

ANNUAL REPORT

2024-2025

**Municipal Affairs and
Community Engagement**



MESSAGE FROM THE MINISTER

I am pleased to present the 2024-25 Annual Performance Report for the Department of Municipal Affairs and Community Engagement. In keeping with the requirements of a Category 1 entity under the **Transparency and Accountability Act**, this report outlines the Department's progress in the second year of its 2023-26 Strategic Plan. It highlights the accomplishments and activities undertaken in alignment with the Department's stated goals and objectives.

Over the past year, the Department has advanced several key priorities. Notably, we led extensive engagement and training initiatives to support the implementation of the **Towns and Local Service Districts Act**, which, along with its associated regulations, was proclaimed on January 1, 2025. We also continued work on new legislation to replace the **City of Corner Brook Act**, **City of Mount Pearl Act**, and **City of St. John's Act**, and progressed efforts to develop self-governing legislation for the professional planning sector in Newfoundland and Labrador.

Throughout 2024-25, the Department maintained strong partnerships with communities and stakeholders across the province, promoting the economic, social, and environmental sustainability of local governments. We remained committed to identifying service gaps and fostering opportunities for community collaboration by offering advice, financial support, and training.

As Minister of Municipal Affairs and Community Engagement, I take full accountability for the results presented in this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Paul Pike". The signature is fluid and cursive.

Hon. Paul Pike
Minister of Municipal Affairs and Community Engagement

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Departmental Overview

Organizational Structure

The Department of Municipal Affairs and Community Engagement (Department), a category 1 entity under the **Transparency and Accountability Act**, supports the economic, social, and environmental sustainability of municipalities, communities, and regions through the delivery of effective programs, services, and supports.

The Department supports the strategic directions of the government by helping build a municipal environment conducive to economic growth and sustainability, positioning communities for long-term success, and working collaboratively across multiple sectors to improve services and outcomes for residents.

Staff and Budget

The Department's gross expenditure budget for 2024-25 was \$179,101,600, with planned related revenue of approximately \$34,489,200 for a net expenditure of \$144,612,400.

As of March 31, 2025, the Department had 75 positions (54 permanent, 16 temporary, and five contractual), with 61 active employees on staff, located in three offices throughout the province.

Region	Positions
Eastern	67
Central	4
Western/Labrador	4

Division	Number of Active Employees	Net Budget (\$)
Executive Support	9	1,016,000
Strategic Financial Management	11	815,000
Policy and Strategic Planning	5	428,500
Regional Support	14	1,002,600
Municipal Finance		
Internal Budget	8	684,000
Program Funds	n/a	48,478,700
Local Governance and Planning	10	1,054,400
Canada Community-Building Fund	4	91,133,200
Total	61	144,612,400

Primary Clients:

The primary clients of the Department include:

- Local governments consisting of three cities, 266 towns, 172 local service districts, and five Inuit Community Governments,
- Over 120 residents living in unincorporated areas, and
- Other stakeholders:
 - Municipalities Newfoundland and Labrador,
 - Professional Municipal Administrators of Newfoundland and Labrador,

- Newfoundland and Labrador Association of Professional Planners,
- Municipal Assessment Agency, and
- Community residents.

Vision

The vision of the Department is strong local governments through sustainable governance that supports vibrant communities and encourages economic development.

Mandate

The mandate of the Department is to advance the economic, social, and environmental sustainability of municipalities, communities, regions, and the province through the delivery of effective programs, services, and supports.

Lines of Business

The Department's lines of business are advanced through five divisions:

Local Governance and Land Use Planning

Supports the vision of viable, sustainable communities led by strong local governments by providing advice and direction on local governance. The Division's Land Use Planning staff help promote and support the planned growth of sustainable communities.

Municipal Finance

Provides financial assistance and guidance to local governments with respect to funding programs, borrowing, debt servicing, and financial compliance. The Division also provides financial assistance through special assistance grants, which provide financial aid to local governments and related organizations for emergencies and financial difficulties. Municipal Finance also administers the Canada Community-Building Fund

Program, a federal program that provides stable and predictable infrastructure funding to communities across Newfoundland and Labrador.

