

TOWN OF SHELBURNE OPERATIONAL REVIEW

Final Report: 05 July 2010

Draft presented to Project Advisory Committee: 20 May 2010

Submitted by:

RAMP Up Consulting & SDale Contract and Consulting Services

Introduction

The purpose of this Operational Review is to establish existing conditions and identify the risks to the Town of Shelburne's vision¹ and long-term sustainability. The Operational Review provides a starting point and context for examining governance options. The information in this report may also be used to develop and test potential solutions and monitor progress.

Approach

Five areas of municipal operations were examined to confirm current conditions, forecast future needs and identify potential risks to the Town's vision and long-term sustainability:

- i. Governance,
- ii. Financial Capacity,
- iii. Service Delivery ,
- iv. Human Resource Management,
- v. Municipal Facilities.

The following data and information sources were used to conduct the Operational Review:

- Best practice research,
- Information provided by the Staff and Council, both through interviews and formal SWOT exercises,
- Existing reports,
- UARB water rate submissions and decisions,
- Annual Municipal Statistics Reports and Municipal Indicators, produced by Service Nova Scotia and Municipal Relations,
- Financial statements and budget documents,
- Related municipal legislation,
- Town policies,
- Collective Agreement,
- Site visits
- Review of websites and telephone discussion with the benchmark municipalities.

Summary of findings

Overall, the most significant risks to the Town of Shelburne's vision and long term sustainability are that:

- The steadily decreasing population (16.5% decrease between 1991 and 2006) will continue to decline and assessment values will follow over time;

¹ The vision as defined in Shelburne's Integrated Community Sustainability Plan (ICSP) is: " *Shelburne is a full-service community where a diverse population can live, learn and play while enjoying a peaceful and well-balanced quality of life. We welcome friends and guests to enjoy Shelburne's natural and historic beauty*".

- The relatively high commercial tax rate in the Town of Shelburne² (more than twice the commercial rate in the neighbouring municipality) will discourage new businesses from locating in the Town and existing businesses to consider relocating outside the Town.

The situation is further aggravated by the fact that the Town has no resources dedicated to either economic development or planning, both of which are central to addressing these risks.

Other findings include:

- i. *Governance* – Most town roles and responsibilities are clear from a day to day operational perspective but given that committees are operating without terms of reference, role clarity around accountability and decision making needs to be improved. Also, there is an opportunity to make improvements and move Town Council into a much needed strategic and policy role.
- ii. *Financial Capacity* - The Town is in sound financial condition. It has the ability to influence or control most of its financial drivers (assessment, population, attractiveness of community, debt, services), but must reverse the population trend to maintain and grow the commercial and residential assessment base over time.
- iii. *Service Delivery* - Municipal service levels are similar to those in benchmark communities except in planning and economic development and finance and administration. Current levels of service are not sustainable in the long term due to a decreasing population and increasing costs.
- iv. *Human Resource Management* – Decreasing population, demographic trends, critical skill requirements and external competition will make it challenging for the Town to attract, retain and motivate employees in the long-term.
- v. *Municipal Facilities* – Improvements are needed to some municipal facilities to support efficient and effective service delivery.

GOVERNANCE

Shelburne governance was assessed from a best practice perspective. The following categories were used to determine as is conditions and potential gaps, risks and opportunities:

² Compared to the benchmark towns used in the Operational Review, the commercial tax rate of the Town of Shelburne is in the mid-range. The commercial tax rate in the towns of Lockeport and Clark's Harbour are significantly higher than the Town of Shelburne (Shelburne: \$3.81 versus \$5.28 and \$5.14 for Lockeport and Clark's Harbour in 2009/10). It is interesting to note that the former town of Liverpool's commercial tax rate (including an area rate of \$1.00) was \$3.96 for the same time period.