

Approaches to Address Municipal Viability and Sustainability Concerns in British Columbia's Local Government System

by

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Executive Summary

Introduction

Canadian jurisdictions take diverse approaches to address their municipality's long-term viability and sustainability concerns. This research paper seeks to define and understand the concepts of viability and sustainability to assist the Ministry of Municipal Affairs and Housing (MAH) in response to concerns raised by British Columbia (BC)'s municipal leaders.

BC municipalities are responsible for governance and provision of local services to approximately 89% of the province's population. As the lead provincial government body responsible for supporting BC's local government actors, MAH works within the legislative framework created through the *Local Government Act* and *Community Charter* to maintain well-governed, economically resilient, and socially healthy communities.

The operating circumstances of BC municipalities have changed in response to socio-economic pressure and environmental pressures, such as fluctuating demographic populations, ageing infrastructure, loss of significant industry employers and forest fires and flooding. These factors present challenges for local administrators maintaining a well-governed, economically strong and financially stable municipality. This project's primary research question is:

What framework and tools can MAH use to identify and assess the viability and sustainability of BC municipalities?

The secondary research questions identified to support the primary research objective are:

1. What are the definitions of municipal viability and sustainability? Do they refer to similar or different conceptual understandings?
2. What municipal viability or municipal sustainability monitoring and evaluation approaches are taken in other jurisdictions?

Methodology and Methods

This project focused on municipal viability and sustainability indicators and tools created and used in five Canadian jurisdictions. The indicators and tools were examined to determine their local impact and transferability to BC's local government system. The "smart practices" methodology was employed to explore and understand the initiatives underway in Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon. The document produced by the five jurisdictions of interest was analyzed to supplement an academic literature review of local government systems, municipal viability, and sustainability.

The data collected informed the discussions with MAH regarding the informational interview questions asked to obtain a comprehensive understanding of municipal viability and sustainability from current Canadian practitioners. Potential participants were identified and invited for an interview based on their professional employment and experience with supporting municipalities. Following approval from the University of Victoria's Human Research and Ethics

Board, nine semi-structured interviews were conducted over six weeks from April to May 2019 to explore practitioner perceptions and initiatives in Alberta, Saskatchewan, Manitoba, Nova Scotia, and the Yukon territory.

Key Findings and Analysis

The collected data advised the findings and analysis sections. The informational interview findings supported the theories, concepts, and approaches uncovered through the literature review and the document analysis on local government systems, municipal viability and sustainability. Interview participant responses were organized and summarized based upon the interview guide's four sub-topics: general understanding, respondent background, experience with developing or using indicators and tools, and advice for developing municipal viability and sustainability indicators and tools.

Three common themes emerged from the literature review, document analysis, and interviews regarding the introduction and implementation of municipal viability and sustainability indicators and tools. They were:

- ***Definition of municipal viability and sustainability***
 - The main difference noted between municipal viability and sustainability is the timeframe of interest when appraising a municipality's current performance measure.
 - Municipal viability assessments are interested in the impact of operations at a specific point in time.
 - Municipal sustainability is interested in the impact of current operational contexts on long-term future performance.
- ***Common municipal viability and sustainability indicators***
 - Each Canadian jurisdiction had diverse indicators to examine municipal viability and sustainability.
 - There were some similarities and difference in measures chosen, possibly correlated to local influences and contexts.
- ***Shared jurisdictional vision to municipal viability and sustainability***
 - Local government system stakeholders across Canada worked with their regional partners to collaborate on addressing municipal viability and sustainability challenges.

The information collected through the methods and methodologies used to gather information on current Canadian practices on municipal viability and sustainability were reviewed and summarized as three smart practices to support MAH. These smart practices were based on the experiences of interview participants and work already done in Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon. They were:

- Regionalization of technical experience and collective services to address shared financial and governance challenges faced by struggling, frequently rural, municipalities are increasingly common.

- Involvement of local government stakeholders brought diverse perspectives to discussions on developing municipal viability and sustainability approaches for their jurisdiction. Collaboration with and between stakeholders was linked increased municipal administrator support for the introduced approach.
- The commitment of organizational resources is required to develop and implement municipal viability and sustainability indicators, tools or processes.

Options to Consider

The municipal viability and sustainability publications and approaches examined for this project helped to develop three options to address the challenges faced by BC's municipalities. These options were developed in consideration of MAH's foundational provincial-local government relationship principles and current operating practices. The following options are non-binding considerations on MAH's behalf:

Option 1 – Create Municipal Sustainability Self-Assessment Tools

This option is based on the self-assessment tools available in Alberta, Saskatchewan, Manitoba, Nova Scotia and Yukon that were developed in conjunction with their respective local government stakeholders. Based upon the information collected, MAH could choose to introduce this option to municipal administrators in two different manners – allow for voluntary disclosure or mandate disclosure of self-assessment results to the Ministry. The implications associated with both approaches are explained.

Option 2 – Introduce Reporting on Municipal Viability and Sustainability Indicators

This option is based upon existing initiatives taken by the Alberta and Nova Scotia provincial governments to collect and report on factors that may affect the long-term operations of their municipalities. As stipulated by the *Local Government Act* and *Community Charter*, BC municipalities are required and have been reporting on a series of financial measures to MAH annually. This option would be an expansion of these existing requirements to encourage administrators to examine and report on the influence of viability and sustainability indicators chosen on their municipality's operations. CivicInfo, a nonprofit organization, could serve as a data collection and capacity-building hub for municipal actors.

Option 3 – Develop a Municipal Viability Review Process

This option is based upon Alberta's introduction of a municipal viability review process to increase resident awareness and understanding of their municipality's current state and long-term future. The MAH could use the foundations of ongoing improvement district conversion/dissolution or municipal restructuring procedures to inform the development of a BC-focused municipal viability review process. This approach would echo Alberta's adaption of their previous dissolution process to create their current review process. Additional local government stakeholder involvement is encouraged to determine the more significant system consequences and appropriate steps to develop a provincial-municipal viability review process.

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1.0 Introduction

This project examines municipal viability and sustainability definitions and approaches used across Canadian jurisdictions to provide the Ministry of Municipal Affairs and Housing (MAH) with options for the development of municipal viability and sustainability frameworks in the Province of British Columbia.

Recent socio-economic stressors, such as changing demand of natural resources, ageing infrastructure, and fluctuating local populations challenge the ability of municipalities in British Columbia (BC) to govern well, remain economically resilient, and financially stable (Federation of Canadian Municipalities, 2018 & Slack, Bourne & Priston, 2006). Discussion between some municipal representatives and MAH Executives on the struggles of individual municipalities have initiated research to understand and appraise the influence of municipal viability and sustainability factors. Municipal viability or sustainability indicators examine the current state of a local government and assess its short- and long-term financial, governance, and economic outlook (Marshall & Douglas, 1997, p.56). Currently, there are no formal and consistent measures available in BC for municipalities to understand and assess the factors that determine future viability and sustainability.

This research project was commissioned in February 2019 by the Governance and Structure Branch in response to expressions of hardship and requests for Ministry relief from multiple municipal representatives during in-person senior leadership meetings before and throughout the 2018 Union of BC Municipalities (UBCM) conference. The Governance and Structure Branch is interested in how to objectively interpret public concerns and discern aid options for the municipalities facing acute viability and sustainability challenges.

The purpose of this project is to research, summarize, and report on municipal viability or municipal sustainability frameworks and measures by examining academic literature and drawing on the experiences of key informants. This project will explore the concepts of “municipal viability” and “municipal sustainability” through scholarly and grey publications and informational interviews with Canadian stakeholders to provide options to support the development of municipal viability or sustainability tools for BC’s local governance system.

This report seeks to answer the following primary research question:

What framework and tools can MAH use to identify and assess the viability and sustainability of BC municipalities?

The secondary and supplementary research questions to support the answering of the primary research question are:

1. What are the definitions of municipal viability and sustainability? Do they refer to similar or different conceptual understandings?
2. What municipal viability or municipal sustainability assessment and evaluation approaches are taken in other jurisdictions?

This report is divided into eight sections to answer these three research questions. Following this introduction, background information is provided on MAH, BC local government legislative framework and structure, and current definitions of municipal viability and sustainability. The project's research methodology, methods and its gathered information will be synthesized in the literature review and interview findings sections. These discoveries and their critical success factors will then be further discussed and used to inform options for MAH to consider moving forward.

2.0 Background

This section is the contextual background that sets up the remainder of this report. An overview of the project’s client, MAH, and the legislative framework and governing structure it operates in is introduced. This section also includes a brief discussion of the terms and concepts of ‘viability’ and ‘sustainability.’

2.1 Project Client

The Ministry of Municipal Affairs and Housing (MAH or ‘the Ministry’) is the lead provincial agency responsible for supporting the province’s local governments, such as regional districts and municipalities, in BC (Government of BC, n.d.a). The Ministry works to build affordable, well-governed, economically resilient, safe and healthy communities by addressing the needs and concerns of local governments, nonprofit organizations and BC residents. It develops legislation, regulations and policies, and delivers municipal services, programs and supports (Ministry of Municipal Affairs and Housing, 2019).

The Local Government Division is sponsoring this project with support from Catherine Lee and Marijke Edmondson who are also with MAH. The Division is responsible for supporting effective collaboration between local government and the BC government since its establishment in 1934 (Policy, Research and Legislation Unit, n.d.a.) and was created to support BC municipalities following a series of municipal bankruptcies and failures, due in part to the Depression period following the First World War (Policy, Research and Legislation Unit, n.d.b.). Staff members of the Governance and Structure Branch within the Local Government Division of MAH are supporting this research because the subjects of municipal viability and sustainability are directly related to their work with and on municipal dissolutions, boundaries, and overall local government governance systems.

2.2 Defining the Problem

At the annual UBCM Convention, the Minister of Municipal Affairs and Housing and senior Ministry staff meet with many municipal leaders. These short (approximately 15-minute) meetings are an opportunity for municipalities to ask senior government officials for assistance with their community’s challenges. Leading up to and during the 2018 UBCM Convention, the many difficulties shared with the former Deputy Minister pointed to the impression that some small municipalities were struggling to survive or operate within the current local government system. Consequently, a request came from the now former Deputy Minister’s office to provide the Minister with options to address the struggles of these smaller municipalities. Therefore, this research project was commissioned to provide the Governance and Structure Branch with a greater understanding of the concepts, and how other Canadian jurisdictions address municipal viability and sustainability.

Simultaneously, long-serving Ministry staff are aware that there are municipalities that episodically experience governance, economic, and financial crises and anticipate that further challenges will arise in the future for these municipalities. This issue of determining when and

how to initiate discussions with municipal leaders regarding the maintenance of a municipal governance structure has been a long-standing policy challenge for MAH.

Currently, the Ministry does not have an approach to guide possible intervention and dissolution but expects to be asked to develop one at some unknown point. The Local Government, Infrastructure and Finance Branch collects information on and examines some financial indicators, such as debt-to-revenue ratios and tax collection rates, that may indicate the health of long-term municipal operations. Despite having this foundation, MAH lacks a comprehensive interpretive guide that connects the financial measures with other municipal viability and sustainability indicators, such as governance and community. Therefore, MAH is interested in the approaches taken by other Canadian jurisdictions to address municipal viability and sustainability concerns and how it may translate into the BC context.

2.3 BC's Local Government Structure

Under Sections 91 and 92 of the Canadian Constitution of 1867, provincial governments were assigned to be responsible for local affairs. Through provincial statutes, the local governments have been delegated the authority to govern themselves. There are changes made by Canadian provinces that have translated to municipalities having similar yet different powers, scopes and boundaries in their ability to act and operate (Governance and Structure Branch, n.d.a., Constitution Act, 1867). These statute variances and their consequential impact on municipalities are why MAH is most interested in the Canadian experience.

The local government system in BC is comprised of municipalities, regional districts, and improvement districts shaped by their local context and circumstances. Municipalities are created in two manners: through government legislation, such as the *Vancouver Charter*, or, more commonly, through the Provincial Cabinet issuing letters patent under the LGA (Governance and Structure Branch, n.d.b., Vancouver Charter, 1953). Letters patent is a legal document that incorporates the municipality by stating its boundaries, name, and classification- such as city, town, village, district and island or resort municipality, which is dependent on the population and geographic size of the community. The municipality's birth story, such as inherited services and first election procedures, is also a part of their letters patent. (Governance and Structure Branch, n.d.c.). A municipal council comprised of elected officials governs their residents. They work together with non-partisan public servants to form the municipal government responsible for the provision of local governance and services independent of the federal and provincial governments, as stated in Sections 91 and 92 of Canadian Constitution of 1867 (Governance and Structure Branch, n.d.a., Constitution Act, 1867).

An important factor in BC's local government system is improvement districts. Improvement districts are local authorities that provide specific services to interested and paying landowners, often in rural regions. They do not serve the same role as municipalities as they are only allowed to provide the services authorities in their letters patent (Governance and Structure Branch, n.d.d.). Since BC has introduced regional districts in their local government system, services typically performed by improvement districts, including water and fire protection, have shifted to become the responsibility of regional district boards. Therefore, a process to eliminate improvement districts has been developed in one of two ways - conversion or dissolution has been

created and used by MAH to complete the transition from the old improvement district system to the current regional district model (Governance and Structure Branch, n.d.e.).¹

As of July 2019, 162 municipalities serve approximately 89% of BC residents (Governance and Structure Branch, n.d.a.). Twenty-seven regional districts support most of the remainder and range in population - from under 4,000 to over 2 million - and size, from 2,000 to 119,337 square kilometres (Governance and Structure Branch, n.d.b.). They were introduced in 1965, following amendments to the *Municipal Act* (now LGA), to address needs for greater regional cooperation and equitable cost-sharing between municipal and more rural communities. Regional districts are a federation of municipalities and unincorporated rural areas, created to reflect the federal approach to governance on a local scale. As such, they serve as the local government and provide region-wide, inter-municipal or sub-regional services; and local services for unincorporated communities within electoral areas.²

Municipalities and regional districts generally work together to address resident needs. Regional district board membership is made up of members of municipal councils appointed to sit on their respective board, individuals elected to represent their electoral area, and representation from Treaty First Nation Stakeholders. The composition of regional districts varies as there are some comprised of no municipalities (ex: Central Coast), almost all municipalities (ex: Metro Vancouver) or many smaller municipalities (ex: Strathcona). The municipal context impacts the regional district's role and responsibilities to its residents on governance, regulation and service provision (Governance and Structure Branch, n.d.b.). For example, the elected officials from the City of Surrey, Electoral Area A and the Tsawwassen First Nation all sit on the Metro Vancouver Regional District, with other municipalities in the region, to collaboratively plan for and deliver regional services (Metro Vancouver, 2018).

