



**Ministry of Government Relations  
Policy and Program Services Branch**

# **Concept Paper**

## **The Municipal Growth Readiness Checklist**

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## Executive Summary

Sustaining economic growth has become a point of focus for Saskatchewan. However, this growth poses a unique set of challenges for local governments. Some municipal leaders are challenged to respond to the possibility of growth in their municipality. Some lack awareness of the potential risks associated with rapid or unplanned growth. Even those that have considered the possibility of growth may not have the capacity and tools required to effectively manage growth related risks.

The provincial government's Saskatchewan Plan for Growth states "the purpose of growth is to build a better quality of life for all Saskatchewan residents". As part of the Ministry of Government Relations' contribution to the Saskatchewan Plan for Growth, the ministry is creating the Municipal Growth Readiness Checklist (MGRC) for use by Saskatchewan municipalities.

The MGRC project is a made in Saskatchewan approach that continues the ministry's efforts in recent years to help municipalities self-assess their strengths, weaknesses, threats and opportunities. Shifting focus to growth readiness will enable prioritization of the most pressing risks to medium and long-term growth. It is hoped that this project will allow municipalities' administrative and political officials to come to their own conclusions about the growth readiness of their municipality and what actions, if any, are needed to improve it. A successful MGRC will result in raised awareness among local governments of the challenges, risks and requirements associated with economic growth, population growth and physical development.

The MGRC project differentiates itself from the work of the provincial government's Rapid Growth Communities team by focusing on important growth-related issues critical to local governments and under municipal control. Municipalities should not be measured by areas beyond their control when self-assessing their growth readiness. As such, provincial responsibilities, such as education and health care, will not be included in the MGRC.

The MGRC must be useful to municipalities of varying size; each experiencing varying levels of growth. The project must also be cognizant of the time and resource constraints of local governments. To this end, the MGRC proposes an approach to help municipalities prepare for growth with a checklist to begin the readiness for growth conversation.

The checklist should be a simple self assessment the municipality can carry out in a relatively short period of time utilizing information readily available to them. It will include eight categories of growth readiness, but will only touch on the fundamentals using key indicators for each growth category. It will ask municipal officials to give thought to the municipality's readiness for growth and offer a quick and simple means of identifying possible areas where the municipality may not be in a position to accommodate growth – or where further information and analyses are required. The MGRC does not attempt to help municipalities pursue or bolster economic development. Although interrelated, other tools are available for investment attraction if desired. The checklist is designed as a discussion starter; a means of getting municipal officials to think about the impacts municipal and regional growth can have on their municipality and whether or not they are able to adequately respond.

Building off related research carried out by private sector companies and business management specialists, the ministry proposes three primary traits that characterize “growth ready” municipalities. These include: a supportive council and administration; municipal resource alignment; and, strategic planning and development. The identified categories of growth readiness are contained within these three primary traits, and align with the categories from previous work related to municipal sustainability. The eight categories of municipal growth readiness are:

- Land Use Planning and Governance;
- Administrative Capacity;
- Fiscal Health;
- Service Delivery;
- Public Safety;
- Infrastructure;
- Demographics and Economic Trends; and
- Regional Partnerships.

Improving municipal growth readiness requires concerted effort by municipal leaders. However, the province can play a significant role in assisting our municipal partners. Providing municipalities with a growth-related tool will generate dialogue regarding growth related challenges. By helping local governments self assess their growth readiness, the ministry aims to help municipal leaders make informed decisions about how to maximize growth opportunities and realize our full potential as a province moving forward to 2020.

## 1. Introduction

Sustaining economic growth has become a point of focus for Saskatchewan. However, this growth poses a unique set of challenges, particularly for municipalities that exercise control over many aspects of growth. In addition to appropriate public policy and private investment to support economic expansion, community growth requires proper planning, the availability of land and housing, infrastructure to support the growth, adequate essential services, a solid financial foundation and capacity for delivery. Some municipal leaders are challenged to respond to the possibility of growth in their municipality. Some lack awareness of the potential risks associated with rapid or unplanned growth. Even those that have considered the possibility of growth may not have the capacity and tools required to effectively manage growth related risks.

The Saskatchewan Plan for Growth states “the purpose of growth is to build a better quality of life for all Saskatchewan residents”. This is to be accomplished through a number of initiatives including government’s commitment to help build growing and safe communities and to identify and reduce barriers to growth. As part of the Ministry of Government Relation’s (GR) contribution to the Saskatchewan Plan for Growth, the ministry is undertaking an initiative related to Municipal Growth Readiness for Saskatchewan municipalities. Further, the project supports the ministry’s 2014-15 key action to “develop a growth readiness guide and tool for communities to use when identifying and prioritizing actions on growth pressures.”

Saskatchewan municipalities continue to experience ongoing and often, significant changes. The need to assess growth readiness is a relatively recent concern for many municipalities, particularly in rural and small urban communities, where economic and population decline was relatively common. However, over the past five years, many rural, small and medium size communities have been experiencing unprecedented growth. By assessing their readiness for growth, municipalities can evaluate whether they are optimally positioned to support growth opportunities. If local governments discover there are areas where they are not well positioned to deal with the challenges of growth, or to facilitate growth, the assessment will aim to identify what steps can be taken to shore up any gaps that might jeopardize current or future growth opportunities.

This discussion paper outlines the MGRC concept and proposed approach for developing the checklist. In particular, the paper will discuss the MGRC scope, purpose, alignment with other “Plan for Growth” objectives, and proposed indicators by which to measure a municipality’s readiness for growth. The MGRC will focus only on areas of municipal responsibility which local governments can exercise control over. A balance will be sought to cover discretionary aspects related to growth known to be important when dealing with growth, but some municipalities are not involved in for a variety of reasons. Additionally, the assessment criteria will be structured so municipalities will not receive a lower growth readiness score for choosing not to undertake some of the discretionary roles (i.e. economic development, housing, etc.), which is often a function of capacity constraints, a lack of need, or other factors beyond local governments’ power.

