

Step 1:



Municipal Health Checklist

*Manitoba Municipalities:
Embracing 21st Century Challenges*

Tools for Change

The Municipal Health Checklist is a self-analysis tool to gauge your municipality's strengths and understand its challenges, and is the first step in determining if a new approach makes sense for your municipality.

Municipal Health Checklist

Manitoba Municipalities: Embracing 21st Century Challenges - Tools for Change

Using the Municipal Health Checklist:

The checklist is a set of indicators designed to provide a better understanding of various aspects of your municipality including population change, assessment and taxation, fiscal strength, intermunicipal or regional strength and governance. Each indicator includes a series of questions, that once answered, will 'indicate' where things are working well and where there is room for improvement. The checklist is not intended to provide an exact picture of your municipality's overall health.

Most indicators require the collection of some data relating to demographics, total municipal (portioned) assessment, total commercial (portioned) assessment, basic information about major municipal ratepayers, municipal and regional planning, existing service sharing agreements, community organizations and local election results.

This data is easily obtained from your municipality's audited financial statements, assessment rolls, *The Statistical Information for the Municipalities of the Province of Manitoba* (Stats Book, published by Manitoba Intergovernmental Affairs), census data (available from www12.statcan.ca/english/profil01/PlaceSearchForm1.cfm), and Manitoba Community Profiles (www.communityprofiles.mb.ca).

Information on evaluating your municipality's score and the next steps your municipality may want to consider are set out at the end of the checklist.

The checklist will require some time to complete. Although it is intended to be easy to read and follow, some questions may arise or you may have difficulty obtaining the information necessary to answer the indicator questions. If you require assistance, Manitoba Intergovernmental Affairs has offered to provide information and technical support to assist you. You can contact Manitoba Intergovernmental Affairs at (204) 945-2572.

The AMM recognizes that Manitoba's municipalities are changing. Some municipalities' populations are aging or declining, while others are experiencing continued growth. Local economies are changing. The rural economy, often relying on small rural business, is declining while larger, corporate business is expanding. Meanwhile regional/urban centres are experiencing growth, capitalizing on new economic opportunities which attract young people and families. The expectations of citizens are also changing. Residents are becoming more sensitive to the costs of local government, such as increases in property taxes, and are placing more demands on municipalities to deliver a broad range of quality services.

To effectively manage change, municipalities are exploring various approaches such as service sharing, tax sharing and under certain circumstances, restructuring. The Municipal Health Checklist is a self-evaluation tool to give decision makers a better understanding of their challenges. The checklist is the first step in determining if a new approach makes sense for your municipality.

Indicator A: Is your municipality's population stable?

Population change is a leading indicator in identifying the overall well-being of your municipality. Changes in population impact local economy, financial strength, and the ability to deliver services at a reasonable cost.

Municipal Population and Demographics		
1. What has been the overall population change in the last 5 years?	Scoring	Your Score
<ul style="list-style-type: none"> Increase by 10% or more Increase by less than 10% Stay the same Decrease by less than 10% Decrease by 10% or more 	6 4 0 -4 -6	
2. What has been the change in the number of children and youth under 19 in the last 5 years?	Scoring	Your Score
<ul style="list-style-type: none"> More than 10% increase Increase between 1 and 10% Less than 1% increase No change or decline by less than 5% Decline by 5% or more 	6 4 0 -4 -6	
3. What has been the change in the percentage of residents over 65 in the last 5 years?	Scoring	Your Score
<ul style="list-style-type: none"> No change/decline Less than 5% increase 5% increase or more More than 10% increase 	6 0 -4 -6	
4. How many families moved into your municipality last year?	Scoring	Your Score
<ul style="list-style-type: none"> More than 4 2 to 4 1 None 	6 4 2 0	
	Total Score	Your Total
	Max: 24 Min: -18	

Information Sources:

- Census data – available online from Manitoba Community Profiles (www.communityprofiles.mb.ca) or Statistics Canada (www12.statcan.ca/english/profil01/PlaceSearchForm1.cfm)

Exploring these questions will provide you with:

- An understanding of population trends in your municipality; and
- A snapshot of changes in the age structure of your municipality.

This information is useful because:

A continual increase in population, over several years, usually indicates a strong local economy and likely a growing assessment base.

A continual decrease in population, over several years, along with an aging population may suggest concerns about long term sustainability.

Indicator B: *Is your municipality's tax base stable or growing?*

Assessment is the base for taxation. A stable and diverse tax base provides revenue needed to deliver services on an ongoing basis at a cost that residents can afford.