Although it is essential to acknowledge and understand the many actors that contribute to BC's local government system, municipalities are of primary interest in this report. Municipalities have a broad range of corporate, regulatory and taxation powers granted through provincial legislation. This gives municipal administrators the lawful ability to regulate people and property and provide necessary or desirable services through financial income from service provision or taxation revenues (Governance and Structure Branch, n.d.a.). Yet as the contextual operating circumstances of a municipality changes over time, a municipality may face additional stressors and pressures that impede their ability to use their powers and autonomously operate in the long-term.

¹ Improvement district conversion is when another local government entity takes over the provision of an improvement district's services or function, including its assets, liabilities, obligations and bylaws. According to the MAH website, improvement district dissolutions are less frequent as the BC government and improvement district stakeholders, including their governing board and ratepayers, agree that the provision of its services is no longer viable. Consequently, the improvement district's assets and liabilities are dispersal among its previous paid users (Governance and Structure Branch, n.d.e.).

² Regional districts differ from regional governments in other Provinces or international jurisdictions because of their overlap with municipalities in services to provide additional options, such as allowing localities to choose between municipal service agreements.

2.4 BC's Provincial-Local Government Legislative Framework and Guiding Principles

The province's local government framework is set out in two key pieces of legislation, the *Local Government Act* (LGA) and the *Community Charter* (CC). The LGA identifies the powers, responsibilities, structures, and operational requirements primarily for regional districts and improvement districts, which are incorporated local public entities providing specific services upon landowner payment (Governance and Structure Branch, n.d.d.). The LGA also provides the rules for determining municipal incorporation authority and standard election procedures (Governance and Structure Branch, n.d.d.).

While some provisions of the LGA also apply to municipalities, the CC serves as the second main statutory framework for BC municipalities, excluding the City of Vancouver, which is governed by the *Vancouver Charter* (Vancouver Charter, 1953). The legislative framework for municipal changes, such as incorporation, restructuring, or amalgamation, is clear that community consent is required for significant changes in the structure of local government with further details on expected engagement methods.³ Other legislation requires regional districts and the City of Vancouver to follow specific CC provisions, especially accountability measures. Still, the CC's primary purpose is to set out a municipality's core authorities, fundamental powers, accountability and public participation provisions, and the municipal-provincial relationship (Policy, Research and Legislation Unit, n.d.c.). Together, the LGA and the CC provide local government entities with clear expectations of the roles, duties, and responsibilities that they are expected to have and play in the greater local government system (Policy, Research and Legislation Unit, n.d.c.).

There are a series of underlying and legislated principles that guide actions, such as municipal restructuring and relations between the Province and local governments.⁴ These guiding principles may be applied to address and mitigate issues that may arise to reduce negative impacts on the community and the overall local government system (Governance and Structure Branch, n.d.g.).

³ Municipal incorporation is the establishment of a municipality from an unincorporated community. Municipal restructuring is the incremental or fundamental change to establish, expand, consolidate or reclassify municipal governance. Municipal amalgamation is the incorporation of two or more municipalities (Governance and Structure Branch, n.d.f.). Amalgamation is the term commonly used when municipalities are merging to become one.

⁴ The municipal restructuring guiding principles are:

1. Elected local government representatives initiate and support the process
2. Understanding the problem precedes developing a solution
3. All sectors of the community, including First Nations and other local governments, need to be involved in the discussion
4. Changes emerging from the process should be supported by the elected local government representatives
5. The electorate should be well-informed on the implications of change before making a decision (Governance and Structure Branch, n.d.g.)

Both the LGA and the CC recognize the importance of local government autonomy as a separate order of independent and accountable administration through provisions that reflect five principles:

1. Local autonomy balanced with public accountability – enshrined public accountability frameworks in legislation to ensure local governments are accountable to their residents
2. Financial independence – granted local government with authorities, specifically municipalities, to generate independent revenue for local service delivery purposes
3. Consultation – recognized the importance of discussion between provincial-local stakeholders to understand, and consider shared interests
4. Intergovernmental Collaboration – encouraged local government entities to support one another and the Province on collective concerns
5. Flexibility – recognized and provided accommodation for different local governments’ needs to address their specific community matters (Policy, Research and Legislation Unit, n.d.d.).

The LGA, the CC, and guiding principles, in combination, form the foundation of the Provincial and local government relationship (Policy, Research and Legislation Unit, n.d.d.). This project recognizes the importance of respecting the legislative provisions and values that allow for effective working relationships between the two administrative levels when the Ministry is considering options that may affect or influence municipalities. As such, this research and its subsequent options were formulated considering this understanding.

3.0 Literature Review

This literature review served to establish what defines a local government system and provide an initial understanding of local government systems, municipal viability and sustainability. Information was collected using publicly accessible sources available from Google searches, the University of Victoria library catalogue, Summon 2.0, and government websites. Therefore, both academic and grey literature was sought and examined for their relevance to addressing this project's objectives.

The key terms used to find sources for the “Local Government Systems” section was “Canada local government system”, “Canada municipalities”, “Australia local government system”, “Australia municipalities”, “New Zealand local government system”, and “New Zealand municipalities”. Articles for the “Municipal Viability” section were found by searching municipal viability, “municipal viability”, community viability, “community viability”, local government viability, and “local government viability”. The literature review on municipal sustainability was informed by research on municipal sustainability, “municipal sustainability”, community sustainability, “community sustainability”, local government sustainability and “local government sustainability”. The use of quotation marks around two words, such as municipal and viability, informed the search engine used to seek for the term as one, rather than separating and seeking the words in their database (University of Wisconsin-Milwaukee Libraries, 2019). This technique proved important as the search results increased in relevance but decreased in numbers when terms were sought compared to the results of databases searches using the individual words. For example, using the University of Victoria's Summons 2.0 index, there were 35,266 results for municipal viability, but six results for “municipal viability”.

3.1 Local Government Systems

The concepts of municipal viability and sustainability are rooted in the long-term ability of a municipality to support its residents. Consequently, it is essential to understand the role that municipalities play throughout diverse local government systems.

3.1.1. Canadian Context

Canada operates as a federal parliamentary democracy and constitutional monarchy (Commonwealth Local Government Forum, 2017a, p. 1). A parliamentary democracy system is a governing model where an elected representative assembly, the legislature, is formed and legitimized through citizen support in a single-member, simple plurality system. A constitutional monarchy is where the executive authority to carry out government actions is vested in the name of the Crown (Marleau & Montpetit, 2000). The two national governing models are echoed in the ten provincial and three territorial governments, with most public representatives having been publicly chosen by electors (Commonwealth Local Government Forum, 2017a, p. 1).

The *British North America Act* of 1867, later renamed as the *Constitution Act* of 1867, created the current governance structure of Canada (Kennedy, 1943, p. 146 & Tindal & Nobes Tindal, 2000, p. 25). Section 91 and 92 of the *Act* outlines the division of power between federal and provincial governments based on function. For example, the federal government is granted responsibilities

associated with currency, banking, marriage and divorce, criminal law and national defence. In contrast, provincial governments are responsible for hospitals, property, civil rights and municipal institutions (Constitution Act, 1867). Consequently, the 1867 Act and subsequent federal acts and legislations do not recognize municipalities as a separate order of government instead, as a responsibility of the provincial governments (Commonwealth Local Government Forum, 2017a, p.1). Therefore, local government systems across Canada's provinces and territories vary per their jurisdictional contexts and legislative, regulatory and policy stipulations.

Provincial and territorial ministers responsible for local governments, often referred to as municipal affairs, is the legislative authority responsible for many municipal affairs. The cases may range from boundary restructuring and municipal amalgamations to ministry support or intervention (Commonwealth Local Government Forum, 2017a, p.2). Overall, provincial and territorial policies are more likely to impact their jurisdiction's broader local government system. In contrast, local government actions are more likely to have direct effects on specific matters in their region as their authority to make decisions is restricted to a particular location and topic areas (Miller & Soberman, 2003, p. 53).

Like their federal and provincial/territorial counterparts, local government decision-makers, including the Mayor/Reeve and their councillors, are also elected officials. They may be supported by non-partisan staff to serve their two primary purposes: processing and expressing community opinions and provision of local services (Tindal & Nobes Tindal, 2000, p. 4). The structure of Canadian local governments to fulfill their obligations differs for each jurisdiction. BC, Quebec and Ontario have multi-dimensional local government structures with the involvement of regional representation in municipal matters, although the methods chosen to allow for regional authorities differ between the three provinces. The remaining seven provinces and three territories have a single-layer local government model with diverse responsibilities associated based municipal classification (Commonwealth Local Government Forum, 2017a, p.2). Provincial and territorial governments can categorize their local government bodies based on their criteria, such as population or relative physical size (Simmons, 1976, p. 71).

As local governments are a subject of their provincial or territorial government, they are limited in their roles and authorities (Young, 2013, p. 1). This impacts their ability to raise revenue, build and upgrade infrastructure and provide services without federal or provincial aid (Van Den Brink, 2016 & Stoney & Graham, 2009). Consequently, many local governments have formed innovative partnerships to address collective challenges and create flexible place-based solutions (Levi & Valverde, 2006, p. 388).

3.1.2. International Context

As this project is intended to inform and support BC MAH, the international jurisdictions with the same governing models as Canada, parliamentary democracy and a constitutional monarchy, are chosen for this literature review. Specifically, the theoretical definitions and expectations of Australia and New Zealand's municipalities are explored as to their shared history as previous British colonies and current federation model suggests that likely alignment and common principles with the province's local government system (Marleau & Montpetit, 2000).

Australia

The local government system in Australia shares many similarities with Canada's. Under the Australian Constitution, the country's six states and territories are responsible for local governments. It is the third tier of governance in Australia, below the federal and state/territory tiers (Grant & Woods, 2016, p. 244). Each jurisdiction has its local government legislation that clarifies the role and power of councils, conduct of local elections, qualifications and codes of conduct for elected officials, and financial management requirements (Commonwealth Local Government Forum, 2017b, p.1). Standard features and functions of Australian local governments can be identified, but ultimately, like Canada, differences exist across the system to accommodate for regional approaches, contexts and priorities (Kelly, 2011, p.1).

In contrast to BC, the local government bodies, commonly referred to as councils, in Australia are single-tiered (Commonwealth Local Government Forum, 2017b, p.2). The 546 councils may voluntarily organize into regional bodies to improve their services and resources' effectiveness and efficiency. However, the regional bodies are not recognized as a separate level of government (Dollery & Johnson, 2005, p.7 & Commonwealth Local Government Forum, 2017, p.2). There is also no distinction in terms to classify for councils, such as cities or towns in BC, based upon population size. However, the terms are still used in common vernacular (Commonwealth Local Government Forum, 2017b, p.2).

Councils in Australia serve a similar role and purpose as municipalities in BC. Australian elected representatives, a Mayor and Councilors, are given the autonomy to make and communicate decisions to their local community (Dollery & Johnson, 2005, p.7). The council is supported by non-elected staff to deliver on their State/Territory assigned responsibilities (Dollery & Johnson, 2005, p.8). The council's priorities include the regulation of local affairs, maintenance of positive community health and well-being and provision of public facilities and services. Regulatory tasks range from building inspections, planning and development approvals to parking bylaws. The upkeep of community infrastructures to manage waste management, sewage drainage and roadwork are considered as efforts to support overall community health and well-being while the service provision reflects the availability of libraries and recreation services, including parks, gardens and public grounds (Megarrrity, 2011).

New Zealand

New Zealand is a unitary country with no written constitution and two independent levels of government, national and local (OCED, 2016, p.1). The federal government's governing legislation, the *Local Government Act*, encourages local governments to focus on delivering regulatory services and providing cultural arts and recreational facilities (McKinlay & Selwood, 2014, p. 4-6). The *Act* also includes clarifications on the general powers of councils, the types of activities and methods to undertake duties and public accountability measures (Commonwealth Local Government Forum, 2017c, p.1).

New Zealand's local government system shares many similarities with Canada and BC's system. Like Canadian local government bodies, New Zealand's local authorities vary in size and population (New Zealand Productivity Commission, 2018, p.10). They are led by decisions from

elected officials, under stipulations from the Local Electoral Act, and staffed by non-elected staff in support positions (New Zealand Productivity Commission, 2018, p.10). Like BC, they have multiple local government bodies responsible for different purposes. New Zealand’s territorial authorities may perform a similar function as BC municipalities and their regional councils may serve the same goal of the BC’s regional districts.

The roles and responsibilities of New Zealand’s regional councils and territorial authorities are clarified in their *Local Government Act* (Commonwealth Local Government Forum, 2017c, p.1). There are nine regional councils and 67 territorial authorities, which include cities and district councils (Commonwealth Local Government Forum, 2017c, p.1). Regional councils are primarily responsible for providing integration on cross-boundary functions, such as land transport and flood protection (New Zealand Productivity Commission, 2018, p.12). In contrast, the responsibilities of territorial authorities are broader and primarily over physical infrastructures, such as roads, water supply, waste and land use planning (OCED, 2016, p.1). New Zealand’s territorial authorities may perform a similar function as BC’s municipalities while their regional councils may serve the same purpose of the province’s regional districts.

3.1.3. Summary of Local Government Systems

The following table summarizes three international jurisdictions’ national and local government structures.

Table 1: Summary of Local Government Systems

Jurisdiction	Governance Structure	National Governing Legislation	Local Government Legislation	Sample of Local Government Types
Canada	Federal → Provincial & Territorial → Local Governments	<i>Constitution Act, 1867</i> (previously the <i>British North America Act, 1867</i>) <i>Constitution Act, 1982</i>	Independent Provincial & Territorial <i>Local Government Acts</i>	Regional Districts, Municipalities & Improvement Districts
Australia	Federal → State & Territorial → Local Governments	<i>Commonwealth of Australia Constitution, 1900</i> <i>Australia Act, 1986</i>	Independent State & Territorial <i>Local Government Acts</i>	Local Councils – possible naming conventions include cities, shires, towns or municipalities
New Zealand	National → Local Governments	Unwritten Constitution – sample of Constitution sources: <ul style="list-style-type: none"> • <i>Treaty of Waitangi, 1840</i> • <i>Cabinet Manual, 1979</i> • <i>Constitution Act, 1986</i> • <i>New Zealand Bill of Rights Act, 1990</i> • <i>Electoral Act, 1993</i> • <i>Senior Courts Act, 2016</i> 	National <i>Local Government Act</i>	Regional Councils & Territorial Authorities

3.2 Municipal Viability

Municipal viability is a complex concept. It can and has been used to refer to specific local government topics, such as governance, community-well-being, infrastructure, financial and asset management. Scholars and subject-matter experts have also defined it in different manners. For example, the Rural Municipalities of Alberta believes that the term “refers to strategies/actions developed by the people of a community to ensure its long-term success” (2009, p.i). In contrast, Canadian academics Marshall and Douglas (1997) divided the concept into its two components, municipal and viability, to separately consider the idea of a municipality and its essential viability factors, such as financial, community and governance measures (p.1-2).