Municipal Support

Responsible for the provision of ongoing support and advice on local government issues. The division has three regional offices, which serve as the primary contact between the Department and local governments throughout the province. The division supports municipal operations by offering front-line assistance on administrative, financial, and legislative matters to help local governments meet their legislative and operational responsibilities.

Policy and Strategic Planning

Coordinates and supports the Department's policy agenda and is primarily responsible for the development of a policy and planning framework to help support a system of local government that efficiently provides services to residents of the province. The Division is also responsible for the Department's accountability and transparency requirements, including responsibility for the departmental multi-year strategic plan and annual reports and departmental program evaluation. Finally, the Division is responsible for coordinating community collaboration and service-sharing initiatives, including stakeholder outreach and consultations.

Strategic Financial Management

This shared services Division delivers financial management, and general operations support to the Department of Municipal Affairs and Community Engagement, three additional departments, and one agency. The Division is the primary point of contact for all Agencies, Boards, and Commissions' financial reporting through these departments. It is also the main departmental contact for the Department of Finance and Treasury Board Secretariat related to financial functions, budget submissions, public accounts, and budget monitoring submitted by departments and Agencies, Boards, and Commissions.

Reporting Entities

Under the **Transparency and Accountability Act**, government entities are also required to prepare plans and annual reports. In the case of the Department, this refers to the [Municipal Assessment Agency](#).

For more information on the Department of Municipal Affairs and Community Engagement, please visit the Department's website at <https://www.gov.nl.ca/mpa/>.

Legislation in Force

Assessment Act, 2006	Municipal Affairs Act
Avian Emblem Act	Municipal Authorities Amendment Act, 1991
City of Corner Brook Act	Municipal Elections Act
City of Mount Pearl Act	Provincial Anthem Act
City of St. John's Act	Provincial Flag Act
City of St. John's Municipal Taxation Act	Regional Service Boards Act, 2012
Coat of Arms Act	Remembrance Day Act
Commemoration Day Act	St. John's Centennial Foundation Act
Crown Corporations Local Taxation Act	St. John's Municipal Council Parks Act
Evacuated Communities Act, 2016	Standard Time Act
Floral Emblem Act	Taxation of Utilities and Cable Television
Municipal Conduct Act	Companies Act
Mineral Emblem Act	Towns and Local Service Districts Act
	Urban and Rural Planning Act, 2000

Highlights and Partnerships

Highlights

Towns and Local Service Districts Act

On January 1, 2025, the **Towns and Local Service Districts Act** and associated regulations came into force, replacing the Municipalities Act, 1999. This new modern and enabling legislation reflects the current and evolving nature of towns and local service districts, providing greater flexibility, accountability, and clarity.

Key updates for towns include tools to support tax affordability, reduced red tape, broader powers for towns to enact by laws, and enhanced support for local economic development. The new legislation also acknowledges the role of local service districts in providing services to residents and strengthens their accountability through formalizing election timelines and improving financial transparency.

The Department has been leading extensive engagement and training efforts to support the implementation of the Act. In preparation, a province-wide training series was launched in fall 2024. To further assist with the transition, a new handbook to provide guidance and best practices on the new legislation will also be released.

Legislative Amendments to Support Housing Development

In December 2024, the Department introduced amendments to the **Urban and Rural Planning Act, 2000** and the **City of St. John's Municipal Taxation Act** to help facilitate housing development and affordable housing throughout the province.

The amendments modernize planning legislation by enabling tools such as inclusionary zoning, incentive and bonus zoning, virtual public meetings, and modernization of public notification methods. Changes to the **City of St. John's Municipal Taxation Act** also allow for real property tax exemptions to support affordable housing projects.

These changes strengthen municipal authority and support efforts to improve housing availability across Newfoundland and Labrador.

Advancing New Municipal Legislation

The Department is actively undertaking efforts to modernize municipal legislation. This includes a new Cities Act to replace the **City of Mount Pearl Act** and **City of Corner Brook Act**, an updated **City of St. John's Act**, and new self-governing legislation for professional planners. In 2024–25, work progressed in collaboration with the Office of the Legislative Counsel to draft the new legislation.