## 2. Purpose

Many Saskatchewan municipalities do not currently have the tools to self-assess their growth readiness. At the same time, many have experienced unprecedented growth. The main purpose of the MGRC is to help local officials assess their preparedness to handle growth and to recognize what else should be done to ensure they maximize growth opportunities.

The idea of a municipal growth readiness checklist appears not to have been implemented in other jurisdictions across Canada or abroad. This is a “made in Saskatchewan” project. The provincial government has many resources, but local officials possess the best knowledge and understanding of the conditions within their municipalities. In other words, local officials are best placed to identify challenges, assess their municipality’s growth readiness and formulate solutions, provided some growth-related information and tools are made available to them. This is a project for municipalities with the results intended for use by municipalities. It is anticipated some municipalities will perceive a benefit from the ability to compare their results with others.

The MGRC is a continuation of the ministry’s efforts in recent years to help municipalities self-assess their strengths, weaknesses, threats and opportunities. Shifting focus from sustainability to growth readiness for some municipalities will enable prioritization of the most pressing risks to medium and long-term growth. It is hoped with local knowledge, this project will allow municipalities’ administrative and political officials to come to their own conclusions about the growth readiness of their municipality and what actions, if any, are needed to improve it.

The MGRC is intentionally designed as a follow up to the Municipal Government Sustainability Self-assessment Tool (MGSSAT) by using related categories and indicators but shifting the focus from sustainability to growth. Where the MGSSAT evaluated areas of municipal government responsibility from a current perspective, the MGRC seeks to evaluate the future state of similar or related core responsibilities and services under a municipality’s control. In other words, it will shift the narrative from whether a municipality is able to meet its current obligations, to whether the municipality understands, is prepared for and is equipped to meet its future responsibilities during medium and long-term periods of growth. The checklist is intended to create a dialogue around the challenges of growth—challenges that not all municipal leaders may be aware of.

## 3. Project Scope

Defining “growth readiness” in the context of Saskatchewan municipal responsibility will be a challenge. “Growth” as a concept can be applied to various aspects of a municipality, resulting in considerable flexibility in the scope of what is meant by it. One challenge of establishing the scope and breadth of “Growth” in the MGRC will be defining the core, common areas municipalities can control to better prepare for and facilitate growth versus those that are beyond their direct control. A working definition will be further detailed in the following section of this paper and in general, will focus on municipalities’ core responsibilities.

External factors play a significant role in whether a municipality grows. For instance, the Municipal Council and residents of the municipality may not be actively seeking growth, but due to externalities, they may be drawn into surrounding growth and development. Examples, such as natural resource discoveries or mine expansions, may spur population growth and development for multiple municipalities. Regardless of whether it is planned or not, the MGRC will help municipalities recognize and address the challenges associated with growth.

Growth impacts a municipality in a multitude of ways. Examples include new demands for land development, housing, building permits, and water and recreational services, among others. As a consequence, demands for health care facilities, schools, professional services and public safety services may also increase. Although municipalities have a vested interest in each of these areas, they only have legal jurisdiction and control over some of them. Others fall under provincial and/or federal jurisdiction and authority, or that of school divisions and health regions. Further, few municipal responsibilities are mandatory within legislation. Rather, legislation enables municipal governments to exercise control to varying degrees over many diverse types of services and functions, which often fluctuate from municipality to municipality depending on demand, feasibility, and available human and financial resources, among other factors.

The MGRC will attempt to focus on key common areas important for each municipality to consider in terms of growth and strike a balance among those aspects critical for all municipalities. Municipalities should not be measured in terms of areas beyond their control when self-assessing their growth readiness. As such, provincial responsibilities, such as education and health care, will not be included in the self-assessment processes for the MGRC. Focusing only on areas of municipal responsibility may draw criticism from some about not capturing the full spectrum of a community's growth readiness; however, local governments cannot be held accountable for services in areas beyond their control. Instead, those areas will be recognized as "other considerations", with some discussion on how municipalities might find information or help better address these issues as a "next step" in their preparation for growth (e.g. government's rapid growth team, other ministries, agencies or Crowns, etc.).

Research and cross jurisdictional analyses were conducted to develop the proposed indicators of growth readiness as outlined in section eight. Much of the research on growth has ties to the concepts and assessments related to sustainability. This, combined with the ministry's recent development of the MGSSAT, has prompted the use of comparable sustainability categories as growth indicators. Similar to the MGSSAT, the MGRC is focused on what local governments can do to better plan and prepare themselves for growth. These similarities lead to a deliberately close alignment with the underlying categories and concepts used in the ministry's previous work on sustainability. This new "growth readiness" initiative is intended as the next step once a municipality has considered its sustainability. In particular, the MGRC will emphasize the importance of municipal planning as an essential tool to help a municipality better prepare for growth and improve the overall quality of life. As a result, the proposed indicators of the MGRC will focus on land use planning and governance, administrative capacity, fiscal health, service delivery, public safety, infrastructure, demographic and economic trends, and regional partnerships.

## 4. The MGRC Definition of Growth

Generally, growth is considered to be a process or manner of growing or development, which typically occurs gradually, unless the pace is otherwise specified (i.e. rapid, long-term, etc.)<sup>1</sup>. In the Saskatchewan Plan for Growth, growth is a means of “securing a better quality of life for all Saskatchewan people”. Although the Plan makes it clear that growth is desired, it does not specify what, where or how growth should occur. However, the Plan recognizes that “governments play an important role in shaping the overall fiscal and economic framework for growth through decisions about taxes, regulations and investments in physical capital, such as infrastructure, or human capital in the development of a skilled and educated workforce, all impact on the success of an economy”. Further, the Plan clearly states “the primary driver of economic growth is the private sector”. In this respect, the government’s responsibility is “to foster an environment of opportunity in the province so that businesses and individuals can create growth”. With respect to municipalities, the province believes local governments are in the best position to “move aggressively and proactively to remove barriers to growth” at the local level.