Following consultation with MAH representatives, the focus of this project has been determined to be on factors and influences that may impact a municipality’s ability to maintain and provide long-term services and supports for their residents. More specific local government considerations, such as infrastructure, asset management and financing, are important factors to consider in the greater municipal viability and sustainability discussion but not of primary focus in this literature review.

This review of municipal viability literature was divided into the three themes identified by Marshall and Douglas to consider and understand the various influences on a municipal government (1997, p.2). Consequently, the information collected analyzed was synthesized based upon their associated topic: financial, community and governance viability.

3.2.1. Financial Viability

There are many factors that influence the long-term viability and sustainability of a municipality, such as their current and anticipated future revenues and expenditures. Consequently, the ability of municipal governments to provide and maintain their services to satisfy resident expectations is reliant upon their financial health. Marshall and Douglas interviewed Canadian local government stakeholders on their definitions and understandings of municipal viability. A sample of their responses is listed as follows:

- “The ability to provide the services required under legislation and/or required by the public at a cost the public is willing to pay.”
- “A municipal/community government’s ability to maintain existing service levels, withstand economic disruptions, and meet the demands of growth, decline and change.”
- “The ability to generate sufficient revenues to meet short-and long-term obligations. Revenues need to be sufficient to pay for at least the minimum essential services that businesses need for a safe and healthy environment and to pay for additional services that residents and businesses want and need to grow economically, socially and culturally.”
- “Having the financial capacity to meet the long-term service needs of the community” (Marshall & Douglas, 1997, p.36).

Overall, the subject-matter experts interviewed by Marshall and Douglas cite financial viability to encapsulate a municipality’s current state and future capability to maintain the existing legislated infrastructure necessary to provide services at an acceptable cost. Community health, safety and

well-being should also be accounted for, in addition to the municipality's ability to adapt to anticipated fiscal distress and community growth and decline (Marshall & Douglas, 1997, p.37). Examples of possible financial challenges that can impact a municipality's operations includes economic declines, tax base erosions, demographic changes, recessions and administrative mismanagement (Coe, 2008, p. 759). The impact of these concerns can be understood and mitigated if the appropriate actions are taken in time.

Monitoring the financial conditions of municipal governments might support their long-term viability. Administrators who understand and expand their income streams may be able to introduce and implement budget mitigation activities before their situation deteriorates (Spren & Cheek, 2016, p. 743). Municipalities have multiple funding channels, including federal and provincial grants and own-source revenues, such as business and property taxes (Kitchen, 2002, 166 & Kitchen & Slack, 2003, p.81-82). The income diversification can strengthen their resilience to fiscal challenges as operations are not dependent on one conduit. However, it is essential to encourage local governments to monitor their financial performance as their regional contexts and its influences may not be accounted for or cannot be addressed by provincial/territorial administrators (Spren & Cheek, 2016, p. 742-743).

Financial viability indicators for local governments can support administrators understand and evaluate their present realities and performance (McDonald, 2017, p. 1). There are diverse approaches to measuring fiscal health. They include:

- Revenue-based indicators – including the ability to raise revenue, taxation income per capita/residence, reserve fund allocations, provincial/territorial transfer ratio and property tax delinquencies (Marshall & Douglas, 1997, p.37-39);
- Expenditure-based indicators– including general government expenses and benchmark expenditure indicators (Marshall & Douglas, 1997, p.39-40); and
- Debt-based indicators – including municipal borrowing limits, operating fund deficits and outstanding current liabilities (Marshall & Douglas, 1997, p.42-43).

Academic research has indicated that a measurement system that is reliant upon a series of diverse variables is more reliable to appraise overall financial conditions (McDonald, 2017, p. 13). This may be because the impact of diverse inputs and accounting measures used in municipal budgeting are considered for their individual and broader influence on overall financial health (Dachis & Robson, 2015, p. 8-12 & Dachis, Robson & Omran, 2017, p. 11). As there are several fiscal indicators that could be used to assess financial viability, provincial and territorial governments can support their local counterparts by introducing a standard approach for their jurisdiction's system.

3.2.2. Viability of Governance

The ability of a municipality to govern itself may also be an essential element of municipal viability. Following a survey of subject-matter experts, Marshall and Douglas synthesized their respondent data to determine that the viability of government should consider their capability to:

- Represent and respond;

- Provide useful, efficient and equitable services;
- Have a fair and open revenue and expenditure decision-making process; and
- Maintain internal political and administrative order (Marshall & Douglas, 1997, p.50).

The four themes identified by Marshall and Douglas are supported by research from the Rural Municipalities of Alberta. The Association recognized the importance of a viable municipality to meet its administrative, service and legislative requirements while governing democratically to represent community interests (Rural Municipalities of Alberta, 2001, p. 9-10). The viability of government and its operations also impacts the financial viability of a municipality. For example, the municipality’s ability to provide services to residents at an acceptable cost can be both governance and financial viability measure. The different publication authors have produced additional viability of governance indicators. The following table is a sample list of the possible measures proposed.

Table 2: Proposed Viability of Governance Measures

Marshall & Douglas (1997, p.50-52)	Rural Municipalities of Alberta (2009, p. 9-10)
<ul style="list-style-type: none"> • Service provision <ul style="list-style-type: none"> ○ Rates of municipal service use ○ Alternative service means • Representativeness <ul style="list-style-type: none"> ○ Transparency and “openness” of decision-making processes ○ Voter turnout rates ○ Number of uncontested council seats ○ Number of municipal candidates for council seats 	<ul style="list-style-type: none"> • Ability to operate <ul style="list-style-type: none"> ○ Ability to undertake long range planning ○ Adoption of annual capital and operating budgets each year ○ Regular reporting to council on the municipality’s finances and budget performance ○ Meet deadlines for financial and operating reporting to the provincial government? • Ability to govern <ul style="list-style-type: none"> ○ Vacancy and replacement rate for councils, community boards and commissions ○ Voter participation rate ○ Regular professional development of municipal government knowledge and trends • Service provision <ul style="list-style-type: none"> ○ Regular maintenance of public facilities and infrastructure ○ Comparable and stability of tax and utility rates

Although these various municipal governance viability measures can provide useful insights, there are difficulties with measuring the viability of governance structures, as noted through case studies conducted by Marshall and Douglas. They use the example of the viable municipality of Vancouver having low voter turnout rates to illustrate that determining municipal viability is dependent on the conclusions of multiple measures encompassing diverse categories, and not a single indicator’s results (Marshall & Douglas, 1997, p.50). Therefore, although having a viable is essential, it must be considered with the other themes to provide a fulsome picture of a municipality’s long-term outlook.

3.2.3. Community Viability

Community viability was acknowledged by Marshall and Douglas and Rural Municipalities of Alberta's research on municipal viability to recognize the vital role of stakeholder interest and interaction with their local administration.⁵ The pride and willingness of residents who have a sense of belonging and have built social networks may be more likely to put in the effort to maintain their municipality (Rural Municipalities of Alberta, 2001, p. 11). As one individual emphasized:

"You can have a community without a municipality, but you can't have a municipality without a community" (Marshall & Douglas, 1997, p.50).

For their survey, Marshall and Douglas provided the following working definition for their respondents to offer suggestions and feedback upon:

"Community viability is the ability of the community to sustain itself socially, economically and culturally and change (e.g. "grow") if desired" (Marshall & Douglas, 1997, p.50).

Following varied participant responses, Marshall and Douglas stated that community viability might be the most difficult to measure of the three viability components as there are challenges with defining "community" and measuring its "condition" (Marshall & Douglas, 1997, p.61). However, they also emphasized the influence and importance of understanding community viability to determine overall municipal viability and identified four indicator themes, including:

- Economic characteristics:
 - Tax base, diversity and growth
 - Retail closure rates
 - Industry diversity of employment opportunities
- Social factors:
 - Membership rates in social organization – i.e.: churches
- Demographic trends:
 - Movement of labour force
 - Population rates
- Technological changes:
 - Infrastructure status – requirement for maintenance or upgrades
 - Ability to adapt to technological advances (Marshall & Douglas, 1997, p.62).

On its own, community viability and its measures only convey a measure of resident opinions. It is only when all themes that may impact a municipal's long-term viability, including financial, governance and community, are considered that an assessment of their future can be concluded.

⁵ The term "community" refers to a group of people with common characteristics belonging or living in the same place. The term "municipality" alludes to a community that has been incorporated to allow self-regulation through the establishment of a local government entity and administration.

3.3 Municipal Sustainability

Municipal sustainability has been defined in multiple forms, depending on its contextual use. It often tends to focus on the long-term durability of municipalities over time. For example, Calder and Beckie (2013) have defined sustainability in the community development context to encompass environmental, cultural, social, and economic objectives (p. 147). However, Colton (2010) focuses on the capability of local plans to manage and sustain community social, built infrastructure, environmental, cultural and commercial assets (p.14).

Numerous academic articles were written on the sustainability of municipalities in the environmental and infrastructure context. These publications include Cote and Grant's report on the "Industrial Ecology and the Sustainability of Canadian Cities", "How Green is the City? Sustainability Assessment and the Management of Urban Environments" by Devuyt, Hens and De Lannoy and Vanier, Newton and Rahman's "A Framework for Municipal Infrastructure Management for Canadian Municipalities" (Cote, Grant, Weller, Zhu, & Toews, 2006; Devuyt, Hens & De Lannoy, 2001; Vanier, Newton, & Rahman, 2006). These publications represent a small sample of municipal sustainability articles that are in the project scope of being Canadian-focused.

There is a greater volume of Canadian academic publications on "municipal sustainability" when compared to database search results for "municipal viability" articles. This increase of publications may be correlated to the popularity of the term "sustainability" and the 2005 Government of Canada initiative to encourage the development of Integrated Community Sustainability Plans (ICSP). Specifically, an ICSP is:

"a long-term plan, developed in consultation with community members, that provides direction for the community to realize sustainability objectives it has for the environmental, cultural, social and economic dimensions of its density" (Planning for Sustainable Canadian Communities Roundtable, 2015, p. 4).

As the "New Deal for Cities and Communities" program encouraged municipalities and First Nations to understand, adopt and implement sustainable planning principles through the development of ICSPs, academics produced publications to address their knowledge gap and evaluate effectiveness (Planning for Sustainable Canadian Communities Roundtable, 2015, p. 5). For example, Stevens and Mody's 2013 work, entitled "Sustainability Plans in British Columbia: Instruments of Change or Token Gestures", examined how 20 BC municipalities formulated and implemented their sustainability plans and made recommendations for administrators to improve and maximize their plan's value to promote local sustainability (Stevens & Mody, 2013). Stuart, Collins, Alger and Whitelaw's publication, "Embracing sustainability: the incorporation of sustainability principles in municipal planning and policy in four mid-sized municipalities in Ontario, Canada, used a case analysis approach. It examined how the municipalities operationalized sustainability planning to conclude that the plans favoured socially oriented approaches whose community impact was reliant on constant monitoring (Stuart, Collins, Alger & Whitelaw, 2016).

This trend of Canadian academic literature on municipal sustainability supporting the requirements set out in ICSPs is continued throughout searches. Calder and Beckie wrote on the different citizen involvement processes in the development of municipal sustainability plans. They summarized their findings in “Community engagement and transformation: case studies in municipal sustainability planning from Alberta, Canada” (Calder & Beckie, 2013). Baxter and Purcell believed that the ICSP was an opportunity to engage the public on broad issues, such as the use of natural resources and specific problems, how to increase land-use density. Therefore, their “Community Sustainability Planning” article illustrated their appropriate practice to create and support innovative solutions to address current concerns now and leave a positive legacy on future generations (Baxter, K.H. & Purcell, 2007). The conceptual relationships and governance issues raised between nature, culture and development linkages were explored and explained by Duxbury and Jeannotte (2012). Their publication, “Including culture in sustainability: an assessment of Canada's Integrated Community Sustainability Plans”, concluded that there were conceptual and governance challenges with the goals set out in municipal ICSPs (Duxbury & Jeannotte, 2012).

Although there are numerous academic publications on municipal sustainability in the context of ICSPs, as they were primarily focused on local infrastructure, these works are inconsequential for this research project. As the Federal government launched the ICSP initiative to encourage municipal administrators to plan for the significant cost of capital infrastructure upgrades in advance, the area of municipal sustainability associated with ICSP literature is environmental and infrastructure sustainability. The ICSPs’ emphasis on a municipality’s long-term ability to regulate land use, determine and provides essential services, such as clean water, sanitary sewage and safe roads, although necessary, is important. However, it does not clearly align with this paper’s focus to provide MAH with options to address the viability and sustainability concerns of BC’s municipalities.

3.4 Summary of Literature Review

The following table summarizes literature review of local government systems, municipal viability and sustainability.

Table 3: Summary of Literature Review

Literature Review Topics	Areas Examined	Informed and Supported
Local Government Systems	<ul style="list-style-type: none"> • Canada • Australia • New Zealand 	Document Analysis <ul style="list-style-type: none"> • To recognize regional influences and context
Municipal Viability	<ul style="list-style-type: none"> • Financial Viability • Viability of Governance • Community Viability 	Document Analysis <ul style="list-style-type: none"> • Alberta and Manitoba Interview questions (Appendix 1) <ul style="list-style-type: none"> • Specifically, #1, 2, 3
Municipal Sustainability	<ul style="list-style-type: none"> • Integrated Community Sustainability Plans (ICSP) 	Document Analysis <ul style="list-style-type: none"> • Alberta, Saskatchewan, Nova Scotia, and Yukon Interview questions (Appendix 1) <ul style="list-style-type: none"> • Specifically, #5

4.0 Methodology and Methods

This project has been conducted using a qualitative approach to gain insights on the frameworks and tools employed to understand and examine municipal viability and sustainability initiatives underway in Canada. Qualitative research methods were chosen for this project based on their ability to identify and capture the intangible factors of how individuals understand and have experienced municipal viability and sustainability tools and frameworks (Family Health International, n.d., p.1). The methodology and methods used include document analyses and semi-structured informational interviews with experienced local government stakeholders across Canada, representing six jurisdictions. This project received approval from the University of Victoria's Human Research Ethics Board before initiating field research - certificate number 19-0100. This section will provide more details on the methodology, methods used and their associated strengths, limitations and delimitations.