Renewal of the Canada Community-Building Fund Agreement

In July 2024, the Department finalized a renewed 10-year Canada Community-Building Fund agreement with the Government of Canada. The agreement provides stable and predictable infrastructure funding to communities across Newfoundland and Labrador until 2034.

Over the first five years, more than \$168 million will be invested in the province, including \$32 million in 2024-25. The program supports local priorities through investments in infrastructure that contribute to community growth and housing supply, including local bridges and roads, water and wastewater systems, and recreation facilities. This funding remains a vital source of support for local governments as they plan and deliver essential infrastructure projects.

Municipal Training

Municipal Training is a departmental program serving the local governments of Newfoundland and Labrador. The program exists to strengthen and improve the leadership, administrative, operational, and other job-related skills of municipal councillors, senior staff, and other municipal officials.

In 2024–25, a total of 34 sessions were delivered, with 1,776 participants:

- Mandatory orientation training under the **Municipal Conduct Act**: 17 sessions (702 participants), covering roles and responsibilities of municipal officials, council procedures, financial management, and access to information and protection of privacy.
- Non-mandatory training: six sessions (319 participants), focusing on topics such as annual budget preparation and financial management.
- **Towns and Local Service Districts Act** training: 11 sessions (755 participants), providing guidance on implementing the new Act.

Financial Support for Communities

- **Canada Community-Building Fund**

In 2024–25, the Department approved 232 projects under the federal Canada Community-Building Fund, totaling approximately \$15.3 million in funding to communities. Funded initiatives included water and sewer upgrades, road improvements, and municipal planning initiatives.

This amount represents a portion of the approximately \$91 million available under the Fund in 2024-25, which has accumulated from carrying forward unused allocations from previous years. Each year, the province receives an allocation from the Federal Government for municipalities and Inuit Community Governments to access for infrastructure projects, as well as for the Waste Management Strategy and the Water/Wastewater Initiative. These funds can only be accessed through an application process. If recipients do not apply, the funds are not automatically distributed and remain with the province until they are accessed. Under the federal Canada Community-Building Fund Administrative Agreement, unspent allocations must be carried forward in the Department's budget and held in reserve until recipients choose to access them.

- **Community Enhancement Employment Program**

The Community Enhancement Employment Program is a provincially funded program that provides funding to eligible sponsors, including towns, Inuit

Community Governments, regional governments, local service districts, community and economic development organizations, and other non-profit organizations.

The Department provided approximately \$3.7 million under this program to support 132 projects in 2024–25. Funded projects included improvements to community facilities, tourism infrastructure, and walking trails. A total of 695 individuals were employed through the program in 2024-25, helping to support short-term employment and federal Employment Insurance benefits eligibility.

- **Special Assistance Grant Program**

The Special Assistance Grant Program provides financial aid to support local governments and related organizations for emergencies related to health and/or of a life safety nature, assistance to local governments experiencing financial difficulties, general assistance to local governments beyond the municipal budgetary process, and special projects or initiatives involving towns, local service district committees or other entities.

The Department paid out over \$3.2 million through 92 grants in 2024–25, a 42 per cent increase from 65 grants in the previous year. Funded initiatives included emergency waterline repairs and flood-damaged road infrastructure. This amount also included support for stakeholders: \$370,000 to Municipalities Newfoundland and Labrador and \$70,000 to the Professional Municipal Administrators for initiatives such as conferences and the Make Your Mark campaign.

- **Municipal Operating Grants**

In 2024–25, the Department allocated \$28 million in Municipal Operating Grants. These grants assist small and medium-sized local governments with operational costs, service delivery, and administrative expenses based on a formula that considers household counts and community remoteness.

- **Provincial Shared Gas Tax Grants**

This program has an annual budget of \$7.1 million, with allocations disbursed semi-annually in May and November to provide additional revenue to support municipal sustainability. The Department disbursed \$7 million in Provincial Shared Gas Tax Grants to local governments in 2024–25.

- **Municipal Training Fund**

The Municipal Training Fund is a grant offering financial assistance to local governments to participate in training and professional development opportunities related to municipal administration, operations, and/or leadership. The Department reimbursed \$174,146 to 111 towns for training initiatives under the Municipal Training Fund in 2024-25.