Assessment and Taxation		
5. <i>What has been the change in total portioned municipal assessment in the last 5 years?</i>	Scoring	Your Score
<ul style="list-style-type: none"> Increase by 10% or more Increase by less than 10% Stayed the same Decrease by less than 10% Decrease by 10% or more 	7 4 0 -3 -5	
6. <i>What has been the change in portioned commercial assessment (Class 60) in the last 5 years?</i>	Scoring	Your Score
<ul style="list-style-type: none"> Increase by 10% or more Increase by less than 10% Stayed the same Decrease by less than 10% Decrease by 10% or more 	6 3 0 -3 -5	
7. <i>Has commercial (Class 60) assessment grown as a percentage of total assessment in the last 5 years?</i>	Scoring	Your Score
<ul style="list-style-type: none"> Yes No 	6 -5	
8. <i>Does the largest single ratepayer (tax or grant-in-lieu of tax) account for more than 20% of total municipal revenues?</i>	Scoring	Your Score
<ul style="list-style-type: none"> No Yes 	0 -5	
9. <i>If yes to #8, how stable is this source of revenue?</i>	Scoring	Your Score
<ul style="list-style-type: none"> Very secure Potential to downsize/leave community in 10 years Downsizing occurred/could leave community in 5 years Could leave community at any time 	5 3 -3 -5	
10. <i>How has the average general municipal property tax per residential dwelling changed in the last 5 years?</i>	Scoring	Your Score
<ul style="list-style-type: none"> Decrease, or increase by less than 10% Increase 10% to 20% Increase by more than 20% 	6 0 -5	
	Total Score	Your Total
	Max: 25 Min: -30	

Information Sources:

- Municipal assessment roll and tax roll

Exploring these questions will provide you with:

- An understanding of trends in your assessment base; and
- An understanding of the diversity of your tax base.

This information is useful because:

Trends in total portioned municipal assessment impact the revenue raising potential of your municipality.

Changes in commercial assessment are key indicators of economic conditions. If commercial assessment is growing, investments may be being made in local businesses, thereby increasing their value; or your municipality is attracting new business and likely new residents.

Likewise, the diversity of your tax base indicates how well your municipality will cope with trends of growth and decline in specific sectors.

A tax base that is dependent on a single, potentially unstable tax revenue source may not be sustainable in the long term.

Indicator C: *Is your municipality financially strong?*

A strong financial position enables your municipality to provide services that ratepayers demand, at a price they are willing to pay. Municipalities in a strong financial position are able to maintain competitive tax rates and have the flexibility to take advantage of opportunities for growth.

Municipal Finance		
11. What percentage of annual expenditures (excluding education) are spent on general government?	Scoring	Your Score
<ul style="list-style-type: none"> • Less than 15% • 15% to 20% • More than 20% 	7 0 -7	
12. What percentage of annual expenditures are spent on servicing municipal debt (principal and interest)?	Scoring	Your Score
<ul style="list-style-type: none"> • Less than 2% • 2% to 4% • More than 4% 	7 0 -7	
13. How much borrowing capacity does your municipality have available?	Scoring	Your Score
<ul style="list-style-type: none"> • More than 50% of municipal debt limit available • Less than 50% of municipal debt limit available • Debt limit reached/exceeded 	0 -4 -7	
14. The full value of General funded reserves represents what percentage of annual expenditures?	Scoring	Your Score
<ul style="list-style-type: none"> • More than 10% • 5% - 10% • Less than 5% 	7 0 -7	
	Total Score	Your Total
	Max: 21 Min: -28	

Information Sources:

- Audited municipal financial statements

Exploring these questions will provide you with:

- An understanding of how efficiently your municipality is being governed; and
- Insight into whether your municipality has the financial strength required to meet local priorities.

This information is useful because:

The ability of your municipality to provide efficient local government contributes to overall health and ensures that services can be provided at the lowest possible cost.

Municipalities that maintain financial reserves have flexibility to deal with a changing environment and changing service demands, and still preserve their opportunities for future growth.

Indicator D: Does your municipality take advantage of opportunities to work with others?

Thinking on an intermunicipal or regional basis is becoming essential for municipalities to adapt successfully to a changing environment. Recognizing that your municipality needs its neighbours and being able to capitalize on opportunities to work together is becoming critical to maintaining a strong municipality.

Intermunicipal Involvement		
15. Does your municipality have/participate in: a Community Round Table involving 2 or more municipalities, a Conservation District, a Planning District, and/or a Regional Economic Development Strategy?	Scoring	Your Score
<ul style="list-style-type: none"> • 3 or more of the above • 2 of the above • 1 of the above • None of the above 	5 3 0 -4	
16. Is your municipality involved in service sharing arrangements with other municipalities to share: recreation, building inspection duties, waste disposal, snow clearing/ road maintenance, utility infrastructure, economic development officer and/or a CAO?	Scoring	Your Score
<ul style="list-style-type: none"> • More than 4 of the above • 2-4 of the above • 1 of the above • 1 of the above that has not been reviewed in 5 or more years • None of the above 	5 3 0 -2 -4	
17. How would the establishment of a major industry or growth in the economy of a neighbouring municipality affect your municipality?	Scoring	Your Score
<ul style="list-style-type: none"> • Increase in municipal tax revenue (due to tax sharing agreement) AND significant local job creation/economic spin-offs • Significant local job creation/significant economic spin-offs (no tax sharing) • Few local jobs created, minor economic spin-offs • Limited local economic impact • No impact 	5 3 0 -2 -4	
	Total Score	Your Total
	Max: 15 Min: -12	

Exploring these questions will provide you with:

- A gauge of whether your municipality is fully accessing opportunities to take advantage of interrelationships with other municipalities.
- Insight into whether your municipality is aware of its interrelationships with other municipalities and prepared to take advantage of the opportunities these interrelationships present.