4.1 Methodology

The smart practices approach served as the guiding methodology for this project. Smart practices are a qualitative program evaluation technique that seeks to discover how other organizations have addressed similar concerns and learn from their experiences to reproduce their successes and mitigate their concerns (Eglene, 2000, p.2). Although this research methodology is often referred to as best practice, the vague nature of the term "best" makes many researchers more cautious with its subjectivity. Therefore, this technique may be referred to as smart practice to recognize the effectiveness of different approaches to address problems. Applying a smart practices approach acknowledges that multiple paths can be feasible and could be combined to formulate situation-specific options and recommendations (Bardach, 1994, p.266).

There are many diverse ways to conduct smart practices research. This project approached smart practices research in three distinct phases:

1. Determining the research question – finished in the project proposal and ethics writing and approval process;
2. Gathering preliminary information – completed in the literature review and document analyses; and
3. Interviewing selected participants comprehensively – completed through informational interviews with municipal viability and sustainability stakeholders (Eglene, 2000, p.2-3).

In finishing the three phases of smart practices, as identified by the University of Albany, the project uncovered common findings to formulate options for MAH based upon the smart practices used throughout Canada to address municipal viability and sustainability.

4.2 Methods

Two methods were chosen and used to collect data: document analyses, and informational interviews. The document analyses formed the foundational understanding of the topic through examinations of secondary data sources. Information from the document analyses was used to determine interview questions, identify potential participants and informed the conversation with

stakeholders. The informational interviews provided additional details that were analyzed for common themes to articulate options.

4.2.1. Document analyses

Document analyses was the research approach conducted to examine the smart practices of different Canadian provinces and territories on how they addressed municipal viability and sustainability concerns. This research method is defined as the systematic process for reviewing and assessing documents to elicit meaning, gain understanding and develop practical knowledge (Bowen, 2009, p. 27). Municipal viability and municipal sustainability documents from five different Canadian provinces and territories were reviewed to determine the commonalities and differences in their respective approaches taken to address concerns.

The jurisdictions of interest were chosen as they operate within the same government federation structure, as defined by the Canadian Constitutions of 1867 and 1982, and had representatives that were interviewed for this project (Governance and Structure Branch, n.d.a.). Therefore, this document analyses focused on the smart practices actioned in Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon territory. International examples of municipal viability and sustainability work were excluded as it was determined to be out of this research's scope and focus as noted in the literature review, local government systems and understanding of the concepts vary significantly around the world.

The document analyses examined the municipal viability and sustainability approaches and methods used in Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon territory. Each jurisdiction's government websites and publications were used to inform the scan, which was used to support the informational interviews conducted with their representatives. When relevant, municipal and local government association websites and publications were examined for their smart practices to expand on the scan's findings from government sources.

4.2.2. Informational Interviews

Semi-structured informational interviews were conducted to allow for an open and broad discussion. This style permits the interviewer to exercise discretion on how pre-determined questions were presented to acknowledge variety in the different conversations (Wildavsky, 1989). The informational interviews served to gain a comprehensive understanding of the municipal viability and sustainability theories, tools and practices held by current Canadian practitioners. Questions sought to understand why jurisdictions took the municipal viability and sustainability approach they chose and how it has worked when introduced and implemented in their local government system. The interview questions were co-developed with the client to acknowledge their inquiries, reflect project objectives and common themes from the literature review (Appendix 1).

Interview participants were selectively sampled from two groups: Canadian provincial and territorial administrators who work on or with municipal viability and sustainability, and Canadian Chief Administrative Officers (CAOs) whose municipalities have undertaken or undergone a review of their viability and sustainability. Selective expert sampling was used to

identify potential interviewees, based upon their organizational position, for their professional knowledge and experience. This form of careful non-probability sampling relies on the researcher's judgement to select the representative participants who have the expertise necessary to provide useful information to support the project (Lund Research Ltd, 2012).

Twenty-four people from six jurisdictions across Canada were contacted with email invitations for informational interviews (Appendix 2). These individuals were identified based upon their employment within municipal viability and sustainability work units using publicly available government databases; or their role within municipal governments who have completed a municipal viability and sustainability review. The first contacts gave referrals to additional stakeholders when they were unable or unavailable to participate in the project personally. The invitation emails included a summary of the project and a consent form for their signature if they chose to participate. The original goal was to interview, at minimum, one participant from Alberta, Saskatchewan, Manitoba, Nova Scotia, Newfoundland and Labrador and the Yukon territory, respectively.

After six weeks of emails and phone follow-ups, nine informational interviews were conducted with representatives from four of the five provinces, excluding Newfoundland and Labrador, and the Yukon territory (Appendix 3 for phone follow-up script). Representatives from Newfoundland and Labrador contacted were unavailable for an informational interview following numerous follow-ups attempts and therefore excluded from the document analyses as further insights on their 2009 draft on Municipal Sustainability Self-Assessment Project could not be obtained (Lane & Quinton, 2009).⁶ Of the nine participants, one was a municipal CAO; the others were provincial or territorial government or local government association employees. Interviews were conducted over the phone in May 2019 and ranged in length to a maximum of an hour. Consent was given for the researcher to take notes, record and transcribe discussions for further analyses. Pre-

⁶ The "Municipal Sustainability Self-Assessment Project: Final Report" summarized a 6-month project by the Municipalities Newfoundland and Labrador (MNL) to encourage municipalities to evaluate their financial and operational position and self-determine their ability to deliver services in the long-term. This initiative was intended to support municipalities with their requirement to complete an Integrated Community Sustainability Plan (ICSP) to continue to receive Federal Gas Tax Funding (Lane & Quinton, 2009, p.1). Consequently, it was funded by the Canada-Newfoundland and Labrador Gas Tax Agreement (Lane & Quinton, 2009, p.2).

The municipal sustainability self-assessment project was centered on the seven themes that influence municipal operations of any size. They include Governance, Administration, Finance and Financial Management, Service Delivery, Equipment and Infrastructure, Community Well-Being, and Regional Cooperation. MNL field staff facilitators supported municipal administrators in completing the questionnaire with results collected from all municipalities incorporated into a Master spreadsheet for further analysis (Lane & Quinton, 2009, p.3). Overall, 90% of the province's municipalities had completed the municipal sustainability self-assessment. The report's authors stated that the high completion rate was a positive indicator of municipalities' commitment and concerns to long-term sustainability and helped prepare participants for the development of the Federal government mandated ICSPs (Lane & Quinton, 2009, p.7).

This report was the sole document that the researcher was able to find on municipal viability and sustainability efforts in Newfoundland and Labrador. The individuals associated with this report were invited to participate in an informational interview with no response. Consequently, no further insights could be drawn on how Newfoundland and Labrador addressed municipal viability or sustainability and what the resulting impact of this project was on the local municipalities.

determined questions guided the interview, where, when appropriate, additional probing questions were posed to gain a better understanding of the conversation.

Table 4: Summary of Interview Requests and Consultations

Jurisdiction	Provincial Government	Municipal Government	Municipal Association	External Contractor
Alberta	✓	✓	X	N/A
Saskatchewan	✓	X	X	N/A
Manitoba	X	X	✓	N/A
Nova Scotia	✓	X	X	✓
Newfoundland and Labrador	✓	X	✓	N/A
Yukon	✓	X	X	N/A
Legend: ✓ - Interviewed // X – Contacted & No Response				

4.3 Data Analysis

Information collected through the literature review, document review and informational interviews were analyzed using a thematic approach. Thematic data analysis applies a systematic tactic to identify commonalities, relationships and overarching patterns in the data once it is coded and classified (Lapadat, 2010). The literature review served to support the development and use of interview questions and supplement the collected findings. Although some participants provided additional documentation to help their discussion points, the findings were based on the verbal conversation. The informational interviews were recorded, then transcribed and coded to inform Ministry options.

4.4 Project Limitations and Delimitations

There were limitations and delimitations on this project. Limitations are factors outside of the researcher’s control that may impact the research’s validity, which may be the result of the research methodology and methods used, and resource and time constraints (Theofanidis & Foutouki, 2018, p. 156). Delimitations are the researcher’s chosen restrictions, such as the project’s objectives and scope (Theofanidis & Foutouki, 2018, p. 157).

4.4.1. Limitations

This project is limited by the primary and secondary sources available to the researcher. There is a small number of Canadian academic works on municipal viability and sustainability, which restricts the findings of the literature review. Most of the work on the subject is produced by grey literature sources, such as government ministries and departments, and local government associations. Grey literature is not peer-reviewed; instead, it is authored outside of the scholarly process by “on-the-ground” organizations, such as industry, governments, inter- and non-governmental groups (McKenzie, 2018). The document analyses explored grey literature sources.

A variety of factors limited the interview process and its resulting findings. Municipal viability and municipal sustainability stakeholders were identified for their subject-matter expertise and

experiences based upon their professional position. As such, there was a small pool of feasible subject matter experts available to support this project. Over six weeks, twenty-four people were contacted, and nine discussions were had, representing a total response rate of 37.5%. This low response rate means that the data provided by the small pool of informational interview participants were heavily relied upon to formulate Ministry options. Multiple follow-up attempts were made over the research period over diverse channels, email, phone calls and voicemails, to limited success. The participant recruitment was capped at six weeks in recognition of resource constraints and the poor response rates following multiple research recruitment attempts.

4.4.2. Delimitations

The project objectives and scope were determined following comprehensive discussions with MAH representatives. Initially, the goal of the project was to examine municipal viability indicators used by Canadian and international municipal stakeholders in hopes of recommending specific measures for MAH to introduce in the BC local government system. Following the initial literature review, this project's stakeholders decided it would focus solely on Canadian examples of municipal viability and sustainability as international understandings of municipal viability and sustainability were divergent from the Ministry's interests. There was also precedence discovered from multiple provinces and territory in the topic, which was more valuable for MAH to explore as a fellow member of the Canadian federation.

Moreover, once initial findings from Canadian stakeholder interviews were processed, further discussion with the Ministry resulted in additional changes for the project objective. The research's purpose shifted from the first intention of recommending specific types of indicators to exploring the diverse arrangements in other Canadian jurisdictions and identifying the different models of examining municipal viability and sustainability feasible. Therefore, the project objective became providing MAH with options of how transferrable the varied approaches undertaken by other Canadian jurisdictions are for BC's local government system.

5.0 Document Analyses

Governments and local government associations produce most Canadian research on municipal viability and sustainability. These records reviewed in this document analyses are classified as grey literature sources. Grey literature refers to unpublished or non-commercial publications of research and can include government reports, policy statements, issues papers, newsletters, bulletins and fact sheets (University of New England, n.d.). The work done by Canadian bureaucrats, administrators and private corporations on municipal viability and sustainability has informed this project and is discussed in the following section.

The findings from this document analyses categorized based on the Canadian jurisdiction explored. Information from provincial and territorial websites, including the webpages and associated PDF documents, were reviewed to understand the municipal viability and sustainability factors of interest for their local government system. As different actors and stakeholders influence each local government system, the municipal viability and sustainability assessment indicators and tools vary in how they were designed and used. This document analyses serves to provide an understanding of the approaches already underway in Canada to inform and support the data collected through informational interviews. Therefore, the document analyses focus on the Canadian jurisdictions that interview participants represented.

5.1 Alberta

The Municipal Capacity and Sustainability branch of Alberta's Ministry of Municipal Affairs is responsible for municipal sustainability initiatives (Alberta Municipal Capacity and Sustainability Branch, 2019). In 2010, a Municipal Sustainability Strategy (MSS) working group was formed and provided recommendations to improve the long-term viability of municipalities across the province. Representatives from the provincial government worked with their counterparts in local government associations, including the Alberta Association of Municipal Districts and Counties, the Alberta Urban Municipalities Association, the Alberta Rural Municipal Administrators Association, the Local Government Administration Association and the Association of Summer Villages of Alberta, to consider four keys questions:

1. What constitutes a viable and sustainable municipality, and how can this be measured?
2. What basic services should a municipality provide?
3. What capacity-building tools are required?
4. What restructuring processes should be used? (Report of the Municipal Sustainability Strategy Working Group, 2010, p.1).

Following a series of meetings and discussions between members of the MSS working group, a report, entitled "Building on Strength: A Proposal for Municipal Sustainability for Alberta", introduced a strategy to improve the long-term viability of provincial municipalities. This strategy addressed four key components, which included:

1. Establishing a list of basic services provided by municipalities to improve general understanding of service delivery options;
2. Creating qualitative and quantitative measures and indicators of municipal viability

3. Providing an inventory of capacity-building tools to identify and address significant municipal needs and gaps; and
4. Revising the municipal restructuring process to account for community viability and sustainability (Report of the Municipal Sustainability Strategy Working Group, 2010, p.21-22).

The MSS working group’s recommendations from 2010 have been incorporated in the Ministry of Municipal Affairs’s governing legislation, the *Municipal Government Act*, and its programs and services over the years. Currently, the province’s municipal restructuring program addresses municipal viability and sustainability, specifically through the 2012 introduction of a viability review process. Self-assessment questionnaires and capacity building tools are also offered to support municipalities with identifying and addressing their current challenges (Alberta Municipal Capacity and Sustainability Branch, 2019). Alberta’s municipal sustainability self-assessment tool covers eight broad areas to support their municipalities with understanding their current situation, identifying areas of strength and areas of possible improvement (Alberta Municipal Capacity and Sustainability Branch, 2014, p.3). The factors of interest are:

1. Sustainable governance – addresses topics such as council practices and procedures, compliance with legislation, citizen engagement, and strategic planning.
2. Operational and administrative capacity – addresses the municipality’s ability to operate daily and support council decisions.
3. Financial stability – addresses the municipality’s capacity to generate and manage revenues enough to provide necessary infrastructure and services to the public.
4. Service delivery – addresses the capacity of the municipality to provide essential services that meet residents’ expectations and any appropriate standards.
5. Regional co-operation– addresses the municipality’s approach to collaborating with neighbours for the benefit of local and regional residents.
6. Infrastructure – addresses the municipality’s capacity to effectively and efficiently manage public infrastructure on behalf of residents.
7. Community well-being – addresses local community characteristics that contribute to the vitality of the community and the long-term viability of the municipality.
8. Risk management – addresses the capacity of the municipality to identify and manage risks on behalf of residents (Alberta Municipal Capacity and Sustainability Branch, 2014, p.3).