Partnerships

Intergovernmental Collaboration on Municipal Priorities

In 2023-24, the Minister of Municipal and Provincial Affairs chaired the Table of Provincial and Territorial Ministers Responsible for Local Government. This table serves as a national forum to discuss shared priorities, including sustainable growth, governance, municipal capacity building, and the need for predictable and flexible infrastructure funding. As part of the chairing responsibilities, the Department hosted the annual meeting in St. John's in June 2024.

The delegation included participation from all provinces and territories, including seven Provincial and Territorial Ministers, 10 Deputy Ministers, and 53 government officials. The meeting reinforced the importance of intergovernmental cooperation in addressing municipal challenges and advancing priorities across jurisdictions, such as land use planning, fiscal tools to support growth, and innovative legislative approaches. Strategic work plans were endorsed to guide collaborative efforts over the coming year.

In addition, the federal Minister of Housing, Infrastructure and Communities participated in a brief discussion, where the provincial ministers jointly emphasized the importance of increased federal engagement during the development of innovative programs to ensure alignment with provincial and territorial priorities.

Community Collaboration and Service Sharing

In 2024–25, the Department continued to support and promote community collaboration and shared service delivery. Department officials engaged directly with local governments through town hall meetings, annual conferences hosted by both Municipalities Newfoundland and Labrador and the Professional Municipal Administrators, joint council meetings, and trade shows.

The Department also worked closely with key stakeholders, primarily the Municipal Assessment Agency, Municipalities Newfoundland and Labrador, and Professional Municipal Administrators, to strengthen municipal capacity. This included support for a variety of initiatives such as conferences, the Make Your Mark municipal election awareness campaign, and targeted programming to assist towns with accounting and fiscal management.

Through its Special Assistance Grant Program and the Canada Community-Building Fund, the Department held regular discussions with other provincial departments, including Transportation and Infrastructure, Environment and Climate Change, and Fire and Emergency Services at Justice and Public Safety, to align infrastructure and support funding. Collaboration also continued with the Federal Government through Infrastructure Canada and the administration of the Canada Community-Building Fund.

With the signing of the renewed Canada Community-Building Fund agreement in July 2024, a new Provincial Targeted Infrastructure Fund was established. To be eligible for this funding, two or more communities must collaborate on proposed projects, reinforcing the Department's commitment to community cooperation and shared service delivery.

Report on Performance

This document reports on the strategic goals and annual objectives for the second year of the Department of Municipal Affairs and Community Engagement 2023-26 Strategic Plan. The sections below identify the key issues in the Department's plan, as well as the corresponding goals and results.

Issue 1 - Supporting Local Governments through Enhanced Processes and Legislation

The Department of Municipal Affairs and Community Engagement is committed to exploring solutions that will meet the needs of current and future local governments and residents. This includes providing local governments with the necessary tools to explore new and innovative ways for municipal service delivery to residents, supporting community capacity building, and encouraging economic activity.

Goal

By March 31, 2026, the Department of Municipal Affairs and Community Engagement will have enhanced processes and municipal legislation to support stronger local governance.

2024-25 Objective

By March 31, 2025, the Department of Municipal Affairs and Community Engagement will have introduced new, modern municipal legislation to replace the existing **City of Corner Brook Act, City of Mount Pearl Act**, and introduced amendments to the **Municipal Elections Act**.

Indicator	Results (2024-25)
Finalized draft legislation for a new Cities Act.	<p>A new Cities Act to replace the City of Corner Brook Act and the City of Mount Pearl Act:</p> <p>Work continued on the development of a new Cities Act to replace the City of Corner Brook Act and the City of Mount Pearl Act. The Department and Office of the Legislative Council have made substantive progress on the Bill. Consultations with officials from the cities of Corner Brook and Mount Pearl are ongoing to ensure the new legislation reflects local needs.</p>
Finalized drafting instructions for amendments to a new Municipal Elections Act .	<p>No action was taken on this indicator during the 2024–25 reporting period. The Department has strategically determined that the most appropriate time to begin a comprehensive review of the Municipal Elections Act is following the completion of the 2025 Municipal General Election.</p>

Discussion of Results:

In 2024–25, the Department continued advancing its work to modernize municipal legislation as part of its commitment to stronger local governance. Drafting of a new Cities Act to replace the **City of Corner Brook Act** and **City of Mount Pearl Act** progressed in collaboration with the Office of the Legislative Counsel, and consultations

with the cities of Mount Pearl and Corner Brook are ongoing. While the legislation was not introduced during this period, considerable progress was made in preparing the Bill.

