

Sustainability Checklist for Municipalities

A Guide for Elected Officials, Municipal Staff and Community Members

*Prepared by
Saskatchewan Ministry of Municipal Affairs*

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What is a healthy municipality?

A community needs many positive human elements to be healthy: elected officials who truly strive to represent all residents, municipal staff that work in a professional team-like manner, and residents who have a sense of pride and ownership. Tied in with these elements, a healthy municipality requires a strong assessment base to generate revenues required to meet the needs of the residents.

You are invited to look at the following five factors that are indicators of a healthy municipality. This self-examination includes a range of questions that need to be answered objectively and critically.

1. Can the municipality's population and economy be sustained and even grow?
2. Can council represent the interests of the community?
3. Can the municipality meet its responsibilities for administration and services, and satisfy legislation?
4. Is the municipality able to provide needed services to residents at a cost they can afford?
5. Can the municipality provide services from the available financial resources?

If your answers to these questions are all "yes", then the municipality is probably healthy and viable. You may still want to consider options to improve your situation.

If your answers to these questions are mixed, "yes" and "no", then the health of your municipality may be at risk. Your community's best interest is at stake. Be ready to discuss and evaluate possible options for your community.

Disclaimer:

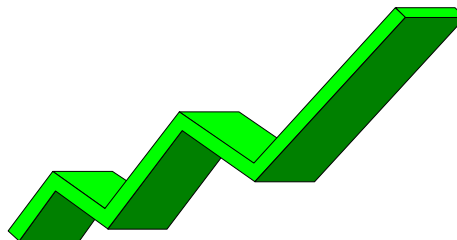
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KEY INDICATORS OF A HEALTHY MUNICIPALITY

Health Indicator 1: *Can the municipality's population and economy be sustained and even grow?*

Municipalities exist to provide services to communities. What impacts the growth of a community? Employment opportunities, business and farming activity and industrial development often play an important role in the growth of a community. A municipality needs people to support local businesses and needs local business to invest in the community.

<i>Economy and Population</i>	Yes ✓	No ✓
<i>a. Is your total population growing?</i>		
<i>b. Is the percentage of the population over the age of 60 decreasing?</i>		
<i>c. Are young people able to find work in the area?</i>		
<i>d. Is there an increase in building permits being issued and businesses opening?</i>		
<i>e. Is the municipality's assessment base growing?</i>		



Health Indicator 2: *Can council represent the interests of the community?*

Municipalities exist to serve a community. A shared sense of common purpose and pride is required to keep the municipality going. If there is a lack of interest in the community, it will be difficult to find people to run and maintain the municipal council.

<i>Sense of Community</i>	Yes ✓	No ✓
<i>a. Does the community show a strong sense of pride?</i>		
<i>b. Are there local volunteer organizations that provide services to the community?</i>		
<i>c. Is the number of volunteer organizations growing?</i>		
<i>d. Are there inter-municipal agreements in place for certain services? (e.g. fire protection, waste management etc.)</i>		
<i>e. Are the bylaws adopted by council supported by the community?</i>		
<i>Local Democracy</i>		
<i>a. Is the council elected (that is, not acclaimed)?</i>		
<i>b. Is voter turnout at municipal elections acceptable?</i>		
<i>c. Are council vacancies infrequent and filled easily?</i>		



Health Indicator 3: *Can the municipality meet its responsibilities for administration and services, and satisfy legislation?*

Managing a municipal government, even a small one, is very demanding. Along with the greater autonomy provided to local governments comes greater responsibilities and accountability for the actions of council and its administration. The operation of a local government is becoming increasingly complex given the needs and expectations of citizens and industry. Negative answers to questions in these areas may mean that the current and future health of the municipality is at risk.

<i>Administrative and Governance Capacity</i>	Yes ✓	No ✓
<i>a. Does the municipality employ a knowledgeable, certified administrative and operational staff? (e.g. certified administrator required if population is 100 or over)</i>		
<i>b. Does the council have an emergency measures committee, designated coordinator, and emergency plan as required?</i>		
<i>c. Does the municipality have a building bylaw as required?</i>		
<i>d. Does the municipality have an up to date land-use zoning bylaw?</i>		
<i>e. Does the municipality have an up to date Official Community Plan?</i>		
<i>f. Does municipal staff attend relevant workshops and other training opportunities?</i>		
<i>g. Does the council regularly update their knowledge of municipal government through participation at the SUMA or SARM conferences and other opportunities, such as the Municipal Leadership Development Program workshops?</i>		
<i>h. Does the municipality regularly meet deadlines for financial, assessment, taxation and administrative cycles?</i>		
<i>i. Does council have clear protocols in place for establishing council meeting procedures?</i>		
<i>j. Does council have a policy manual addressing various municipal issues?</i>		
<i>k. Does staff have adequate space, equipment and technology to do their work?</i>		
<i>Financial Management</i>		

<i>a. Does council adopt and follow an annual budget?</i>		
<i>b. Does the administration report regularly to council on the municipality's finances and budget performance?</i>		
<i>c. Does the municipality have a five year projected capital and operating plan?</i>		

Health Indicator 4: Is the municipality able to provide needed services to residents at a cost they can afford?

Municipal governments provide services to residents and properties. The infrastructure (roads, sidewalks & curbs, water & sewer lines etc.) is an essential asset entrusted to the council and staff. Keeping all infrastructure systems in good working order is an essential responsibility of the municipal government.

Unfortunately, because of short-term pressures, the challenge of keeping infrastructure systems in good condition may be set aside to keep taxes or charges at a lower rate. If services cannot be maintained and reasonably financed, the health of the municipal government may be at risk.