As of August 2019, 13 municipal performance indicators are being introduced by the Ministry of Municipal Affairs to support MSS further. Audited financial statements, census reports, financial and election information results, and instances of Minister intervention will determine municipal financial, governance and community risks (Alberta Municipal Capacity and Sustainability Branch, 2019). Alberta’s 13 municipal viability and sustainability indicators are:

- | | |
|---------------------------------------------|------------------------|
| 1. Audit outcome | 4. Tax collection rate |
| 2. Legislation-based ministry interventions | 5. Population changes |
| 3. Tax base ratio | 6. Current ratio |
| | 7. Accumulated surplus |

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> 8. On-time financial reporting 9. Debt to revenue percentage 10. Debt service to revenue percentage 11. Infrastructure investment asset sustainability ratio | <ul style="list-style-type: none"> 12. Infrastructure age – net book value of tangible capital assets 13. Interest in municipal office (Alberta Municipal Capacity and Sustainability Branch, 2019). |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

Overall, the Alberta government has taken a multidimensional approach to address both municipal viability and sustainability, as recommended by their 2010 MSS working group (Alberta Municipal Capacity and Sustainability Branch, 2019). In Part 4 of their *Municipal Government Act*, they have introduced legislative changes to their municipal restructuring processes and references to municipal viability. They have also created municipal self-assessment and capacity-building tools and started provincial government publications of municipal performance indicator assessment results (Alberta Municipal Capacity and Sustainability Branch, 2019).

5.2 Saskatchewan

The Ministry of Government Relations is the leading provincial ministry for municipal relations in Saskatchewan. They created a self-assessment tool for Saskatchewan’s municipalities to determine their municipal sustainability and identify areas for improvement with support from local government stakeholders (Saskatchewan Municipal Inquiry, n.d.a.). The municipal sustainability self-assessment tool was launched to address long-term operational concerns. This interactive tool is housed on the Province’s public website, where detailed descriptions and information on eight core themes of the assessment are linked to different government webpages (Saskatchewan Municipal Inquiry, n.d.a). The tool’s eight categories of municipal sustainability are:

1. Administration – the ability for municipal councils to comply with their legislated requirements and act per their statute requirements (Saskatchewan Municipal Inquiry, n.d.b.);
2. Demographics and economic trends – the influence of community demographics and population trends on long-term municipal operations (Saskatchewan Municipal Inquiry, n.d.c.);
3. Finance and financial management – the financial stewardship of municipalities to maintain positive financial health (Saskatchewan Municipal Inquiry, n.d.d.);
4. Governance – the compliance of elected officials with the requirements set out in provincial legislation and principals of good governance (Saskatchewan Municipal Inquiry, n.d.e.);
5. Infrastructure – the sustainable maintenance of municipal core infrastructure (Saskatchewan Municipal Inquiry, n.d.f.);
6. Partnerships – the municipality’s ability to establish and maintain partnerships with other entities, such as other municipalities, school boards, health agencies, First Nations or planning districts (Saskatchewan Municipal Inquiry, n.d.g.);

7. Public safety – the reduction or elimination of long-term risks through a municipality’s mitigation, preparedness and response capabilities (Saskatchewan Municipal Inquiry, n.d.h.); and
8. Service delivery – the municipality’s ability to deliver services to their residents (Saskatchewan Municipal Inquiry, n.d.i.).

There are no requirements to share municipal response scores with the provincial government as the assessment is meant for the exclusive use of municipalities (Saskatchewan Municipal Inquiry, n.d.a.). The Ministry of Government Relations provided a support document, the “Municipal Government Sustainability Self-Assessment Tool Guide”, and their contact information for municipalities who may have questions or concerns with the use or results of the sustainability assessment to obtain aid from (Saskatchewan Municipal Inquiry, n.d.a). The provincial website and documents solely use the term “municipal sustainability” throughout all materials and make no references to the concept of municipal viability.

5.3 Manitoba

Municipalities in Manitoba are the responsibility of the Department of Municipal Relations. The Department works with its stakeholders to promote relations between the two levels of governments (Manitoba Municipal Relations, n.d.). One of their stakeholders - the Association of Manitoba Municipalities (AMM) - hosts a self-assessment tool, the “Municipal Health Checklist”, to measure municipal viability and sustainability (Association of Manitoba Municipalities, 2005). AMM is the representative entity for all of Manitoba’s incorporated municipalities. It provides its members with support and leadership to meet their challenges, such as changes that may impact their long-term viability or sustainability (Association of Manitoba Municipalities, 2018).

Although the Municipal Health Checklist does not refer to the terms of municipal viability and sustainability directly, the tool does address the concept through its five categories of interest, organized into 20 questions, including municipal:

1. population and demographics⁷;
2. taxation assessment;
3. finance;
4. intermunicipal involvement; and
5. community interest and support (Association of Manitoba Municipalities, 2005, p.2-6).

Once municipalities complete the Municipal Health Checklist, they are referred to additional resources on AMM’s website to determine the best approach forward to address their situation and challenges (Association of Manitoba Municipalities, 2005). There are no mandatory

⁷ *The Municipal Act* of Manitoba stipulates that urban and rural municipal areas must contain at least 1,000 residents (The Municipal Act, 1996, s.4(2) & s. 4(3)). Additionally, urban municipalities must have a population density of at least 400 residents per square kilometre while rural municipalities must have a population density of less than 400 residents per square kilometre (The Municipal Act, 1996, s.4(2) & s. 4(3)). These legislative population requirements may increase the importance of the population category in Manitoba’s municipal sustainability self-assessment tool as communities may lose their municipality status if population limits are not met.

requirements on the municipality to do anything with their self-assessment scores if they choose to complete the Municipal Health Checklist (Association of Manitoba Municipalities, 2005, p.8).

5.4 Nova Scotia

The Department of Municipal Affairs is responsible for producing annual municipal profile and financial condition indicators reports for Nova Scotia's municipalities. These reports are intended to support municipalities by determining their strengths, trends and risks based upon a standard set of indicators. On the website, publications on each municipality's current state are sorted based on their incorporation classification (regional, town, or rural) to allow for comparisons with their similar counterparts (Nova Scotia, n.d.). In years previous, the Department would produce two publications for each municipality, which were merged to become one municipality report from 2017 onwards with relatively the same measures used throughout.

Regardless of classification, the Department's publication applied the same methodology and methods to examine the financial, demographic and administrative health of the municipality. External stakeholders, specifically the Nova Scotia Federation of Municipalities and the Association of Municipal Administrators Nova Scotia, were involved with the development of financial condition indicators (Nova Scotia, n.d.). The municipal indicator reports identify strengths, trends and risk areas to demonstrate a municipality's ability to meet current and future obligations that would allow them to remain viable and sustainable. These indicators remain consistent to allow for municipal comparisons with publications listed on the website in order of classification. The reports are presented in the following manner for the public to conclude:

1. Municipal Highlights
 - General information about the municipality
 - Population highlights
 - Financial highlights
 - Financial condition indicators highlights
2. Municipal Profile information
 - Municipal composition
 - Population trends
 - Economic indicators
3. Financial Information
 - Revenue
 - Expenses (Department of Municipal Affairs – Nova Scotia, 2018, p. 0).
4. Financial Condition Indicators – displayed in a house format
 - Roof – Key Financial Performance Indicators
 - Examples include reliance on government transfers, liquidity, number of budget deficits, and combined reserve fund
 - Structure – Debt Management
 - Examples include uncollected taxes, budget accuracy, operating reserve, undepreciated assets, debt service and outstanding operating debt
 - Base – Revenue

- Examples include three-year change in tax base, reliance on a single business/institution and residential tax effort (Department of Municipal Affairs – Nova Scotia, 2018, p. 18).

These municipal indicator publications are available publicly on the Government of Nova Scotia’s website for any interested party to review. Readers should be able to determine their municipality’s performance in the report’s highlighted themes, such as population, revenue, deficit and tax base fluctuations, which may impact their ability to meet current and future financial obligations (Nova Scotia, n.d.). There is limited mention of the term “municipal sustainability” and no direct mentions to “municipal viability” despite their basis in these concepts.

5.5 Yukon

In 2010, the Department of Community Services partnered with Yukon municipalities and the Association of Yukon Communities (AYC) on the Our Towns, Our Futures (OTOF) initiative to understand and address challenges to municipal sustainability. Through Yukon-wide consultations, the OTOF committee produced its general themes and findings in two volumes (Yukon Government Community Affairs, 2014). The reports’ findings and recommendations were non-binding for the Yukon government and AYC, with implementation decisions left for a six-member committee made up of equal representation from the Department and AYC (Yukon Government Community Affairs, 2015).

An implementation plan to address the initiative’s 18 identified themes, summarizing 75 consultation findings, was created following the publication of the “*Our Towns, Our Futures Findings Report Volumes 1 and 2*”. The 18 key themes emerged following analysis of the OTOF initiative’s work as a measure to provide clarity and organization of the numerous report findings. At last update in 2015/2016, 8 themes were determined to have been satisfied through actions completed with further work to address the remaining ten (Yukon Government Community Affairs, 2014/15). The items deemed satisfied by the Department are asterisked (*) in the list below:

- | | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <ol style="list-style-type: none"> 1. *Yukon Government and Municipal Relations 2. *First Nation and Municipal Relations 3. Regionalization and Governance 4. *Municipal Act Review Process 5. Community Development Teams 6. *Municipal Sustainability Indicators 7. Climate Change Adaptation 8. *Yukon Municipal Resources Website 9. Provision of Local Services | <ol style="list-style-type: none"> 10. Municipal Infrastructure Deficit and Asset Management 11. *Revenue Generation 12. Lot Development and Land Availability 13. *Comprehensive Municipal Grant (CMG) 14. Increasing Cost and Burden of Regulations 15. *Impacts of Peripheral Residents, Businesses & Industries on Municipal Services 16. Energy Costs |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|

17. Employee Recruitment and Retention

18. Training: Building Local Capacity (Yukon Government Community Affairs, 2014/15).

In addition to the OTOF initiative and its resulting actions to address municipal sustainability from the Department and AYC perspective, the Territory offers a voluntary self-assessment toolkit for municipalities interested in identifying areas that may need further attention. The Municipal Sustainability Indicator tool was adapted from Saskatchewan’s self-assessment framework, with permission, to support the OTOF objective of providing an enduring mechanism for municipalities to assess their health (Yukon Community Services, n.d., p.2). The principles of practicality, accountability and evidence-based input with questions covering eight themes of:

- | | |
|-----------------------------|--------------------------|
| 1. Governance, | 5. Finance, |
| 2. Administrative Capacity, | 6. Infrastructure, |
| 3. Planning and Safety, | 7. Service Delivery, and |
| 4. Demography and Economy, | 8. Community Engagement |

Upon request, the Department’s Community Affairs branch is available to assist municipalities with addressing the conclusions of their voluntary self-examination. There is no sharing or reporting requirements on the results of using the Municipal Government sustainability self-assessment tool (Yukon Community Services, n.d., p.2). There are no references to municipal viability in any of the Yukon’s produced documents or public website.

5.6 Summary of Document Analyses

The following table summarizes the main themes identified and explored in the document analyses from each jurisdiction.

Table 5: Summary of Document Analyses

Jurisdiction	Type of Available Approach/Tool	Themes	Approach/Tool Managed By	Terms Used in Approach/Tool
Alberta	Self-Assessment Tool Municipal Viability Review Municipal Performance Indicators	1. Sustainable governance 2. Operational & administrative capacity 3. Financial stability 4. Service delivery 5. Regional cooperation 6. Infrastructure 7. Community well-being 8. Risk management	Provincial government	Municipal viability Municipal sustainability
Saskatchewan	Self-Assessment Tool	1. Administration 2. Demographics & Economic Trends 3. Finance & Financial Management 4. Governance 5. Infrastructure 6. Partnerships 7. Public Safety	Provincial government	Municipal sustainability

		8. Service Delivery		
Manitoba	Self-Assessment Tool	<ol style="list-style-type: none"> 1. Population & Demographics 2. Taxation Assessment 3. Finance 4. Intermunicipal involvement 5. Community Interest & Support 	Local government association	Municipal viability
Nova Scotia	Municipal Performance & Sustainability Reports	<ol style="list-style-type: none"> 1. Municipal Composition 2. Population Trends 3. Economic Indicators 4. Financial Information 5. Financial Condition Indicators 	Provincial government	Municipal sustainability
Yukon	Self-Assessment Tool	<ol style="list-style-type: none"> 1. Governance 2. Administrative Capacity 3. Planning & Safety 4. Demography & Economy 5. Finance 6. Infrastructure 7. Service Delivery 8. Community Engagement 	Territorial government	Municipal sustainability

6.0 Interview Findings

This section discusses the data collected from nine informational interviews conducted with representatives from Alberta, Saskatchewan, Manitoba, Nova Scotia, and the Yukon territory. Six of the nine individuals worked at the provincial or territorial government level. The remaining three worked at the municipality level - one was a municipal administrator, one was a local government association employee, and one was a private contractor who had experience with municipal viability and sustainability. All conversations were over the telephone over May 2019 and recorded with consent for transcription and analysis purposes. Each participant was interviewed once with pre-determined questions and for a maximum of 60 minutes

The informational interview findings are organized based on the five guiding questions from the interview guide (See Appendix 1). Participant responses differed as their backgrounds and experiences with municipal viability and sustainability led to varied answers. It was common for participants not to be able to speak to all themes or provide a more detailed answer to specific questions as they spoke based upon their professional experiences. Interview responses are grouped based on Canadian jurisdiction represented, and if possible, particular organization membership.

6.1 General Understanding of Municipal Viability and Sustainability

As the informational interview participants were based on their experience with municipal viability and sustainability, all individuals had background knowledge and understanding of the concepts. When inquired, the exact definitions of the concepts differed between respondents.

Alberta

The three representatives from Alberta were all aware of the terms “municipal viability” and “municipal sustainability”. They emphasized that the two concepts were interchangeable as they referred to similar ideas. The municipal administrator could not discern the difference between “municipal viability” and “municipal sustainability”. while both provincial government officials admitted that the terms did not differ significantly. From the Alberta government standpoint, representatives use “municipal viability” to refer to factors that may result in municipal dissolutions while using “municipal sustainability” to refer to pro-active initiatives to keep municipalities workable. They trace their understanding of “municipal viability” to having replaced their previous municipal dissolution process with their current viability process, which reflected their changing topic philosophy but served the same purpose.

Saskatchewan and the Yukon

The stakeholders interviewed from the Saskatchewan provincial and Yukon territorial governments both stated that they believed the terms “municipal viability” and “municipal sustainability” were interchangeable. Further discussions with Saskatchewan interview participants revealed that during the development of their self-assessment tool, they were primarily interested in what factors determine a municipality’s sustainability, from the

municipality’s perspective. Therefore, following committee discussions, they choose to focus on sustainability over viability as to encourage municipalities to self-examine and address their durability. Yukon modelled its municipal sustainability tool after Saskatchewan’s self-assessment checklist and as such, follows the same philosophy on sustainability over viability in their support documents. However, the Yukon government representative did state that they believe that viability has a more present-based focus, while sustainability takes a long-term lens to factors influencing municipal and community health and performance.