For the purposes of the MGRC, growth is defined as the gradual, deliberate development of a community, with the municipal government contribution to this being defined according to the factors outlined in the eight categories of municipal growth within municipalities’ control; the purpose being to contribute to or positively influence quality of life. As such, the MGRC will measure how ready a municipality is to facilitate growth and meet the challenges associated with an increased number of residents and businesses and the growing flow/exchange of goods and services within the municipality.

## 5. Other Growth Readiness Projects and Studies

The concept of municipal sustainability has received heightened attention in recent years and is more broadly understood as a result of ministry efforts, such as the MGSSAT. Sustainability is a central thrust of many Provincial/Territorial (PT) governments across Canada; other jurisdictions have similar initiatives and assessments focused on municipal sustainability. Some of these include more growth related content than others. Although not all refer to growth *per se*, many sustainability tools offer some forecasting to assess future growth capabilities and issues.

Growth and the associated problems that arise from it are increasingly becoming more common in Saskatchewan municipalities, particularly in those facing imminent growth as a result of an incoming business or a resource development opportunity. In the few provinces that have recently faced similar challenges (e.g. Alberta), the ministry was unable to identify any that had addressed the concerns associated with growth using a similar checklist as proposed here. As such, the growth readiness checklist will be developed to meet the unique needs of Saskatchewan’s growing municipalities.

Economic and population growth in rural and small to medium size municipalities has been a relatively unique and recent experience in Saskatchewan. At the national level, growth challenges are predominantly a concern for larger municipal centres and cities that often have a greater capacity to

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<sup>1</sup> <http://dictionary.reference.com/browse/growth>

meet the challenges associated with growth. Rural and small to medium size municipalities have traditionally been less likely to face these growth challenges or at least, have received much less attention in terms of designing tools and techniques to help them better plan and prepare for growth. However, the growth strategies and frameworks developed for large municipal centres provide insight into the common issues associated with growth and are instructive for developing municipal growth readiness indicators. Where appropriate, findings from these projects and studies have been instructive in the development of the MGRC.

### **Growth Projects in other Jurisdictions**

The City of Edmonton developed a growth coordination strategy to “identify and manage future public obligations and accommodate the expected growth of new residential communities”. It focused on monitoring, reporting, coordinating and communicating in order to provide city officials with information on how and where the city is growing and to identify requirements and costs associated with this growth. This strategy aimed to help anticipate market demand for growth and meet growth demands. The indicators contained in the monitoring component of the strategy provide useful insight into some growth readiness indicators, and, economic and demographic trends, while other parts of the strategy highlight some of the often overlooked indicators regarding public safety, such as disaster mitigation planning.

Projecting to grow by 1.3 million over the next 50-60 years, the City of Calgary’s “Corporate Framework for Growth and Change” was recently developed to “guide the future sequencing of growth in Calgary to ensure investments in infrastructure and services are within the financial capacity of the city”. Calgary’s framework focuses on monitoring and analysis, land supply, service delivery, financing and funding, sequencing and prioritizing, and budgeting to meet the market driven growth demands. Utilizing some of the materials prepared by the City of Calgary, particularly the indicators identified in their comparative evaluations of potential development areas, has been useful for the MGRC.

Significant growth in mineral exploration and mining development is expected in Northwestern Ontario. This region, referred to as the “Ring of Fire”, includes Thunder Bay and the surrounding municipalities and First Nation communities. The City of Thunder Bay, the Thunder Bay Community Economic Development Commission and the Fort William First Nation commissioned a mining readiness strategy “to help Northwestern Ontario stakeholders focus and capitalize on the many opportunities that mining development will bring to the Region”. They expect growth to result in substantial economic and social development for the region and place additional pressures on infrastructure and government services. In this strategy, the partners looked at the supply chain, energy, transportation, infrastructure, health, labour, education and training, and partnering and financing. Although, only a few of these indicators fall within municipalities’ jurisdiction, the study highlights the broader growth related challenges municipalities and the mining industry face. Particularly, it focuses on the importance of infrastructure for both municipal leaders and the mining industry.

### **Non-profit and Private Sector Growth Projects**

The MGRC is not designed to assist communities to attract investment. The factors that influence investment typically precede growth. Local challenges arise out of the necessity to address the growth

resulting from investment. That is, the challenges associated with growth and attracting investment can overlap with some of the factors of municipal growth readiness. The Saskatchewan Economic Development Agency (SEDA) released “Investment Readiness: A Community Handbook” in 2008 to assist communities in attracting investment. The handbook contains a community self-assessment tool developed by the Ontario Ministry of Municipal Affairs and Housing. The tool is in a simple yes/no format and asks questions about municipal contacts, land use planning, liaising with existing businesses, information sources, land inventory, marketing, joint ventures, as well as various communications questions.

Some growth related tools have been developed by non-profit organizations and the private sector, which evaluate if a municipality, or municipalities, within a region are able to accommodate their business needs. Prior to making an investment, some businesses carry out an assessment of the municipality’s readiness to accommodate the needs of the business and their employees. For example, BHP Billiton released the “Jansen Project: Community Readiness Study” after assessing the Humboldt-Jansen region’s “capacity and readiness of communities near the proposed Jansen Project (the Project) to adapt to the expected increase in the regional population”. The study looked at municipal infrastructure, services, and housing capacity in addition to municipal plans and needs for the further development of infrastructure, services, and housing. Further, the BHP study included lessons learned from the rapid growth in Fort McMurray due to the development of the oil sands. The study highlighted the importance of infrastructure, municipal planning and housing, where applicable, when assessing municipal readiness for growth.