The planned review of the **Municipal Elections Act** did not proceed during this period. The Department determined that the most effective approach is to begin a comprehensive review after the 2025 municipal elections to ensure alignment with the next electoral cycle.

Beyond these legislative efforts, the Department continued implementing the new **Towns and Local Service Districts Act** through training and engagement with local governments. Targeted legislative amendments were introduced to the **Urban and Rural Planning Act, 2000**, and the **City of St. John's Municipal Taxation Act** to help address housing needs across the province. Work to update the **City of St. John's Act** was also commenced in 2024-25 including preliminary consultations with the City of St. John's.

The Department remains committed to modernizing municipal legislation through an approach grounded in collaboration with local governments and stakeholders.

2025-26 Objective

By March 31, 2026, the Department of Municipal Affairs and Community Engagement will have enacted modern municipal legislation for all municipalities and updated the **Municipal Elections Act**, as well as supported the 2025 Municipal General Election.

2025-26 Indicators:

- Finalized draft legislation for a new Cities Act.
- Finalized drafting instructions for a new City of St. John's Act.
- Commenced review of the **Municipal Elections Act**.

- Provided additional financial and human resource provisions to support the 2025 Municipal General Election.

Issue 2 - Community Collaboration and Service Sharing

The Department is focusing on expanding regional services through working with local governments to identify service and administrative gaps and working with communities to encourage service sharing and community collaboration. To ensure successful outcomes, communities will be encouraged to initiate inter-community relationship-building, which can lead to increased community cooperation and collaboration. The Department will encourage, incentivize, and, where possible, facilitate community cooperation and collaboration.

Goal

By March 31, 2026, the Department of Municipal Affairs and Community Engagement will have supported improved community collaboration and shared services across municipalities and regions.

2024-25 Objective

By March 31, 2025, the Department of Municipal Affairs and Community Engagement will have further identified service and capacity gaps and begun addressing gaps in partnership with communities.

Indicator	Results (2024-25)
Finalized the development of a community sustainability self-assessment tool for distribution to municipalities and local service districts.	While the community sustainability self-assessment tool has not yet been finalized, considerable progress was made in 2024–25. A phased work plan

	<p>was drafted to guide the tool's development, design, and implementation. The Department held preliminary discussions with executive members and staff of Municipalities Newfoundland and Labrador and the Professional Municipal Administrators regarding the tool's design and rollout.</p> <p>Research on best practices continued through the Department's engagement with the Table of Provincial and Territorial Ministers Responsible for Local Government and its working group on governance and sustainability. The Department is awaiting the group's final report, expected in Summer 2025, to inform next steps and ensure alignment with the best national practices for community sustainability and viability assessment.</p>
Continued working with other departments and external stakeholders to identify service and capacity gaps within communities.	In 2024–25, the Department continued its collaboration with other provincial departments, national counterparts, and key stakeholders to identify and better understand service delivery and capacity gaps in communities. Departmental officials engaged directly with local governments through a variety of channels, including regional town halls, joint council meetings, trade shows, and

	<p>annual conferences hosted by Municipalities Newfoundland and Labrador and the Professional Municipal Administrators.</p> <p>The Department also actively participated in several interdepartmental and intergovernmental working groups and committees, such as: Newfoundland and Labrador Solid Waste Management Committee, Safe Drinking Water Technical Working Group, NL Futures: Rural Regional Economic Development Capacity, Fire and Emergency Services Evacuation Working Group, Healthy Cities Advisory Committee, Age and Dementia Friendly Steering Committee, and the Table of Provincial and Territorial Ministers Responsible for Local Government.</p>
<p>Researched the best practices and began the development of a regional service-sharing guide/toolkit to assist communities interested in working together.</p>	<p>Research began on a regional service-sharing guide/toolkit to support inter-community collaboration. This initiative is informed by lessons from other Canadian jurisdictions gathered through the Department's ongoing participation in the Table of Provincial and Territorial Ministers Responsible for Local Government's working group on governance and sustainability. As with the self-assessment tool, the</p>