<i>Paying for Services</i>	Yes ✓	No ✓
<i>a. Are the municipality's major public facilities being regularly maintained?</i>		
<i>b. Are financial reserves being set aside for infrastructure replacement?</i>		
<i>c. Can the municipality afford to undertake major capital works when needed?</i>		
<i>d. Are tax collections and utility payments generally kept up to date?</i>		
<i>e. Are taxes comparable or lower than in other municipalities in the area?</i>		
<i>f. Do utility rates cover the costs of providing the service and upgrading and replacing the infrastructure in the future?</i>		

Health Indicator 5: Can the municipality provide services from the available financial resources?

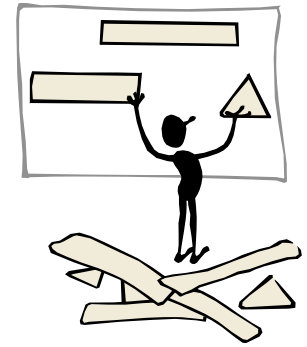
Annual taxation and charges for services may not always be adequate to fund capital works needed by a municipality. How the municipality is managing its finances will affect its ability to respond to emergencies or to undertake infrastructure repair, replacement, and upgrading.

Debt is part of municipal finance. Short-term lines of credit are used to cover month-to-month cash flow needs. Long-term debt may be incurred to pay for major capital works. However, debt does come at the cost of interest charges and the need to make regular loan or debenture payments. If these payments become a dominant part of the municipal budget they limit council’s ability to respond to unplanned expenditures and endanger the health of the municipality. Ideally, the municipality should budget for capital replacement in order to help limit debt.

A healthy municipality will have at least one year of tax revenue in reserves.

<i>Debt and Reserves</i>	Yes ✓	No ✓
<i>a. Is your municipality operating within its regulated debt limits?</i>		
<i>b. Has the trend over recent years been to increase the reserve funds?</i>		
<i>c. Have surplus money investments been increasing?</i>		
<i>d. Does your municipality seldom use, or only use for a short period, lines of credit to pay for day to day operations?</i>		
<i>e. Are the major industries which provide tax base and employment growing?</i>		
<i>Taxation and Revenues</i>		
<i>a. Have the amounts of tax arrears been <u>decreasing</u>?</i>		
<i>b. Has the municipality used tax tools to manage any tax shifts?(ie. base tax, minimum tax, mill rate factors)</i>		
<i>c. Can a decrease in other general revenues be offset without a tax increase?</i>		

We have answered the questions...



Now what do we do?

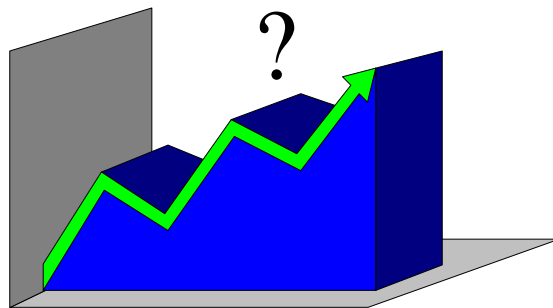
As noted, there are no absolute measures of a municipality's health. Consistent positive responses probably indicate that the municipality has the political, financial and community resources to continue to operate effectively.

Preparing a written municipal strategic plan could be used, if it is not already, to clarify how the community wants its municipal government to operate in the future.

Consistent negative responses to these questions would suggest that the local government may no longer be effectively meeting the political and servicing needs of its residents. Partnership opportunities may need to be explored along with a look at the present structure.

Most people will find that some of their answers are positive and some negative. The question becomes how do you address your weaknesses and build on strengths?

The table on the following page provides comments on how to reflect on the information obtained from the above questions.



Criteria	Analysis	Opportunities
Indicator 1: Growth	If answers are <u>yes</u> then weaknesses in other areas may be addressable. If answers are <u>no</u> , the community is vulnerable, particularly in the longer term.	Negative growth may be addressed by economic development and strategic planning in some cases. Community partnerships, to tie in with a larger and/or growing community, may be a beneficial option.
Indicator 2: Democratic Governance	If answers are <u>yes</u> , this is a positive sign for the future of the community. A municipal government needs a sense of community. If the answers are <u>no</u> , the sense of community is weak and the need for an independent government may be questionable.	Municipal leadership to revitalize interest in the community may be attempted. If public support for the local government is not strong, then consideration of alternative municipal structures may be of interest to the community.
Indicator 3: Responsible Municipal Management	<u>Yes</u> answers indicate the municipality should be able to fulfill its minimum responsibilities. Any <u>no</u> answers indicate a need to focus more municipal, financial and staff resources on operations.	Strategic plans might direct more resources toward operations. If possible, realign staff and resources within the local government to obtain better services. Community partnerships may offer alternatives for efficient service delivery.
Indicator 4: Ability to Provide Services at an Acceptable Cost	<u>Yes</u> answers indicate the municipality is planning to fulfill its service responsibilities. Any <u>no</u> answers indicate a need to devote more resources to sustaining municipal services or there will be future financial and servicing problems.	Strategic plans should focus more resources on services. Look at community partnerships to strengthen and sustain services or contract services (at full cost recovery prices).
Indicator 5: Adequate Financial Resources	<u>Yes</u> answers indicate a basic level of financial management and sustainability. Any <u>no</u> answers are indicators of potential problems or risks. What people are willing to pay for local government and services will vary from community to community.	A few <u>no</u> answers may be addressed through municipal strategic plans. If several <u>no</u> answers are evident, the municipality likely has or will face serious problems with ongoing sustainability. Look at exploring community partnership opportunities.

More information?

The Ministry of Municipal Affairs developed this questionnaire for locally elected officials' and citizens' self-assessment and understanding of the potential health of their municipal government.

Visit the ministry's website at <http://www.municipal.gov.sk.ca> for more operational resource materials.

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Note:

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