### **Investment Readiness Studies**

There is an important distinction to be made between enhancing “investment readiness” versus “municipal growth readiness” in the MGRC. Assessing or enhancing economic growth and competitiveness in the province is carried out by other agencies, such as the Ministry of the Economy (ECON), Innovation Saskatchewan, Chambers of Commerce, etc. Their work might be best described as enhancing “investment readiness” or “competitiveness” and addressing factors that attract business to a province or municipality. Although some factors are important to all types of growth, investment readiness includes factors, such as housing affordability, availability of skilled labour, and access to educational and health care facilities, that can play a significant role in attracting new business. Investment readiness assessments are also often performed by senior levels of government and private sector companies or industries rather than municipal administrators since many cannot control primary needs (i.e. provincial infrastructure, utilities, labour, etc.). Businesses or industries seeking potential new opportunities will often conduct investment readiness assessments, commonly called “community assessments” prior to site selection or making further investments. These assessments are set from the perspective of the private company to determine whether private sector investment is prudent. These focus on the suitability of private sector growth and tend to emphasize aspects beyond the control of local governments alone. Where enhancing investment readiness helps facilitate overall growth, it does not adequately address the related challenges faced by local governments. Still, a review of these private assessment tools provides some helpful information; however, the MGRC requires a tailored solution to meet the needs and challenges unique to Saskatchewan municipalities.

## The Saskatchewan Plan for Growth: The MGRC vs. “rapid growth”

The Saskatchewan Plan for Growth is the Government of Saskatchewan’s roadmap for economic success. It sets out goals, along with solutions, to the challenges that come with growth. More specifically, it includes commitments to help municipalities “...move aggressively and proactively to remove barriers to growth... and ...look for new and creative ways to meet challenges and invest in future growth...” In support of the growth plan, part of GR’s mandate is to “work with a diverse range of partners and stakeholders to effectively plan for and respond to the opportunities and challenges presented by growth”.

A distinction needs to be made between the MGRC and the inter-ministry provincial government Rapid Growth Communities (RGC) team, of which GR is also a participant. Established as a complementary part of the Saskatchewan Plan for Growth, the RGC team, consisting of a number of provincial government ministries and agencies, will work to enhance the visibility and accessibility of existing provincial government programs and services to municipalities experiencing rapid growth. The RGC team is intended to complement and enhance the already ongoing efforts of local and provincial agencies, and industry where applicable, to meet the challenges of growth, and does not interfere with decisions and actions that are under local jurisdiction.

The RGC team assists municipalities by assessing the capacity of a rapid growth area’s local and provincial priority public infrastructure and services. The scope of the RGC team assessments draws from multiple provincial ministries and agencies. Work may involve information sharing, path-finding and technical assistance. Although the assessments include areas of municipal jurisdiction like infrastructure, they also look at areas of provincial responsibility like human services (education, social services, health services etc.), inter-provincial transportation infrastructure and regional housing prospects. This is explained by the fact that the challenges faced by a community coping with rapid growth are more immediate and require a comprehensive “whole of community” approach. In these rapid growth areas, the pace of growth has been sufficiently dramatic that provincial concerns regarding capacity of schools, health care facilities, and housing require immediate intervention, assisted by multi-ministry partners (each looking at their own area of responsibility), to ensure potential opportunities are not jeopardized.

Due to the recent rapid increase in economic activity from the BHP-Billiton Jansen Potash mine, the Humboldt-Jansen region was a pilot project for the RGC team. During this project, the team defined the region, assessed the ability of infrastructure and service capacity to support the expected growth (including areas of provincial responsibility e.g. school enrollment capacity, health care capacity, etc.) and strengthened relationships with provincial technical experts.

In contrast, the MGRC focuses on municipal government capacity. It can complement the work of the RGC team while respecting the planning taking place at the municipal level. One of the factors the RGC team uses to determine whether it will provide assistance is whether “the growth impact to the community and region is on a scale and pace that, if not effectively accommodated with advanced support, could slow achievement of objectives in the Saskatchewan Plan for growth”.

While some of the assessment criteria used by the RGC team are similar to those proposed in the MGRC, there are key differences. First, the intent of the MGRC is to enable municipalities to self-assess their own readiness without government's assistance or knowledge. Additionally, it will allow the municipality to take an expanded, self-directed approach to its planning and to incorporate input from its citizens, businesses and surrounding neighbors. It will assist the municipality with gathering critical information in order to better assess their own strengths and weaknesses to better prepare for or target future growth opportunities.

## **Growth and Sustainability**

Sustainable land use planning, infrastructure and service delivery all require an understanding of whether the municipality is growing. An understanding of whether the municipality is currently sustainable differs from whether the municipality can handle imminent or potential growth.

In the MGSSAT, a working definition of sustainability was borrowed from Newfoundland and Labrador where it defined a sustainable municipality as one that is "able to:

- Govern and democratically represent the interests of its community with community support and involvement;
- Satisfy the responsibilities for municipal administration, services and infrastructure in accord with the relevant legislation;
- Provide necessary services and infrastructure at a cost residents are willing and able to pay;
- Fund services from local resources or partnerships; and
- Actively contribute to the demographic, social, cultural, environmental and economic well-being of its residents."

The Newfoundland and Labrador approach incorporated some aspects of planning for growth in its "sustainability" initiative. These were intentionally avoided in Saskatchewan's MGSSAT to maintain a strict focus on the current state of municipal affairs. The MGRC is intended as the next step after assessing municipal sustainability. As such, it is intentionally designed to maintain some consistency in terms of the categories under which a municipality's readiness for growth will be measured. Additional research was undertaken and where appropriate, some growth categories have been altered to ensure a sharper focus on growth related matters. Based on the research conducted in developing the MGSSAT and the growth projects in other jurisdictions, eight categories of growth readiness are proposed. Where the MGSSAT and MGRC will differ substantially will be in the questions (growth readiness indicators) asked and answered in the self-assessment.

## 6. What does a “growth ready” municipality look like?

Although we have not identified another government jurisdiction, in Canada or elsewhere, that has developed a project similar to Saskatchewan’s MGRC; some related exercises have been undertaken by private sector companies and business management specialists. The ministry has reviewed some of these assessments and modified those findings into a version for municipalities. The following is a proposed model of “ready for growth municipalities” tailored to Saskatchewan.