	<p>Department is awaiting the group's final report before advancing into the development, design, and implementation phases.</p> <p>Following the signing of the renewed Canada Community-Building Fund agreement in July 2024, the Provincial Targeted Infrastructure Fund was established. Under this fund, eligibility is limited to infrastructure projects that involve collaboration between two or more communities, directly reinforcing the Department's strategic focus on inter-community cooperation and capacity building.</p>
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Discussion of Results:

In 2024–25, the Department advanced its efforts to promote community collaboration and service sharing across the province. Although the community sustainability self-assessment tool and the regional service-sharing toolkit were not finalized this year, substantial groundwork was completed or is ongoing. This includes research, consultations, and development of implementation plans designed to ensure these tools are both practical and aligned with national best practices.

Progress was deliberately paced to incorporate insights from the Table of Provincial and Territorial Ministers Responsible for Local Government working group on governance and sustainability, whose final report is expected in Summer 2025 and will guide final design decisions. Preliminary consultations with key stakeholders ensured that these tools are informed by meaningful municipal input.

In parallel, the Department continued its engagement with communities and partners to better understand service and capacity gaps. This included participation in regional town halls, council meetings, and key interdepartmental working groups focused on infrastructure, emergency services, public health, and regional development.

The introduction of the Provincial Targeted Infrastructure Fund, under the renewed Canada Community-Building Fund, further supported the Department's strategic focus. By prioritizing joint infrastructure projects between communities, the Provincial Targeted Infrastructure Fund reinforces the province's commitment to inter-community collaboration and long-term sustainability.

2025-26 Objective

By March 31, 2026, the Department of Municipal Affairs and Community Engagement will have implemented recommendations from the interdepartmental review committee, incentivizing community collaboration and service sharing through existing Government programs and services.

2025-26 Indicators:

- Established the Interdepartmental Working Group on Community Collaboration to identify opportunities to encourage and enhance community collaboration.
- Advanced the development of the community sustainability self-assessment tool to inform future shared service initiatives.
- Facilitated access to resources and information to support community collaboration and shared service delivery.

Issue 3 - Regional Service Delivery

Regional Service Boards complement the many services provided by local governments through the delivery of certain services on a regional basis in some areas. The Department of Municipal Affairs and Community Engagement will undertake a review of the **Regional Service Boards Act, 2012**, and the Regional Service Board operations to identify potential additional regional services that could be provided to local governments and residents.

Goal

By March 31, 2026, the Department of Municipal Affairs and Community Engagement will have reviewed the **Regional Services Boards Act, 2012**, including stakeholder and public consultations, to determine if there is a renewed role for the boards to improve access to services and service delivery.

2024-25 Objective

By March 31, 2025, the Department of Municipal Affairs and Community Engagement will have completed a review of the **Regional Service Boards Act, 2012** and determined potential additional regional services and governance structures.

Indicator	Results (2024-25)
Undertook a governance review of Regional Service Boards.	The Department initiated an internal review of the Regional Service Boards Act, 2012 and invited interdepartmental input to inform the analysis. Five information sessions were held, and nine written submissions have been received to date.

Worked with the Communication and Public Engagement Branch to develop an external consultation plan for the Regional Service Boards Act, 2012 review.	A draft external consultation plan is in the process of being developed.
Completed engagement of government departments, Municipalities Newfoundland and Labrador, the Association of Professional Municipal Administrators, the Multi-Material Stewardship Board, Regional Service Boards and other stakeholders to identify opportunities for regional service sharing and collaboration through the Regional Service Boards.	The Department engaged with key stakeholders, including Municipalities Newfoundland and Labrador, the Professional Municipal Administrators, and the Multi-Material Stewardship Board through participation in forums and conferences such as the Multi-Material Stewardship Board Annual Regional Waste Management Forum, the Municipalities Newfoundland and Labrador Symposium, regional meetings, and the Professional Municipal Administrators Annual Conference, where regional service delivery and collaboration opportunities were discussed.