Manitoba

Over the informational interview with a representative of Manitoba’s local government association, the term “municipal viability” was used to refer to their website’s municipal indicator tool. The tool itself makes no direct mention to “municipal viability” or “municipal sustainability”. The participant did not provide a clear definition of either term during the discussion. Factors that may influence municipal viability, including economic development, assessments and population, were associated with “municipal viability” throughout the interview.

Nova Scotia

All three Nova Scotia stakeholders were familiar with the terms “municipal viability” and “municipal sustainability”. The provincial government representative stated that there are distinctions that separate “municipal viability” from “municipal sustainability”, despite their similarities. The discussion did not define any specific differences. Similarly, the provincial agency representative acknowledged both terms but did not expand on particular definitions of “municipal viability” and “municipal sustainability”. The private consultant who had worked on municipal dissolutions stated that they believed “municipal viability” referred primarily to financial influences, such as a municipality’s tax revenue, that may impact their community’s ability to continue independent operations. The participant noted that the difference between “municipal viability” and “municipal sustainability” was that viability refers to a specific point in time while sustainability is about what the future looks like for the municipality.

The following table summarizes the understanding of municipal viability and sustainability collected from the nine interview participants representing five Canadian jurisdictions.

Table 6: Understandings of Municipal Viability and Sustainability

Jurisdiction	Understanding of Municipal Viability and Sustainability
Alberta	Terms are interchangeable According to the Alberta government’s perspective: <ul style="list-style-type: none"> • Municipal viability – factors that may result in municipal dissolutions • Municipal sustainability – pro-active initiatives to maintain municipal operations
Saskatchewan	Terms are interchangeable Focused on municipal sustainability to encourage municipalities to self-examine and address their own durability
Manitoba	No clear definition for municipal viability and sustainability

	Municipal viability was used to refer to municipal indicator tool and in conjunction with economic development, assessments and population.
Nova Scotia	Terms may be used interchangeably According to the external consultant: <ul style="list-style-type: none"> • Municipal viability – specific point in time • Municipal sustainability – what the municipality’s future may be
Yukon	According to the Yukon government’s perspective: <ul style="list-style-type: none"> • Municipal viability – present-based focus on factors influencing municipal and community health and performance • Municipal sustainability – long-term focus on factors influencing municipal and community health and performance

6.2 Participant Background on Municipal Viability and Sustainability

All informational interview participants had experience with municipal viability and sustainability in their jurisdictions through their professional employment duties and responsibilities.

Alberta

The two Alberta provincial government representatives interviewed both held senior branch leadership roles and were responsible or had worked on municipal viability and sustainability files before. One interview participant had years of experience on the topic and was able to speak more on Alberta’s municipal viability and sustainability indicator development process while the other was less experienced in the field as they were hired eighteen months before the interview. The municipal administrator from Alberta had gone through a viability review in their previous position with another town. Their approximately four-year experience allowed the administrator to speak to the viability review process and gain insights on the use of indicators.

Saskatchewan, Manitoba and the Yukon

Informational interviews were conducted with one respondent from the Saskatchewan, Manitoba and Yukon stakeholders, respectively. The participant from Saskatchewan had more than two decades of experience with its local government system and was involved with their process to develop municipal sustainability indicators. They were able to provide information on what factors the province considered and was influenced by to address municipal viability and sustainability and how it led to their current self-assessment tool. Manitoba’s representative was employed by its local government association that hosted their municipal viability and sustainability tool but was not involved with its development. The participant was able to speak to the creation, interest in and use of the self-assessment checklist from their seven years of employment experience with the association. The interview on Yukon’s municipal sustainability initiatives was with a member of their responsible government ministry. The respondent was able to speak on their current efforts to address municipal sustainability but was not involved with their jurisdiction’s indicator development.

Nova Scotia

Three informational interviews were held with stakeholders from Nova Scotia. Each participant provided different insights on the importance and influence of municipal viability and sustainability on their province's local government system. The provincial government ministry representative had three years of experience with municipal viability. The consultant had experience with multiple municipal dissolutions where viability and sustainability indicators were of concern. The provincial agency representative understood municipal viability and sustainability from their professional role.

The following table summarizes the backgrounds and professional roles held by the nine interview participants.

Table 7: Interview Participants

Jurisdiction	Number of Participants	Role of Participant
Alberta	3	Two employed by provincial Ministry of Municipal Affairs One employed by a municipality
Saskatchewan	1	Employed by provincial Ministry of Government Relations
Manitoba	1	Employed by provincial local government association – Association of Manitoba Municipalities
Nova Scotia	3	One employed by provincial Department of Municipal Affairs One employed by a provincial agency – Nova Scotia Utility and Review Board One external /private contractor
Yukon	1	One employed by territorial Department of Community Services

6.3 Participant Experiences Developing Municipal Viability and Sustainability Indicators and Tools

Respondents from all Canadian jurisdictions interviewed, Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon, were able to speak to the development of municipal viability and sustainability indicators in their jurisdiction.

Alberta

Alberta government representatives spoke about the influence of Municipal Sustainability Strategy (MSS) on their current work. Before the creation of MSS, the Alberta government had established a generic dissolution process for its unsustainable municipalities. The Alberta government representatives interviewed testified that over time, their municipal dissolution process had negative connotations as the residents did not want to take part in the procedure and would vote against dissolution. Although municipalities did not want to dissolve, the issues that threatened their long-term municipal viability and sustainability were not resolved, which

resulted in involvement from provincial representatives again in a few years. This unproductive cyclical process for the Alberta government and municipalities prompted the 2010 creation of the MSS, developed by the MSS working group composed of Ministry, local government association and municipal representatives.

The MSS working group was tasked to provide input to Alberta's Minister of Municipal Affairs on improving the long-term viability of provincial municipalities (Report of the Municipal Sustainability Strategy Working Group, 2010, p.1). Their produced report, "A Sustainable Strategy for Alberta", and its corresponding documents addressed and recommended changes to municipal viability and sustainability concerns in Alberta's local government (Report of the Municipal Sustainability Strategy Working Group, 2010). Alberta government representatives interviewed for this project clarified that the objective of MSS was to allow for the inclusion of local government associations in the previous municipal dissolution process. The involvement of additional stakeholders was to create a sense of shared responsibility for municipal viability between all stakeholders and reduce the reliance on Provincial representatives to manage the dissolution process. Through the invitation of local government association involvement, the working group believed that the municipal dissolution process could be positively reframed to focus on identifying steps to improve municipal viability and sustainability. Consequently, the previous municipal dissolution process was adapted to become the current viability review to create more informed residents to decide their municipality's future.

The MSS recommendations created the viability review process and the municipal sustainability self-assessment questionnaire (Report of the Municipal Sustainability Strategy Working Group, 2010). The municipal sustainability self-assessment was primarily designed for municipal administrators to voluntarily use to determine the state of their municipality (Alberta Municipal Capacity and Sustainability Branch, 2014, p.1). Its secondary purpose was to support the Alberta government's practices and programs to support their local government system (Alberta Municipal Capacity and Sustainability Branch, 2014, p.1). Both Albertan representatives emphasized that their Department staff is available to address questions and concerns from municipalities from the use and results of the municipal sustainability self-assessment questionnaire.

The Provincial government has been developing municipal sustainability indicators in response to MSS recommendations and will be introducing them in their local government system this year, 2019. Alberta developed these inaugural indicators with consultation from local government associations. The municipal sustainability measures are adapted from the 2010 MSS indicators. Previously, Alberta's 2010 key sustainability measures of municipal performance were provided solely to local administrators. This approach will change with the new 2019 sustainability indicators as the Alberta government review of municipality performance will be published online. Municipal administrators will be provided an advanced copy, according to information provided by Alberta government representatives to allow them to prepare public responses. The public disclosure of municipal sustainability indicator results was decided to improve transparency for residents to understand the successes and concerns of their municipalities.

Saskatchewan

The Saskatchewan government representative was able to provide information on the development of their municipal sustainability self-assessment tool. The participant was a member of the joint committee established with members from the provincial government and local government associations to address challenges around 2004. The impact of declining and ageing populations bases was identified as a concern on the municipality's overall social and economic position and their ability to deliver services to residents. The representative interviewed became involved with the creation of their municipal sustainability self-assessment tool when the joint committee had already determined that their framework to address municipal sustainability concerns was going to be a self-assessment tool. Therefore, they were unable to provide details on how the joint committee arrived at their approach.

The informational interview revealed that the joint committee intended to encourage interest in using the municipal sustainability self-assessment tool to determine the influences on their long-term operations. This decision was made to respect Saskatchewan's local government system and its stakeholders as municipalities can self-identify based on their interest in municipal sustainability and understand their role and responsibilities to address any concerns raised. Municipal administrators may contact provincial government representatives to discuss the municipal sustainability issues recognized from the use of the self-assessment tool. Still, there are no requirements to report back on tool findings. This voluntary reporting process was an intentional decision by the joint committee to encourage the self-determined use of the tool by municipal administrators.

Based upon this understanding, the representatives from the Saskatchewan government, local government associations, and municipalities worked together to identify the self-assessment's municipal sustainability indicators of interest over multiple work phases. An external contractor was hired by the joint committee to build the tool based upon the direction and format already determined collaboratively. The participant interviewed did not provide any additional information on the external contractor hired to create their jurisdiction's municipal sustainability self-assessment tool. They were supervised by the joint committee while creating the municipal sustainability self-assessment tool presently available. The interviewed participant reported it took over a year to create the final tool, between the numerous internal and external stakeholder meetings and manual assessment creation.

Manitoba

The Manitoba local government association representative could not speak to the development of their jurisdiction's Municipal Health Checklist from direct involvement. The Municipal Health Checklist is their jurisdiction's tool to address municipal viability and sustainability concerns. From their professional role and work experience, the interview participant testified that their provincial government was involved with the development of the Checklist available on the association's website. As the individuals directly involved with the process of creating the self-assessment had retired from the association, the respondent was not able to offer any additional information on development considerations.

Yukon

The Yukon Territory has eight incorporated municipalities and five local advisory councils. According to the Yukon representative, their municipalities are responsible for the provision of services, facilities and things required or desired by their residents (Government of Yukon, 2019). The Territory's eight municipalities range in geographical and population size. The single municipality with city status, Whitehorse, houses 24,150 people or approximately 75% of the total territorial population while the smallest municipality, Teslin, is home to around 415 people (Government of Yukon, 2018). Local Advisory Councils are unique to the Yukon local government system and separate from the eight incorporated municipalities. They represent the five Local Advisory Areas and provide the Minister of Community Services with advice on their area.

The Government of Yukon's representative stated their interest in this research project's findings and conclusions as their jurisdiction is looking to develop additional municipal viability and sustainability tools. Currently, an adapted municipal self-assessment, based on Saskatchewan's tool, is available for the use of their municipalities. As there are no reporting requirements on the results of municipal self-assessments, both Saskatchewan and the Territory's representative interviewed were uncertain of the tool's importance or usage rate by municipal administrators. As Saskatchewan had developed their tool with the deliberate intention of not mandating self-assessment results reported provincially, they did not express concern with not having clear measures of tool use and effectiveness. This philosophy differs in the Yukon as their representative expressed interest in having the Territorial government more involved with supporting their eight municipalities due to their capacity and resource constraints.

The Yukon government's exact additional support to address municipal viability and sustainability challenges will be determined following consultation with their local government associations stakeholders. Still, economic, social, financial and community influences were expressed to be of attention and curiosity. The representative interviewed was also in contact with the same Nova Scotia government representative interviewed for this project to learn about and from their government's municipal viability and sustainability approaches. As of the interview in May 2019, the Yukon government is examining different municipal viability and sustainability approaches used in Canada and exploring options to determine which method may be best for their local government system.

Nova Scotia

Nova Scotia's government representative interviewed was not involved with the initial development of its municipal sustainability indicators and framework. The participant was engaged with the Province's recent review and adjustment of these measures. The study was supported by research on types and effectiveness of performance indicators from various groups, such as the Chartered Professional Accountants (CPA) Canada. The municipal sustainability indicator refresh was also informed by a survey of Nova Scotia's municipalities to gain insights on administrators' understanding, use and acceptance of the previous indicators and their municipality's performance. Representatives from the Nova Scotia government, local government

associations and academics collaborated on multiple working groups to ensure stakeholder buy-in and support of the final framework. This municipal sustainability indicator review resulted in replacing two of the previous fifteen measures with one, eliminating another indicator and minor tweaks to the remainder. All the measures were categorized into different themes, such as financial and governance, and were incorporated in the following municipal sustainability publications authored by Nova Scotia. The provincial government uses these indicators in their annual public reports on municipal performance and sustainability.

6.4 Participant Experiences with Using Municipal Viability and Sustainability Indicators and Tools

Alberta, Manitoba, Nova Scotia and Yukon stakeholders were all able to speak on the use of their jurisdiction's municipal viability and sustainability indicators, to varying degrees. The Manitoba local government association and Yukon government representatives stated that as their municipal sustainability tools were designed for the exclusive use of municipalities, both parties do not keep or maintain records of self-assessment use or downloads. Two municipal-level participants from Alberta and Nova Scotia respectively were able to provide more details on their experiences with their provincial government municipal viability and sustainability processes as they were required to do so as a part of their professional responsibilities.

Alberta

The Albertan municipal administrator had worked for a municipality that had gone through the Province's viability review process. As such, they spoke on this previous work experience for their informational interview. The interview participant stated that they had an overall positive review experience as allowed residents and external stakeholders to express their opinions and understand what would be required for their municipality to remain viable. The respondent's viability review was triggered through a citizen petition to the Alberta government. There was significant interest in the review and its consequences.⁸ All municipal council members were engaged and attended the public meetings, with high overall resident interest and attendance invested in the process.

The administrator believed that the Province's municipal viability indicators used covered the influences that impact a municipality's long-term operations but had complaints about how long the review took, which extended to similar citizen frustrations and organizational disruption. Additionally, the participant discussed facing capacity challenges as they were required to complete a significant amount of work before the Province got involved. The actions necessary

⁸ Alberta residents are encouraged to be involved with their municipal government. They can attend and present at council meetings, contact local councillors and administrators, petition for changes to the local and provincial governments and access municipal inspection reports that result from citizen petitions. Citizens can petition the municipal government to encourage local improvements, new bylaws, amend or repeal an existing bylaw or resolution (subject to some limitations), public meeting, or a public vote on an advertised bylaw or resolution (Alberta Municipal Capacity and Sustainability Branch, 2017, p.4). Citizens can petition to the Alberta Minister of Municipal Affairs to initiate formation (incorporation), change municipal status, for an inspection, the appointment of an auditor and conduct a viability review (Alberta Municipal Capacity and Sustainability Branch, 2018, p.2-3).

included grant applications to create a 10-year infrastructure plan, when there was already an established 5-year plan and hiring external expertise to support the municipality with satisfying Ministry requirements. Although representatives from local government associations were involved, the administrator found that they were not able to aid the municipality as they lacked community and municipal viability review process knowledge.