As with companies, each municipality is different; however, there is a common set of characteristics among municipalities, particularly those that are most effective, efficient – and sustainable. As such, three primary traits are proposed, each with a number of foundational characteristics. These will be further subdivided into related categories of growth and related indicators based on the deliberate alignment with the MGSSAT categories as previously discussed<sup>2</sup>. As sustainability is a requirement for growth, the characteristics of “ready for growth municipalities” are similar to those used in the MGSSAT. Where these new characteristics differ is in their deliberate focus on growth.

<sup>2</sup> It should be noted each of the eight growth indicator categories (i.e. Land Use Planning and Governance, Infrastructure, etc.) fall within all of the three primary traits that characterize a “ready for growth” municipality.

## Strategic Planning and Development

“Ready for growth municipalities” ...

- have specific and actionable strategic priorities that are widely understood at all levels of the municipality.
- make clear choices to address essential municipal services and responsibilities in support of local growth priorities.
- are able to keep their growth strategies relevant by sensing and rapidly adapting to changing needs of the municipality and residents.

## Supportive Council and Administration

“Ready for growth municipalities” ...

- employ a disciplined process that ensures adequate funding for high-growth, core activities.
- have clear and objective investment or resource allocation criteria that prevent internal rivalries or interference with allocations to top municipal growth priorities.
- manage spending prudently, making rigorous trade-offs based on cost, need and an understanding of how they align with priority growth objectives.

## Municipal Resource Alignment

“Ready for growth municipalities” ...

- are organizationally efficient, adaptable and knowledgeable regarding how to address growth needs.
- align their organizational structure and make decisions – or assign decision-making authority - in ways that best serve strategic growth priorities and municipal needs.
- create effective mechanisms for shared governance and collaboration within and between municipalities as appropriate.
- have a coherent culture that sets norms and expectations that reflect the requirements for successful growth and development in the municipality.
- have a culture of excellence and continuous improvements that is reinforced through the administration and Council.

## 7. Methodology

A successful MGRC will result in raised awareness among local governments of the challenges, risks and requirements associated with economic growth, population growth and physical development. To be successful, the MGRC needs to be easy-to-use and relevant for all municipalities. The project results must be useful to municipalities of varying size and experiencing varying levels of growth. The project must also be cognizant of the time and resource constraints of municipalities.

Many communities may lack the financial and human resources – and time – to consider or plan for growth. Even modest economic changes and physical development can create dramatic population change and vice versa. These changes, whether planned for or unexpected, have a similar impact on finite municipal resources, and require a municipality to meet increased service delivery expectations. The lack of awareness about growth related challenges and lack of time to research and evaluate these challenges exacerbate an already difficult situation. The Municipal Growth Readiness Checklist was developed based on research and review of best practices and similar self-assessment tools used to prepare or plan for growth. This includes examples from both the private and public sectors from Canada and abroad. Some of the proposed questions were modified from reviews of similar assessment tools and techniques used to assess related concepts, such as sustainability, economic growth predictors and investment suitability assessments.

It should be noted the checklist is designed in recognition of planning as an important management tool that facilitates growth and promotes a strong, healthy municipality. Proper planning supports orderly and rational development. Further, it helps the municipality invest its money wisely in infrastructure such as roads, water and sewer, parks and green space, and other facilities needed to sustain a high quality of life. As such, the checklist is heavily weighted towards questions that pertain to local planning. The checklist is also intentionally designed to contain a broad range of questions to provide examples of the types of questions related to growth available. It is fully intended the final checklist will contain much fewer questions than currently listed; municipalities cannot be expected to use an overly time-consuming, complete checklist. The purpose of the checklist is to generate thoughtful discussion and self-reflection within a municipality and the review process is expected to help refine the checklist to the select the core questions required.

The checklist will be a simple self assessment the municipality can carry out in a relatively short period of time utilizing information readily available to them. It will include eight categories of growth readiness outlined in section eight, but will only touch on the fundamentals using key indicators for each growth category. By focusing on the most pressing growth challenges municipalities face, the checklist will provide a basic scan of “growth readiness” and help raise awareness among the administration and council. It will ask municipal officials to give thought to growth readiness as a concept and offer a quick and simple means of identifying areas where the municipality may not be in a position to accommodate growth – or where further information and analyses are required. For some municipalities, growth may be a consequence of events happening around them, which are largely beyond their control. The checklist must be designed to assist them in better preparing for and accommodating this growth; regardless of whether they actively sought it. The checklist is designed as a discussion starter; a means of getting municipal officials to think about the impacts that municipal and regional growth can have on their municipality and whether or not they are able to adequately respond.

## 8. Municipal Growth Readiness Categories

The categories of municipal growth readiness follow:

**Land Use Planning and Governance** – Community planning is a valuable tool for growth and investment. By clarifying where, when, and what type of development can occur, planning provides developers with greater market certainty. For municipalities, planning can ensure that growth is beneficial to the community. This indicator evaluates the extent to which council develops and uses land use planning policies, practices and tools to accommodate growth and development in a municipality. It also measures the amount of land that is available for development to provide an overview of growth and development potential in the municipality. *The Planning and Development Act, 2007* enables Saskatchewan municipalities to address local land use and development issues through the preparation of an official community plan (OCP) or district plan (DP) and zoning bylaw. Together, these provide residents and investors a clear indication of the community's vision, council's goals and objectives and a legal method for implementing land use controls.

An OCP is a key planning document that is essential to managing future growth and development of a municipality. The purpose of an OCP is to provide a comprehensive policy framework to guide the physical, environmental, economic, social and cultural development of the municipality or any part of the municipality. An OCP enables a municipality to set development goals, objectives and policies, which council can use to manage land use, subdivision, municipal services, and public utilities in the municipality. A zoning bylaw is the primary legal and administrative means of implementing an OCP. A zoning bylaw permits council to set local standards for the subdivision and use of land and helps manage the delivery of municipal services and resources to new developments.

