the requirements of Recommendation 17 of the Fiscal Review committee and approved by the Department of Municipal Affairs.
2. That a portion of the funding be used to continue to support the designated economic development agency, Business Cape Breton (BCB), to provide secretariat and support services to the project. BCB would support CBRM in the viability study around public consultation and other logistical requirements. Allocation for this would approximately \$34,000 and would keep BCB operational until March 31st as per attached.

Suggested Motion

The CBRM agree with the above recommendations and direct staff to undertake the viability study based on the terms described.

Respectfully,

ORIGINAL SIGNED BY

Marie Walsh, CAO
CBRM



**Municipal Affairs
Office of the Minister**

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JAN 25 2018

Mr. Cecil Clarke
Mayor
Cape Breton Regional Municipality
320 Esplanade
Sydney, NS B1P 7B9

Dear Mayor Clarke: 

I am writing in response to our discussions regarding funding to support economic development efforts with the CBRM. The Department is prepared to work with you to address issues that are impacting the long-term viability of the Municipality in response to recommendation 17 of the Fiscal Review.

There are key initiatives underway in CBRM that are essential to the viability discussion; the development of a municipal charter; the Municipality's involvement in the Smart Cities Challenge; a plan for addressing large infrastructure demands; and finding a path forward to ensure transparent, accountable and reliable economic development funding. I am sure you and your Council can agree that action on these initiatives is essential to the long-term viability and strength of CBRM.

As such, the Department of Municipal Affairs will provide a maximum amount of \$224,000 to CBRM to achieve the following deliverables:

1. A review of the existing taxation and assessment system in CBRM that would provide recommendations for tools necessary to address identified issues. These recommendations, among others, will help inform the development of the CBRM Charter.
2. As part of the Smart Cities Challenge, develop and implement a plan to make downtown Sydney wireless, which will help attract economic development into the downtown Sydney core and which will result in a blueprint for surrounding communities.
3. Engage consultants to develop a plan to address the infrastructure pressures facing CBRM, in particular the water/waste water infrastructure needed to meet federal regulations.
4. Establish CBRM in the Regional Enterprise Network program in order to secure funding for economic development initiatives for the 2018/19 fiscal year. This will ensure that there can be continued transparent and accountable economic development funding provided to the Municipality.
5. Establish a Viability Commission to oversee implementation.

I understand that community cooperation and engagement will be necessary to deliver on these Initiatives. Given the public interest in the charter consultation sessions the Municipality hosted last week, there appears to be no shortage of willing participants in the community to work at making CBRM a viable community where people want to work, play, and live.

Therefore, in order to ensure community engagement and accountability for these outcomes, I believe it is essential for Council to establish a Viability Commission. This Commission would develop and oversee the implementation of the above noted initiatives, and would be comprised of representatives from CBRM, the Department of Municipal Affairs, First Nation communities, and community leaders (such as the universities, nonprofit sector, the business community, and others as appropriate). Staff at DMA are committed to working with your CAO to establish a Terms of Reference for this group, appropriate accountability reporting, timelines, and implementation of deliverables.

While I know this is not an exhaustive list of the issues facing CBRM, I am sure we can agree that addressing these important areas of work will begin to mitigate outstanding risks to the long term sustainability of the Municipality. I look forward to working with you on this important project.

Sincerely,

ORIGINAL SIGNED BY

Derek Mombourquette
Minister

February 16, 2018

Mr. John Phalen
CBRM
320 Esplanade Sydney, NS

Dear John:

RE: Business Cape Breton

With respect to a request of funds to allow BCB to continue operations until March 31, 2018, the following amount required to operate until March 31st would be **\$33,913.00.**

The following is a highlight of Business/Community Development activities in which BCB will be involved for March.

- *Development of Business Plans and provision of Advisory Services for Business Clients (business start-ups and expansions)*
- *Promotion of Think Cape Breton First program for CBRM businesses through Social Media*
- *Development of profiles for new business start-ups and/or expansions for future promotion*
- *Provision of Administration for BCB programs*
- *Revitalization Planning - working with partners: Bay It Forward, Sydney DT Waterfront Assoc, provincial/federal reps.*
- *Partnership with 1st Nations community of Membertou/Eskasoni - collaboration of projects*
- *Projects: Indian Beach, Whitney Pier Monument, Assess-ability program*
- *Assess-ability program - client assistance with application process*
- *Planning for Business Assess-ability Information Session March 23/18 (BCB - Co-host)*
- *Chris Skidmore RV project*
- *Shannon Forrester project*
- *Meetings planned with NS Business Inc, North Sydney Mall (NL reps),*
- *Women Entrepreneurs presentation*
- *Sydney Mines Memorial project*
- *Identification of funding programs for inquiring clients*

If you have any questions, or require further clarification, please do not hesitate to contact me. Many thanks.

Regards,

ORIGINAL SIGNED BY

Eileen Lannon Oldford
CEO