The discussion emphasized the positive value of Alberta's self-assessment tools and legislative amendments to address municipal sustainability. The participant discussed the importance of having clear obligations for municipal administrators to meet and learn to build their professional knowledge. They praised having consistent expectations of inexperienced administrators, many of whom worked in rural and remote municipalities, providing a quality assurance function and allowing the administrators to recognize when additional resources may be necessary to support their communities.

Nova Scotia

The Province produces and shares annual reports on the sustainability of all their municipalities. These articles are accessible on the Nova Scotia government website for free and contain information and profiles of financial, economic and community strengths, trends and risks. The participants interviewed emphasized the value of the municipal sustainability indicator publications on residents' understanding of their municipality's long-term future. A respondent cited examples of communities where the provincial report's results triggered interest in municipal dissolutions among residents as the simple and straightforward municipal sustainability indicators made operational influences more transparent and digestible for interested individuals. In Nova Scotia, there is a legislated dissolution process that municipalities can undertake if they believe that they may be unsustainable in the long-term. The free publications were credited by participants for igniting resident interest in the municipal dissolution process. Additional investment in municipal performance may impact citizen engagement rates and overall acceptance of the dissolution procedure's final recommendations.

As a part of the municipal dissolution process in Nova Scotia, municipalities are required to review their long-term sustainability. The participant interviewed is an external contractor who has been involved in multiple municipal sustainability review processes in the Province in their role to support the dissolving municipalities. They spoke based on their experiences with the provincial ministry responsible for municipalities and the Nova Scotia Utility and Review Board. In the Province, the Utility and Review Board serves as an independent quasi-judicial body that has the final authority on many local government matters, including municipal boundary changes, incorporation, amalgamations and dissolutions (Nova Scotia Utility and Review Board, n.d.a.). According to an interview participant, the Utility and Review Board members review municipal applications, who often work with a third-party contractor for their content expertise, in an open hearing format and take public comments before rendering their decision on the matter of concern.

Since 2012, an interview respondent testified that five municipalities were dissolved through the legislative action enabled through Nova Scotia's *Municipal Government Act* due to financial hardship (Nova Scotia Auditor General, 2015, p.74). Specifically, section 395 of the *Municipal Government Act* stipulates that municipal dissolution applications must include information such as estimated population, taxable property value, previous year's audited financial statements, and a brief statement of reasons (Municipal Government Act, 1998). Once a municipality requests dissolution, a transition coordinator is assigned by the provincial government to help municipal administrators and council members throughout the process. The five municipalities dissolved in the last seven years were absorbed by their neighbouring municipalities, whose decision-makers were involved with the dissolution process and received transition support.

6.5 Advice for Developing Municipal Viability and Sustainability Indicators and Tools

Every respondent was asked to provide advice and recommendations on developing municipal viability, and sustainability indicators provided similar thoughts at their informational interview's conclusion. The representatives from the governments of Alberta, Saskatchewan, Nova Scotia and the Yukon and the municipalities in Alberta and Nova Scotia all stated the importance of having external involvement in the indicator development process to ensure stakeholder buy-in and support of the final frameworks. Positive relationships between the two orders of government, whether provincial and municipal or territorial and municipal, was emphasized by most interview participants as a smart practice to ensure municipalities understand and effectively use the viability and sustainability tools developed.

6.6 Summary of Interviews

Stakeholder advice for developing indicators (Section 6.5) and tools was common across all jurisdictions. The responses given to ensure buy-in, and support were:

- External stakeholder involvement in development process
- Positive municipal-provincial relations

The following table summarizes the remaining information collected from the nine interviews conducted with local government stakeholders across Canada.

Table 8: Summary of Interview Data on Municipal Viability and Sustainability

Jurisdiction (# of Participants) Tools Available	6.1 General Understanding	6.2 Participant Background	6.3 Participant Experiences Developing Indicators & Tools	6.4 Participant Experiences Using Indicators & Tools
Alberta (3) Municipal Viability Review Municipal Self-Assessment Municipal Performance Indicators	Municipal viability – factors that may result in municipal dissolutions Municipal sustainability – pro-active initiatives to maintain municipal operations	Two employed by Ministry of Municipal Affairs One employed by a municipality	Both government representatives spoke to 2010 Municipal Sustainability Strategy (MSS) and its impact on the provincial approach	Municipal administrator had positive experiences with municipal viability review process.
Saskatchewan (1) Municipal Self-Assessment	Terms are interchangeable	Employed by Ministry of Government Relations	Government representative shared information on development of their municipal sustainability self-assessment tool.	N/A
Manitoba (1) Municipal Health Checklist (self-assessment tool)	No clear definition for municipal viability and sustainability	Employed by Association of Manitoba Municipalities	Representative interviewed was not directly involved in developing their self-assessment tool.	N/A
Nova Scotia (3) Municipal Sustainability Reports	Municipal viability – specific point in time Municipal sustainability – what the municipality's future may be	One employed by Department of Municipal Affairs One employed by Nova Scotia Utility and Review Board One external /private contractor	Government representative interviewed spoke about the recent review of the municipal sustainability indicators.	Municipal sustainability reports are accessible on government website.
Yukon (1) Municipal Self-Assessment tool	Municipal viability – present-based focus on factors influencing municipal and community health and performance Municipal sustainability – long-term focus on factors influencing municipal and community health and performance	One employed by Department of Community Services	Municipal self-assessment, based off Saskatchewan's tool, is available. The representative interviewed is looking to develop additional municipal viability and sustainability tools.	N/A

7.0 Discussion and Analysis

The purpose of this section is to discuss and analyze the similarities and differences uncovered through the literature review, document analyses, and informational interview findings. Two themes and three smart practices were identified to address the project's primary and secondary research questions of:

1. What framework and tools can MAH use to identify and assess the viability and sustainability of BC municipalities?
2. What are the definitions of municipal viability and sustainability? Do they refer to similar or different conceptual understandings?
3. What municipal viability or municipal sustainability assessment and evaluation approaches are taken in other jurisdictions?

The collective themes portion of this section synthesizes academic literature with the philosophies and approaches on municipal viability and sustainability undertaken in Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon territory, as understood from the document analyses and informational interviews. As this research project serves to inform and support MAH on the municipal viability and sustainability initiatives underway throughout Canada, smart practices were identified and expanded upon, based on the report's various sources.

7.1 Collective Themes

7.1.1. Definition of Municipal Viability and Sustainability

Throughout the research for this project, the terms “municipal viability” and “municipal sustainability” have been used to refer to factors that may influence or impact a municipality's ability to independently continue operations in the long-term future. As such, the terms have been used interchangeably in grey literature and by informational interview participants. The term “municipal sustainability” was formally used in more Canadian jurisdictions, mainly to refer to self-assessment tools created for and available to municipalities to determine their successes. Alberta was the only jurisdiction that related to the term “municipal viability” explicitly on their government website and its associated resources. However, the term is used to refer to Alberta's unique municipal viability review examination while their self-assessment tools follow the Canadian trend of being considered a “municipal sustainability” measure.

This project's review of academic and grey articles did not uncover a clear definition for the terms “municipal viability” and “municipal sustainability” from its sources. From the data collected through the literature review, document analyses and informational interviews, the key difference between “municipal viability” and “municipal sustainability” seems to be the length of time interested. Municipal viability tools and reviews, like Alberta's municipal review process, focus on the present and short-term influences that may impact the municipality's ability to operate independently within a year or less. In contrast, municipal sustainability, like the self-assessment tools available in Saskatchewan, Manitoba and the Yukon, encourages an examination of the municipality's long-term outlook based on their current performance. Short-term prospects

would focus on events within a year, while long-term influences can be considered anticipated events a year or more away from the present state.

In summary, the synthesized consensus understanding of the terms “municipal viability” and “municipal sustainability” seem to be:

Municipal Viability: The assessment of governance, financial and community success factors that may influence or impact a municipality’s operations and performance at a specific point in time.

Municipal Sustainability: The assessment of governance, financial and community success factors that may influence or impact a municipality’s long-term future operations and performance.

The main difference between municipal viability and sustainability is the examination’s intention for appraising a municipality’s current performance measure - to determine a municipality’s likely success to maintain operations for a point-in-time or the long-term. Therefore, it is understandable why the terms are used interchangeably in literature and by individuals involved with the field.

7.1.2. Common Municipal Viability and Sustainability Indicators

The current Canadian indicators and tools seek to examine similar measures to determine their municipality’s viability and sustainability. As identified by the literature review, the municipal viability and sustainability indicators used by Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon territory all fall under one of the three themes identified by Marshall and Douglas in 1997 – governance, financial and community. However, each Canadian jurisdiction differed on the specific method they endorse to examine a municipality’s performance in a category. Their differences may be associated with the diverse local government systems each jurisdiction operates within and the interests of their municipal stakeholders. Representatives interviewed from Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon all testified that local government association feedback was sought and incorporated in their work on municipal viability and sustainability.

For instance, although the Yukon government developed its municipal self-assessment tool from the Saskatchewan model, the exact questions asked on the same themes – demographics and economic trends – were different. The jurisdictions’ self-assessment tools asked similar questions, such as – “What was the overall percentage change in population over the past decade” and “We regularly use demographic information and projections to support our council decisions, plans, and policies”. (Yukon Community Services, n.d., Saskatchewan Municipal Inquiry, n.d.a.). Still, there were some differences. Saskatchewan’s municipal administrators were interested in their municipality’s overall percentage change in tax revenue over the past decade while the Yukon government asked for the number of business licenses issued over the past five years (Yukon Community Services, n.d., Saskatchewan Municipal Inquiry, n.d.a.).

This project was unable to determine the exact reasons for the differences between Saskatchewan and Yukon's municipal sustainability self-assessment tools as participants were not asked for the reasoning behind using specific indicators in their jurisdiction. The researcher hypothesizes that it may be possible that these discrepancies are the result of the Yukon government's adaption of Saskatchewan's tool to suit their local government system. Differences between the two jurisdictions' self-assessment tools may also be the consequential changes made by the Saskatchewan government following feedback from their municipalities or local government association representatives. The specific individuals responsible for creating their jurisdiction's municipal sustainability self-assessment tool may be able to provide additional input in the future.

As each jurisdiction is governed by different legislation, the information collected on and by municipalities varies, which may impact the exact measures that the municipal viability and sustainability tools can examine. The specific indicators and frameworks used in Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon territory is reflective of the intricacies of their local government system. As such, the municipal viability and sustainability procedures and assessments already in place elsewhere will need to be adapted to fit into and be supported by BC municipal stakeholders.

7.1.3. Shared Jurisdictional Vision to Municipal Viability and Sustainability

The introduction of municipal viability and sustainability measures in Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon had implications for their local government systems. Regardless of the specific type of tool enacted in each Canadian jurisdiction, the importance of all orders of governments having a shared vision on their roles in the municipal system concerning the viability and sustainability of specific municipalities was raised in discussions with informational interview participants. Respondents highlighted the unique yet complementary roles that each local government system actor served for the entire structure to operate effectively to serve their residents.

All provincial and territorial government representatives interviewed had emphasized their acknowledgement and respect for municipalities as an independent governing entity yet designed different aid methods. The Saskatchewan and the Yukon territorial governments had focused on creating indicators and self-assessment frameworks to provide their municipal administrators with professional support tools. In contrast, the Alberta and Nova Scotia governments conduct sustainability reviews from data provided by their municipal administrators on their behalf. The municipal versus provincial government-led initiatives serve their local government system well, as they were designed to recognize the shared vision of each actor's role and associated responsibilities in the greater local government system in that jurisdiction.⁹

⁹ UBCM's Select Committee on Local Government Finance produced a paper to set an agenda for reforming the BC's local government financial system (UBCM, 2013, p.6). The 2013 report, *Strong Fiscal Futures: A Blueprint for Strengthening BC Local Governments' Financial System*, recommends a collaborative approach for the provincial and local government entities to reduce reliance on property taxes to support local finances and economies. This proposed approach to shift how local governments can collect revenue was acknowledged to require discussions to

7.2 Smart Practices to Address Municipal Viability and Sustainability

This project sought to explore the existing municipal viability and sustainability frameworks developed and used by other Canadian jurisdictions to provide MAH with options that would suit the BC local government system. Three smart practices were identified by representatives who have worked on or with Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon territory's measures. The collective experiences and lessons learned of Canadian jurisdictions on addressing municipal viability and sustainability may support the Ministry to create a practical approach to mitigate concerns if they were to choose to enact municipal viability and sustainability measures. These three smart practices are as follows:

7.2.1. Regionalization of Collective Needs

In informational interviews conducted with participants from Alberta's provincial and municipal governments and Manitoba's local government association, municipal regionalization was raised as a possible smart practice to address municipal viability and sustainability challenges. Regionalization of technical experience and collective services was identified as a trend across Alberta and Manitoba to address common financial and governance challenges faced by struggling, frequently rural, municipalities. Representatives interviewed noted that regional cooperation and the establishment of formal service partnerships might help with a municipality's financial, economic and governance concerns as resources and their associated management and costs could be distributed among a higher number of groups. This sharing approach can and has been applied to expensive yet necessary infrastructure, such as recreation and emergency services, water treatment, waste disposal and local administration, to increase efficiency and improve the long-term sustainability and viability of maintaining public facilities.

BC's current local government system is made up of two components: municipalities and their corresponding regional districts. The introduction of regional districts in the province had been to encourage regional cooperation and cost-sharing on collective initiatives. As such, many BC municipalities already use this smart practice by sharing the maintenance and cost to alleviate collective needs. For struggling municipalities, further regionalization of essential services may mitigate factors that influence their long-term municipal viability and sustainability. The costs and resources necessary to deliver expected functions can be used with increased efficiency through duplicating efforts to address common resident needs and demands. BC municipalities may be able to seek support from their fellow regional district members, or the regional district itself, after identifying possible areas for external partnerships and collaboration.

reach a common understanding among all local government stakeholders in BC (UBCM, 2013, p.4). This report serves as one example of a shared vision between the provincial-local governments to allow each actor to support one another while respecting the principles set in the provincial legislative framework. Efforts to action this paper's recommendations might aid MAH if they were to choose a municipal viability and sustainability approach as financial stability is an acknowledged influence on a municipality's ability to operate long-term.