**Administrative Capacity** – One of the impediments to growth can be a lack of municipal and professional capacity to adequately administer municipal bylaws and planning policies. This indicator measures the capacity of municipal administration to provide council, residents and businesses with accurate and reliable information, to fund and implement infrastructure required for growth, get borrowing in place and to carry out responsibilities required by statute. Meeting the challenges of growth requires a dedicated and professional municipal administration. It requires an administration that understands its strengths as well as its limitations. This indicator must include questions regarding whether adequate policies are in place for addressing resident and business concerns, how well the administration communicates with, and solicits feedback from, residents and businesses and how well equipped they are to meet changing technology resources and expectations. Administrative capacity indicators need to apply to municipal staff; but they also need to apply to the ability of municipal staff to find, contract or solicit external assistance. The indicators must also address whether the municipality has the human, technical and mechanical resources to operate on a daily basis and support council decisions with respect to planning for growth.

**Fiscal Health** – A strong financial position enables a municipality to implement effective and affordable services. It indicates if a municipality has sufficient financial capacity to adjust to change and the flexibility to take advantage of growth opportunities. Exploring the proposed questions will provide

an understanding of: (a) the financial ability of a municipality to meet public demand and local priorities through existing operating revenues (Revenues, Arrears); (b) the diversity and growth of the tax base to assess how well the municipality will cope with growth through property taxes; (c) the financial ability of a municipality to provide direct municipal services to tax payers (Expenditures); (d) the financial ability of a municipality to accommodate the municipal infrastructure demands of growth (Debt); and (e) the financial flexibility of a municipality to deal with changing and growing service demands, while still preserving the opportunities for future growth (Reserves).

**Service Delivery**— This indicator identifies how well a municipality is addressing the challenges of growth through simplified, cost effective service delivery. It is further intended to help the municipality assess its current capacity to accommodate or expand to meet the needs of planned or potential growth. Providing basic services, such as garbage collection and disposal, water supply, sewage collection and treatment and an adequate road network, are fundamental municipal responsibilities. Determining whether a municipality is able to provide these services in a manner that meets public needs, environmental standards and legislative requirements is an important indication of municipal readiness for growth. The availability of facilities that offer services (recreation, sports and art) is a measure of how well the municipality is meeting the needs of growth. It addresses the capacity of the municipality to provide essential services that meet residents’ expectations and comply with applicable standards.

**Public Safety** – Generally, municipal public safety responsibilities encompass bylaw enforcement, fire safety standards and enforcement, fire suppression, building inspections, emergency planning, street lighting and the monitoring of water and sewage treatment. Other public safety responsibilities, such as policing may also be included since it is a major expense for some municipalities. This indicator focuses on whether the current capacity of is adequate to provide additional services if the municipality grows. Industry, business and residents often require more than a “minimum” level of public safety. Although these minimums are often established in legislation, municipal leaders need to assess their residents’ tolerance for risk. Public safety indicators measure whether a municipality is meeting its legislated duties and whether it is taking measures to achieve a greater than “minimum” level of public safety. This indicator also measures the level and type of municipal mitigation, preparedness, response and recovery capabilities used to reduce or eliminate long term risks to people, property and the environment from known hazards. The implementation of public safety measures and services will likely depend on the type and size of the municipality.

**Infrastructure** – This indicator measures the ability of the municipality to meet its existing infrastructure needs and the capacity available or required to accommodate future growth needs. Infrastructure as used here refers to the physical assets that relate to municipal road, water, wastewater and sewer systems, solid waste facilities, and transportation. It also measures the capacity of existing municipal infrastructure to service current and projected population growth. It is important that municipalities consider the impact of developments and a growing population on a municipality’s infrastructure requirements for water treatment, waste water treatment and solid waste facilities and transportation. The amount and timing of funding from governments for infrastructure is also an

important aspect when planning for growth. This affects the overall capacity of the municipality to provide infrastructure improvements and maintenance for the community. It is also critically important that municipalities understand how long their new and existing infrastructure will last. Asset management provides the foundation for detailed, consistent information to improve infrastructure need projections and ensure the most efficient use of limited financial resources. Indicators related to municipal asset management will assist in identifying a municipality's growth readiness. Similarly, specific aspects of transportation that impact economic growth are covered in this indicator. Specifically, Servicing and Development Agreements, a Development Levy Bylaw, Road Maintenance Agreements (RMAs) and the permitting of overweight vehicles provide a municipality with the means to control and help remediate excessive wear and tear on municipal roads by identifiable parties. This wear and tear could be in response to private sector commercial activities resulting from increased economic activity and growth in the region, requiring the use of selected transportation routes within the municipality.

**Demographics and Economic Trends** – This indicator measures changes in population composition, for example by the number and percentage of people in different age categories. This may indicate if the municipality is experiencing growth that is different from the province as a whole and where expenditure pressures for a municipality will be. Knowing which industry is the largest employer could illustrate the strength of a municipality's employment industry. The number of taxable properties provides an overview of growth in the municipality. The availability of local employment opportunities is representative of how effective the municipality is in attracting businesses that create employment and income for residents and revenues for the municipality to fund services and programs. This local employment creates more complete communities where residents can spend less time commuting to work and more time with their families and participating in their community. The number of businesses by sectors is important to understand the local economic activity in the municipality. Analyzing shifts and changes in demographic and economic trends can allow council to retain and support existing businesses by planning accordingly (e.g. providing industrial and commercial land base, etc.). It is also an important way to project potential changes in the tax base.