Discussion of Results:

In 2024–25, the Department continued efforts to assess the governance structure and service delivery role of Regional Service Boards as part of its broader commitment to improving regional collaboration and access to municipal services. While progress was more limited than anticipated, foundational steps were taken to support a more comprehensive review in the year ahead.

Initial internal analysis of the **Regional Service Boards Act, 2012** began, with five information sessions held and nine departmental submissions received to help inform a high-level review of the current governance structure of the Regional Service Boards. A draft external consultation plan is in the process of being developed, working with the Public Engagement Branch, Executive Council.

The Department engaged with key partners through participation in relevant conferences and forums. These engagements contributed to ongoing dialogue about opportunities for enhanced service delivery through regional collaboration and governance.

The complex roles and responsibilities of Regional Service Boards are informed and guided by a multi-partnership between the Department of Environment and Climate Change, Government Modernization and Service Delivery, and the Multi-Materials Stewardship Board. While this work remains in the initial stages, these roles and responsibilities have been further clarified, and key areas for further exploration have been identified. Although a comprehensive review is still forthcoming, this year's activities have laid important groundwork and positioned the Department to collaborate with the involved partners and advance implementation efforts in 2025–26 and beyond.

2025-26 Objective

By March 31, 2026, the Department of Municipal Affairs and Community Engagement will have implemented recommendations from the review of the **Regional Service Boards Act, 2012**.

In recognition that the review of the **Regional Service Boards Act, 2012** remains in the initial stages, the Department will continue to advance implementation efforts by focusing on specific initiatives to finalize the review.

2025-26 Indicators:

- Finalized internal analysis and research to inform the review of the **Regional Service Boards Act, 2012**.
- Finalized the external consultation plan for the **Regional Service Boards Act, 2012** review for implementation.
- Continued interdepartmental engagement to identify regional service sharing and collaboration opportunities through the Regional Service Boards.

Opportunities and Challenges

The Department continues to operate in a dynamic environment shaped by economic, demographic, and environmental pressures. Municipalities are navigating complex challenges, including capacity/resources, housing pressures, changing demographics, and increased infrastructure needs/maintenance. Accessing federal and provincial funding remains a challenge for many local governments, particularly smaller and rural communities, due to challenges in meeting eligibility criteria and limited administrative capacity to navigate funding requirements. Additionally, recruitment and retention of elected councillors and qualified staff remain a persistent issue, particularly in more rural areas. This challenge directly impacts local capacity to deliver services and manage operations effectively.

Climate change continues to drive demand for resilient infrastructure and adaptation planning. The increasing frequency and severity of extreme weather events further highlight the need for sustainable investments and coordinated support across government.

Amid these challenges, the Department sees key opportunities. The implementation of the **Towns and Local Service Districts Act**, which took effect on January 1, 2025, provides a modernized governance framework designed to help local governments respond more effectively. Ongoing community feedback is guiding the Department in evaluating the Act's impact and identifying areas for improvement. In turn, the

Department will review and adjust its various municipal sector supports to ensure alignment with the legislation and better respond to the evolving needs of cities, towns, and local service districts.

Addressing these challenges requires enhanced community collaboration. The Department continues to engage with key stakeholders and encourages local governments to work together and build shared capacity that extends beyond the reach of individual communities.

Shared intergovernmental priorities — including housing and growth, infrastructure, waste management, and governance and sustainability — provide further opportunities to align efforts to strengthen municipal resilience.

Financial Information

Department of Municipal Affairs and Community Engagement

2024-25				
		Budget		Expenditure
1.1.01 - Minister's Office	A570			
Salaries	M01	220,400		214,188
Employee Benefits	G02	100		-
Transportation & Communication	G03	45,800		14,050
Supplies	G04	700		1,193
Professional Services	G05	-		-
Purchased Services	G06	1,400		-
Property, Furnishings & Equipment	G07	-		-
Operating Accounts	M02	48,000		15,243
Total		268,400		229,431
1.2.01 - Executive Support	A571			
Salaries	M01	584,200		557,923
Employee Benefits	G02	900		-
Transportation & Communication	G03	21,400		8,219
Supplies	G04	3,900		2,022
Professional Services	G05	-		-
Purchased Services	G06	10,200		3,088
Property, Furnishings & Equipment	G07	500		1,104
Operating Accounts	M02	36,900		14,433
Total		621,100		572,356
1.2.02 - Administrative Support	A572			
Salaries	M01	13,000		6,377
Employee Benefits	G02	27,500		21,040
Transportation & Communication	G03	21,900		6,557
Supplies	G04	17,000		7,582
Professional Services	G05	-		-
Purchased Services	G06	42,900		77,407
Property, Furnishings & Equipment	G07	9,200		4,845
Operating Accounts	M02	118,500		117,431