This information is useful because:

Although your municipality may be experiencing pressures such as changing demographics, shifts in local economy or increasing expectations from taxpayers to deliver affordable and efficient services, these issues may be able to be addressed through an intermunicipal approach.

Indicator E: Is there local interest and support in your community?

Interest by citizens in the affairs of your municipality, strong administrative support now and into the future and an active volunteer/non-profit sector make your community a viable and vibrant place to live.

Exploring these questions will provide you with:

- Insight into the willingness of residents to serve on Council;
- The ability of your municipality to provide reliable administrative capacity into the future; and
- A gauge of the opportunities for residents to participate in their community.

This information is useful because:

In order to be viable and vibrant communities, municipalities need leadership, interest and support from residents.

Contested elections provide opportunities for important municipal issues to be debated in public. A municipality is not viable without sufficient candidates to run for council.

Municipalities need reliable administrative capacity to deliver efficient and effective services.

Community involvement by residents and volunteer organizations is an important source of support for local projects and events.

Community Interest and Support		
18. How many members of Council were acclaimed or appointed in the last municipal general election?	Scoring	Your Score
<ul style="list-style-type: none"> • 0 • 1 • 2 • 3 or more, but less than half of Council • Half of Council or more 	5 3 0 -2 -4	
19. How secure is your municipality's administrative support? Is your CAO likely to retire in the next 3 years?	Scoring	Your Score
<ul style="list-style-type: none"> • No, or yes but a succession plan is in place • Yes, and no succession plan in place • CAO position is vacant 	5 -2 -4	
20. Are there opportunities for residents to support your community? Do you have citizens serving on Council committees and organizations such as a chamber of commerce, service clubs, active Church groups, cultural organizations?	Scoring	Your Score
<ul style="list-style-type: none"> • 4 or 5 of the above • 2 or 3 of the above • Fewer than 2 of the above 	5 0 -4	
	Total Score	Your Total
	Max: 15 Min: -12	

Information Sources:

- Municipal general election records

Evaluating Your Scores:

The Municipal Health Checklist provides ‘scores’ on each indicator. Once you have completed all the questions in an indicator, add up the scores. A high or low score for an individual indicator should not be interpreted prior to completing the entire checklist. Individual indicator scores may provide a piece of the puzzle but will not give you an exact picture of your municipality.

The scores from the five indicators should be totaled as illustrated below. The maximum score is 100 and the minimum score is • 100. Your score should be interpreted in broad terms: municipalities that score well above zero typically can interpret that things are working relatively well.

<u>Indicator</u>	<i>Total Score</i>	Your Total
A – Is your municipality’s population stable?	Max: 24 Min: -18	
B – Is your municipality’s tax base stable or growing?	Max: 25 Min: -30	
C – Is your municipality financially strong?	Max: 21 Min: -28	
D – Does your municipality take advantage of opportunities to work with others?	Max: 15 Min: -12	
E – Is there strong interest in community matters?	Max: 15 Min: -12	



Grand Total	Your Overall Score
Max: 100 Min: -100	

Municipalities that score well below zero can use their score as the first step in identifying challenges and determining if there is a new approach that makes sense for your municipality.

It is anticipated that some municipalities will score just above or below zero. In these circumstances, the checklist will indicate areas that are working well and areas that may benefit from further analysis.

When interpreting your overall score or a specific indicator’s score, you should also rely on your knowledge and judgement of your municipality. You know your municipality best!

Next Steps:

Now that you have completed The Municipal Health Checklist, you will have a better sense of your municipality's situation and challenges. If your municipality is interested in working towards a new approach, you will need to determine a particular direction that makes sense for your municipality.

The next step in determining an approach that will fit your needs is to refer to *The Reference Series on Municipal Approaches to Managing Change*, available from the Association of Manitoba Municipalities. The Series combines the checklist results with your municipality's situation to assist in selecting the best approach to meet the needs of your municipality.

The *Reference Series* provides logical and useful information on different approaches such as service sharing, tax sharing and possibly restructuring. It will also provide you with an idea of what approach will work best for your municipality's situation.

Fact sheets highlighting *Successful Municipal Practices* will also be available from AMM. These informative sheets offer insight into the motivations behind and methods used to implement new approaches. AMM is also sponsoring an annual *Innovations Awards Program* that will recognize excellence in municipal practices that improve governance, administration, service delivery or intermunicipal cooperation.

Once you have completed the checklist and have reviewed *The Reference Series on Municipal Approaches to Managing Change*, your municipality has taken an important step towards determining an approach to meet your challenges. At this point, if you would like further support or information, contact the Association of Manitoba Municipalities at (204) 857-8666 or Manitoba Intergovernmental Affairs at (204) 945-2572.