**Regional Partnerships** – Regional cooperation is an important element of improving growth readiness. This indicator considers current regional cooperation initiatives and their contributions to growth readiness, as well as opportunities for enhancing regional cooperation in the future. This requires growth readiness indicators and measures that recognize the potential of regional partnerships to assist a municipality to meet its legislated responsibilities. For example, these indicators could focus on a municipality's involvement in service sharing agreements (fire services, recreational facilities, waste disposal, road maintenance, administration); impacts of new industry or growth in a neighbouring municipality, (such as type and extent of impact on services and tax revenues, tax sharing arrangements if any, etc.); level of participation in regional planning initiatives; and, the degree to which regional planning initiatives and service sharing agreements consider growth. This could include indicators that focus on improving a municipality's relationship with neighboring municipalities the extent to which the municipality and their regional partners value growth and/or the potential for growth when entering into agreements and partnerships. Planning districts can be established pursuant to *The Planning and*

*Development Act, 2007* by agreement among several municipalities to prepare a district plan to guide development within an area. A planning district can provide the forum for municipalities to connect with their neighbours and build on regional strengths. Planning districts can serve urban and rural neighbours or groups of municipalities to guide the development process by identifying solutions to problems, providing advice and services, becoming a catalyst for development, or leveraging funding for joint infrastructure projects.

**Non-municipal considerations for growth** (e.g. housing, education, health care, etc.) Beyond the scope of this checklist, local government may want to consider those aspects that municipalities do not have jurisdiction over. While this paper focuses on indicators that local government needs to consider to be better positioned for growth, municipalities may also want to consider other important factors, such as housing, health care and educational facilities, community/social services, and business needs. For example, for housing, municipalities may wish to look at indicators, such as average rental rate, mix of housing types and average home price. The average monthly rental rate measures affordability of rental accommodations for those people who cannot afford or do not want to buy a house. An assessment of the mix of housing types measures the ratio of single-family homes to multi-family homes to provide an overview of housing diversity and choices in the municipality. Average home price is a measure of housing and home ownership affordability in a municipality. For education and health care facilities, municipalities may wish to consider the existing and future capacity of these facilities to meet its current and future projected population growth needs. This is often an important consideration for potential businesses or industries trying to assess the suitability of their location options. These businesses also assess the types of available transportation and the utility capacities (power, energy, telecommunications, etc.). Other important considerations may include daycare capacities and recreational and cultural amenities used to assess the attractiveness of a community, particularly for large, new industries looking to establish a long-term commitment.

## 9. Designing Growth Readiness Indicators

Growth readiness indicators must be easy-to-use and relevant, covering the categories of growth readiness that a municipal government is responsible for or has influence over. The weighting system needs the ability to denote the relative importance of the growth readiness categories and individual indicators. The scores need to be cumulative for each category of growth readiness and across all categories. An interpretive scale is required to correlate a municipality's self-assessment score to a relative measure of growth readiness.

Research indicates that the three main criteria for good growth and sustainability indicators are:

1. Issue Relevance (validity, soundness, representativeness, etc.);
2. User Relevance (intuitive or understandable; unambiguous, useful and representative of social, economic and environmental factors); and
3. Data Reliability (data availability and cost-effectiveness).

These criteria are directly transferable to growth readiness. It may be difficult to find indicators that fit all three criteria perfectly and provide the necessary balance between the two main types of information criteria (i.e. reliability of information versus relevance of information). However, indicators used in the MGRC should adhere to these three principles as much as possible. Additional details on options for developing indicators are provided in Appendix B.

## 10. Data Sources and Availability

Developing the MGSSAT highlighted the limitations Saskatchewan faces when looking at municipal data. Most provinces provide a detailed summary and comparative information on municipal operations to the public. The level and detail of this financial and service data provided by municipalities to their respective provincial governments varies greatly across the country. The majority of provinces have prescriptive, legislated reporting and format requirements for providing financial, assessment, taxation, service and infrastructure information. This prescriptive municipal data is used in various sustainability and planning assessments found across the country.

Saskatchewan does not have these prescriptive reporting requirements; therefore, the province does not possess comparable data and could not expect consistent or complete data for the MGSSAT. Like the MGSSAT, some indicators within the MGRC checklist are expected to depend on local knowledge of the municipality. This local knowledge would include municipal-specific information that is not available to the provincial government. This information is often based on internal documents and acquired from administrators and councilors related to their municipality and its specific operations, agreements and services.

Statistics Canada will be an important source of non-financial data and information for Saskatchewan's MGRC. Other potential data sources that could be of use to a municipality when using the checklist include, but are not limited to:

- Statistics Canada's Population Survey/Census;
- The federal Rural Secretariat's Community Information Database for rural economic, demographic and social information;
- Government Relations' SaskMuniMaps for comparative analysis on population, revenues, expenditures and assessments;
- Government Relations' annual mill rate survey;
- Canada Mortgage and Housing Corporation (CMHC) and Canadian Real Estate Association (CREA);
- Enterprise Saskatchewan's SaskBiz for economic and quality of life information;
- The Municipal Financial Information Reporting System provided by the ministry for year-end financial data (data available up to and including 2008);
- Saskatchewan Assessment Management Agency's (SAMA) confirmed assessment roll reports;
- Audited municipal financial statements; and
- Each municipality's PSAB PS 3150 Tangible Capital Asset Register.

Finally, it should be noted the municipal responses to the indicator questions may be primarily based on the knowledge of the local officials since government or public sources of information for each of the various measures of growth readiness may be limited. This is similar to the guiding principles of the MGSSAT, which recognized that local officials know their municipality best and are in the best position to undertake a self-assessment of their growth readiness.