Grants & Subsidies	M10	-		7,998
Related Revenue	M27	(5,000)		(129)
Net Total		126,500		131,677
1.2.03 - Strategic Financial Management	A57A			
Salaries	M01	799,200		754,021
Employee Benefits	G02	200		-
Transportation & Communication	G03	5,500		3,265
Supplies	G04	2,800		2,371
Professional Services	G05	-		-
Purchased Services	G06	6,800		472
Property, Furnishings & Equipment	G07	500		2,314
Operating Accounts	M02	15,800		8,422
Gross Total		815,000		762,443
1.2.04 - Policy and Strategic Planning	A57J			
Salaries	M01	410,300		340,828
Employee Benefits	G02	200		-
Transportation & Communication	G03	6,700		3,985
Supplies	G04	300		294
Professional Services	G05	-		-
Purchased Services	G06	-		-
Property, Furnishings & Equipment	G07	200		215
Operating Accounts	M02	7,400		4,493
Grants & Subsidies	M10	10,800		10,976
Total		428,500		356,298
2.1.01 - Regional Support	A59F			
Salaries	M01	950,800		912,391
Employee Benefits	G02	300		-
Transportation & Communication	G03	40,200		46,291
Supplies	G04	5,100		5,226
Professional Services	G05	-		-
Purchased Services	G06	5,900		1,109
Property, Furnishings & Equipment	G07	300		3,314
Operating Accounts	M02	51,800		55,940

Net Total		1,002,600		968,331
2.1.02 - Municipal Finance	A59G			
Salaries	M01	669,600		608,155
Employee Benefits	G02	200		-
Transportation & Communication	G03	8,300		4,427
Supplies	G04	1,800		1,021
Professional Services	G05	-		-
Purchased Services	G06	3,800		1,864
Property, Furnishings & Equipment	G07	300		-
Operating Accounts	M02	14,400		7,311
Gross Total		684,000		615,466
2.2.01 - Municipal Operating Grants	A581			
Grants & Subsidies	M10	28,000,000		27,926,641
2.2.02 - Special Assistance	A582			
Grants & Subsidies	M10	8,414,000		3,413,009
2.2.03 - Community Enhancement	A594			
Grants & Subsidies	M10	4,964,700		3,676,071
2.2.04 - Provincial Gas Tax Revenue Sharing	A57H			
Grants & Subsidies	M10	7,100,000		7,021,462
2.3.01 - Local Governance and Planning	A59E			
Salaries	M01	910,800		857,293
Employee Benefits	G02	700		94
Transportation & Communication	G03	20,500		17,050
Supplies	G04	3,300		3,292
Professional Services	G05	33,000		55,030
Purchased Services	G06	27,100		7,669
Property, Furnishings & Equipment	G07	-		-
Operating Accounts	M02	84,600		83,135

Grants & Subsidies	M10	88,500		56,510
Related Revenue	M27	(29,500)		(11,006)
Total		1,054,400		985,933
2.3.02 - Canada Community-Building Fund	A596			
Salaries	M01	336,400		268,794
Employee Benefits	G02	500		-
Transportation & Communication	G03	11,600		10,888
Supplies	G04	2,000		1,163
Professional Services	G05	44,800		-
Purchased Services	G06	6,500		2,585
Property, Furnishings & Equipment	G07	1,500		204
Operating Accounts	M02	66,900		14,840
Grants & Subsidies	M10	125,184,600		15,259,960
Related Revenue	M27	(34,454,700)		(32,148,976)
Total		91,133,200		(16,605,382)
Gross Budget		179,101,600		62,213,847
Revenue		(34,489,200)		(32,160,111)
Net Budget		144,612,400		30,053,736