## 11. Select References

- Alberta Municipal Sustainability Strategy Working Group. Building on Strength. A Proposal for Municipal Sustainability for Alberta. June 14, 2010.
- BC Economic Development Association. Investment Readiness. A Community Handbook. July 2008.
- BHP Billiton. Jansen Project Community Readiness Study Summary. February 2012.
- City of Surrey Sustainability Dashboard. [http://dashboard.surrey.ca/#health\\_and\\_safety/doctors](http://dashboard.surrey.ca/#health_and_safety/doctors)
- Government of Saskatchewan, Ministry of Government Relations. Mandatory and Optional Municipal Services/Functions in Legislation. <http://municipal.gov.sk.ca/Administration/MandatoryOptionalMunicipalServices-PDF>
- Government of Saskatchewan, Ministry of Government Relations. Municipal Government Sustainability Self-Assessment Tool. 2011.
- Government of Saskatchewan, Ministry of Government Relations. Municipal Health Checklist.
- Newfoundland & Labrador Municipal Sustainability Self-Assessment Tool Kit.
- Ontario Municipal Readiness for Economic Development.
- Saskatchewan Economic Development Association. Investment Readiness. A Community Handbook. July 2008.
- Thunder Bay Community Economic Development Commission. Mining Readiness Strategy: An Integrated Regional Economic Development Plan, Final Report. April 2013

## Appendix A - Municipal Growth Readiness Checklist

### **Overview**

This draft municipal growth readiness checklist focuses on indicators that can help local governments assess their readiness for growth. The questions/indicators were drafted based on previous research and checklists from similar or related projects. The proposed questions also borrow from research done on the BHP Billiton Jansen Project Community Readiness Study, Newfoundland & Labrador Municipal Sustainability Self-Assessment Tool Kit, Ontario Municipal Readiness for Economic Development, Alberta's Municipal Sustainability Strategy Working Group Report and City of Surrey Sustainability Dashboard.

The indicators cover areas of municipal responsibility, including: land use planning and governance, administrative capacity, fiscal health, service delivery, public safety, infrastructure, demographic and economic trends, and regional partnerships. The intent is to ensure municipalities are best positioned for growth. Beyond the checklist, areas such as housing, health, and education, among others, may be important considerations for potential businesses or industries trying to assess the readiness of communities.

NOTE: The initial draft checklist has been removed from this document. The finalized checklist is now posted on the ministry's website at [www.saskatchewan.ca/government/municipal-administration/tools-guides-and-resources/municipal-growth-readiness-checklist](http://www.saskatchewan.ca/government/municipal-administration/tools-guides-and-resources/municipal-growth-readiness-checklist).

## Appendix B - Quantification of Indicators

Many simplified checklists, such as the ministry's previous Municipal Health Checklist (MHC), solicit responses in a simple "Yes/No" format with no consideration for a numeric or relative weighting of responses in each indicator category. If the municipality indicated "No", it means that the municipality may have a vulnerability or weakness in that particular indicator, but such assessments do not provide an overall indication of a municipality's position.

Quantification helps to identify the relative importance or criticality of each issue and allows for prioritization of multiple challenges. Negative results of the individual and/or aggregate indicator scores would be used to identify areas where challenges exist and prompt local governments to determine if new approaches to municipal activities should be considered. When developing the MGSSAT, quantification and weighting of responses was an important enhancement over the MHC. The MGSSAT asked questions in a Strongly Disagree/Disagree/Agree/Strongly Agree format where each question was weighed, and scores were determined based on the relative weight of the question as well as the particular response chosen (similar to option 3 below). Although this format was chosen for the MGSSAT, other weighting and quantification options existed. The following options could be considered.

The MGRC checklist will solicit responses in format similar to the MGSSAT, but yield a growth readiness score. The total "Yes" answers will be tallied and provided as a fraction of the total number of questions (e.g. seven "Yes" answers out of 10 questions will yield a 7/10). The problem with this approach is that not all growth readiness indicators will apply to all municipalities. If the MGRC includes, in the overall number of questions, every "No" response that does not actually apply to the municipality, the actual assessment will yield inaccurate results. To address this issue, a Not Applicable (N/A) column will be included to eliminate questions that do not apply to the municipality from the scoring for that municipality. In this way, the municipality would receive a more accurate assessment of their growth readiness. A simple "Yes/No/NA" format will achieve the desired result for the MGRC checklist.

Another option would be to make the weighting more dynamic by providing positive/negative scores, or a relative weighting corresponding to the strength of a municipality's growth readiness. This methodology is used to capture the relationship between indicators and the influence each has on the other and can be particularly useful for phase two when the online tool is developed. The tool would provide 'scores' on each indicator. However, the scores need not be uniform. For example, the total maximum positive or negative score could add to +100 or -100 for the entire self-assessment tool, with various unique scores possible for each indicator, thereby capturing the relative importance (i.e. weight) of each growth readiness indicator. Once the self-assessment was completed for all the questions in a growth readiness category, the scores for each category would be totalled. Instructions would indicate a high or low score for an individual category should not be interpreted prior to completing the entire self-assessment. Individual category scores may provide a piece of the puzzle, but will not give a comprehensive picture of the municipality.

Expanding on the example above, the scores from all categories would range between a maximum score of 100 and minimum score of -100. A score would need to be interpreted in broad terms; for example:

- Municipalities that score well above zero typically could interpret things are working well.
- Municipalities that score well below zero could use their score as the first step in identifying challenges and determining if a new approach is appropriate.
- If a municipality scores just above or below zero, the tool would indicate areas that are mostly working and areas that may benefit from further analysis.

An interpretive scale would need to be developed to correlate a municipality's score to relative measures of growth readiness. This scale could represent a continuum of growth readiness between maximum and minimum thresholds. For example, using a scale from +100 to -100 might result in the following growth readiness conclusions:

- A score of between -100 and -50 might indicate areas of low growth readiness;
- A score of between +50 and +100 might indicate areas where a municipality is ready to accommodate growth; and
- A score bounding zero could be interpreted that the municipality needs to review its results by category to identify challenges and determine if new approaches should be considered.

A combination of the "Yes/To Some Degree/No" and "positive/negative" weighting schemes referenced above is also possible. A combined weighting scheme would provide the capacity to provide both open and closed-ended questions to determine a municipality's growth readiness. Some question responses may simply be "yes or no". Therefore, if appropriate weights are applied, a close-ended question may work for some growth readiness indicators. Any interpretation of a municipality's score, or a specific category's score, would also rely on the municipal official's knowledge and judgment of the municipality. Interpretation demands a human element that quantification alone cannot capture.