7.2.2. Stakeholder Involvement

Provincial and territorial governments across Canada involve external stakeholders on initiatives that may impact municipal governments. For example, BC's provincial governments consult local government associations, such as UBCM, Local Government Management Association (LGMA) and Civic Info, on diverse current and past topics and approaches.

This smart practice was used in all the jurisdictions, at varying levels, interviewed for this project to inform the development and implementation of their municipal viability and sustainability indicators and tools. Alberta's Urban Municipalities Association, Rural Municipalities Association, Association of Summer Villages and Municipal Professional Association were all involved with the municipal viability review and municipal sustainability assessments developed by the Province. Similarly, the Government of Saskatchewan worked with representatives from the Saskatchewan Urban Municipalities Association, Saskatchewan Association of Rural Municipalities, and Urban Municipal Administrator Associations of Saskatchewan to develop their municipal sustainability self-assessment tool. The Association of Manitoba's Municipalities also worked with their provincial government on their website's municipal viability tool while the Nova Scotia government formed working groups with the representatives from their Association of Municipal Administrators and academics when revising their municipal sustainability indicators. The Yukon territory's municipal sustainability indicators were founded upon from findings of months-long public consultations.

The informational interview participants all testified to the importance and added value provided by their local government stakeholder groups when questioned about the role of these external organizations in the development and acceptance of their municipal viability and sustainability frameworks. The various associations involved brought diverse perspectives to the topic and its discussions. Respondents also linked support for the measures introduced from municipal administrators when their representative associations were included and contributed to the indicator development process. This smart practice of inviting municipal representation and participation on viability and sustainability is promising for a favourable introduction and implementation of such initiatives in BC if developed. It also aligns with MAH's current approach and with the BC's legislative framework on provincial-municipal relations. Although additional time is required to conduct stakeholder consultations, the invitation of diverse opinions gave municipalities acknowledgement as an independent order of government, which meets BC's guiding principle to respect local autonomy with public accountability directly.

7.2.3. Commitment of Organizational Resources

Informational interview participants who were involved in their jurisdiction's indicator development process had testified that the entire process had required substantial provincial and territorial government efforts, time and staff. The synthesis of data from local government association consultations and questions from municipalities and their residents had organizational capacity implications as resources were redirected from other initiatives or projects to complete the municipal viability and sustainability work. In recognition of the

competing demands, diverse approaches were taken by different jurisdictions. Saskatchewan directed an external contractor with their discussion findings to create the final product, a municipal sustainability self-assessment tool. The Yukon government received Saskatchewan's permission to adapt their sustainability self-assessment tool to suit its local government system.

Overall, the Canadian jurisdictions examined in this project committed multiple years and resources to create the municipal viability and sustainability initiatives currently available and used by their municipalities. External stakeholder groups, such as local government associations, had dedicated staff and time to participate in the government consultations held to ensure that their provided options were heard and incorporated in the final product. The provincial and territorial governments were all involved with the creation of their jurisdiction's municipal viability and sustainability tools. As such, MAH would likely face similar challenges and be required to make their decisions in recognition of their organizational capacity to develop and implement municipal viability and sustainability indicators, tools or processes. Lessons learned from previous efforts in other jurisdictions may improve the effectiveness and efficiency of BC's municipal viability and sustainability if work was to be actioned.

7.3 Limitations of Analysis and Further Research

This report is the synthesis of literature review, document analyses and informational interview data. As such, it is constrained by the limitations of each research method and methodology. The literature review and document analyses information are limited by the sources available to be examined. The informational interviews were conducted to build on and deepen insights from the public articles scanned to address the three research questions of this project:

1. What framework and tools can MAH use to identify and assess the viability and sustainability of BC municipalities?
2. What are the definitions of municipal viability and sustainability? Do they refer to similar or different conceptual understandings?
3. What municipal viability or municipal sustainability assessment and evaluation approaches are taken in other jurisdictions?

The number of informational interviews conducted was based on request acceptances. As such, the data collected from nine discussion participants are heavily relied upon to inform this research project's findings and provided options. Individuals were questioned using a semi-structured interview format, where six questions and their own follow-ups inquiries were pre-determined with MAH feedback and approval. This format may have limited participant answers as their feedback was anticipated to answer specific concerns of interest. The answers each respondent provided was founded on their recollection of current and past personal experiences with municipal viability and sustainability approach in their jurisdictions. Therefore, participant responses may include individual bias as they were able to disclose the information of their choice.

Further research on municipal viability and sustainability may be improved with greater scope in the jurisdictions of interest and the literature and external and internal working papers reviewed.

Additional informational interview participants may influence the collective themes and smart practices identified using the available sources for this research project.

This project may also be advanced by supplementary research on factors that may influence the introduction and consequential effectiveness of municipal viability and sustainability initiatives. The options introduced in the following section are intended to be actioned in BC's local government system, which is guided by legislation and a series of principles. In BC, resident support and approval are required on decisions that may impact their municipality's current operational context. Although this project recognizes the importance of resident consent, it does not focus on social communication and understanding strategies. Further exploration of ideal Provincial-local interaction approaches is encouraged to support the implementation of options identified if so chosen. Additional research initiatives to understand who is responsible for initiating discussion and how to identify, measure and obtain community consent on matters of local importance that also have provincial implications, such as municipal viability and sustainability.

8.0 Options for Consideration

A series of options to address municipal viability and sustainability concerns in BC are expanded on in the following section based upon the literature review, document analyses and informational interview findings, discussion and analysis.

The positives and negative factors associated with each option are provided in consideration of the Province's local government system for this research project's client, MAH. The options are not ranked in any specific order and may be considered and implemented as per MAH interest and preference.

8.1 Create Municipal Sustainability Self-Assessment Tools

Municipal sustainability self-assessment tools, in the form of checklists or questionnaires, are the most common Canadian approach of addressing municipal viability and sustainability concerns. Albertan, Saskatchewan, Manitoban, and Yukon municipalities can use their jurisdiction's tool to identify and assess their long-term outlook and initiate support discussions with their residents, local government associations and provincial or territorial government representatives. The self-assessment format allows municipalities the ability to maintain their independence and power to make their own decisions, which respects their authority as a separate order of government. Collaboration with local government associations is recommended to develop the tool to ensure stakeholder interest, support and use of the self-assessment tool.

The introduction of self-assessment tools in BC is an option for MAH to support its stakeholders on the topic of municipal viability and sustainability. For municipal administrators that recognize possible challenges ahead, they can use the self-assessment tool to identify their personalized specific areas of concern. Municipalities are encouraged to examine themselves and determine their next steps following the identification and appraisal of internal and external stressors, which is aligned with the Ministry's operating philosophies of local autonomy, financial independence and flexibility (Policy, Research and Legislation Unit, n.d.d.). Stakeholder support for this option is likely as it allows the municipalities to make the independent decision to use and implement the tool's identified findings and potential consequential recommendations.

As it is probable that communities who use the municipal sustainability self-assessment tool already face challenges - which may prompt them to conduct the self-assessment - there are possible capacity concerns present within the municipality. The burden associated with the cost and capacity of doing the assessment may limit the effectiveness and impact of the self-assessment tool on improving municipal sustainability as they may have insufficient resources to implement the concerns identified. This issue may be mitigated with municipalities requesting MAH support, which has implications on Ministry capacity. To create municipal sustainability self-assessment tools, the Ministry may choose to form working groups with representatives from local government associations, which would require additional analyst and management resources and time.

The Canadian jurisdictions explored for this project which currently offer this tool have no reporting requirements following their self-assessment. Manitoba and Yukon representatives

expressed concerns with their tool's self-reporting design as additional user awareness data could result in more support for municipalities. Therefore, this option could be explored and introduced by the Ministry in two ways: allowing municipalities to voluntarily disclose or requiring mandatory disclosure of their municipal sustainability self-assessment results.

8.1.1. Voluntary Disclosure of Municipal Self-Assessment Results

The Canadian municipal self-assessment tools reviewed for this project were all designed to inform and support municipalities with understanding their long-term futures. As such, the conclusions from using the tools are disclosed to their respective provincial or territorial government and local government associations by the municipalities voluntarily. There might be implications for the Ministry if this option was actioned with voluntary results disclosure as this design places the onus of action on often struggling municipalities who already have limited resources available to act. For this option to reach its full success potential, there must be pre-established trust and credibility in the municipal-provincial relationship for the municipality to report their self-assessment findings to the Province for additional aid. If there is a lack of transparency between the two levels of government, municipal administrators may not use the tool or seek the support available to help.

In recognition of these capacity restrictions, the Yukon government is looking to supplement municipalities with additional ministry support to address municipal viability and sustainability concerns. Alberta has already taken further action on the topic with the implementation of its viability review process and introduction of soon-to-be publicly available municipal indicator performance reports.

8.1.2. Mandatory Disclosure of Municipal Self-Assessment Results

The Ministry could request the compulsory disclosure of municipal sustainability self-assessments to themselves or a local government stakeholder group, such as UBCM or CivicInfo. This approach would allow the data collector to support the municipalities which chose to conduct a self-assessment by informing the appropriate support entity or providing direct aid. The impact and effectiveness of this tool on BC municipalities could be accounted for by tracking usage rates to determine if changes occurred. The specific information collected could be determined by the Ministry. It may range from downloads of the self-assessment form its host website to direct question responses from municipal tool users. BC stakeholders might have concerns regarding respect for local government autonomy, independence and flexibility if this option were introduced as it assumes that there is a lack of trust and transparency between the provincial and municipal governments, which would necessitate the mandatory disclosure of results.

8.2 Introduce Reporting on Municipal Viability and Sustainability Indicators

BC municipalities are required to report on a series of financial indicators under the current legislative framework, mandated in both the LGA and CC, to MAH annually (Infrastructure and Finance Branch, n.d.). This established precedence of reoccurring public reporting could be expanded to include the collection of viability and sustainability data. Municipal viability and

sustainability indicators could be developed, in collaboration with local government associations, municipalities and other stakeholders, to identify the essential influences that may contribute to their long-term operational success. The specific new measures introduced would need to be determined but may follow themes already set by municipal viability indicators in Alberta and Nova Scotia. The indicator development process may be extensive as the Ministry would ideally collaborate with local government stakeholders, such as UBCM and CivicInfo, to ensure that municipalities would be supportive and buy-into the reporting process.

The data collected on municipal performance under the newly developed municipal viability and sustainability indicators may be presented in the form of public reports. The Government of Nova Scotia's approach of sharing conclusions may be a possible model to consider for MAH as they serve primarily as an information provider for their local government system stakeholders. Their municipal sustainability report serves as a snapshot of a municipality's yearly financial, administrative and community characteristics in accordance with the pre-determined indicators of municipal sustainability. Each measure used is introduced in the report to explain what it is examining and how it is relevant to municipal sustainability. Nova Scotia municipalities can provide their comments for inclusion in their municipal sustainability reports to share any information they believe is of relevance for readers. The municipal commentary provides demonstrates awareness of the provincial reports and encourages responsibility and accountability to act sustainably. Provincial government representatives are available to answer questions from the reports' suppositions with the contact information provided on the host website.

Financial and demographic statistics are used to inform decision-making processes and help local stakeholders, including council and residents, better understand their municipality. Conclusions from the data collected and analyzed are presented using a traffic-light model of green, yellow and red to allow users to examine and pinpoint their indicators of interest. Risks to municipal sustainability are reported based on the associated level of concern, from the low-risk green, moderate risk yellow and high-risk red. Further discussion between MAH and Nova Scotia representatives may be necessary to understand how they determine municipal sustainability risk levels, the colour appropriate, for each indicator.

The integration of viability and sustainability reporting with existing administrative duties is efficient as it does not create a new process. Instead, it uses an existing mechanism to encourage municipalities to be more transparent with more issues, such as governance and community concerns. This option would promote municipal accountability and incentivize the examination of their current operational circumstances and its influences on their long-term outlook. Municipalities can maintain their independence and autonomy as they conduct their explorations and may seek supports to address the municipal viability and sustainability challenges they identify.

This option would have implications on specific municipalities and MAH as additional responsibilities are introduced. The introduction of these new performance measures may result in feedback from municipalities with and without future long-term operational concerns. Some municipalities may view this option as restrictions on their independence as more information is

collected about them. Others may have capacity concerns with possibly having to redirect resources to report on the additional municipal viability and sustainability indicators. The Ministry may have similar resource concerns as additional responsibilities are asked of their staff.

8.2.1. Introduction of CivicInfo as an Alternative Municipal Reporting Hub

CivicInfo is a non-profit that serves as BC's local government information hub. The organization was founded by seven local government stakeholders, including MAH and UBCM, to provide a variety of informational tools and resources on and for the local government sector. It is a collaborative, cooperative and service-driven group whose membership includes nearly all local governments in the Province (CivicInfo, 2019).

As the non-profit is trusted as a neutral information provider, it may be able to serve as the data collecting and reporting hub for municipal viability and sustainability reporting. Having BC municipalities report their viability and sustainability results to CivicInfo may reduce administrators' anxieties of conceivable MAH intervention following poor indicator performance. This method would still allow MAH to understand the current state of their municipalities as they could still access anonymized system-wide data. Having CivicInfo in this role may also improve municipal capacity to comprehend and use the indicators as they specialize in simplifying complex concepts for greater understanding.

8.3 Develop a Municipal Viability Review Process

Following the Alberta government's MSS review and its consequential recommendations, the Province reformed its previous municipal dissolution process to its current viability review process. This decision was made following comprehensive discussions with and between local government stakeholders in Alberta to review factors that may influence the viability and sustainability of their municipal governments. Through these MSS mandated conversations, a report was published with a series of findings and recommendations to address concerns.

One MSS finding was that the struggling municipalities and their residents had negative associations with the previous municipal dissolution process and would often vote against dissolution when presented with the process's conclusions. Consequently, although the municipality would remain incorporated, it would go likely through the municipal dissolution process again in a few years since the challenges they previously faced would still exist to threaten their viability. In response, the MSS review advised revising their municipal dissolution process to create a more positive experience for all involved. This recommendation encouraged efforts to provide a better understanding of current challenges and actions necessary to mitigate long-term operational concerns.

The Alberta government found that by reframing their previous municipal dissolution process to increase the involvement of local government associations, neighbouring municipalities and the residents, they address governability and accountability concerns. The vulnerable municipalities examined had more options to choose from and act upon to address their viability concerns. In comparison to the previous municipal dissolution process, the new municipal viability review process increased resident awareness by having a future-focused orientation. Local stakeholder

knowledge is built by public information sessions where provincial representatives explained the released completed municipal viability report and its implications to the residents. The consequences of voting to dissolve or remain as an incorporated municipality are explored and explained to residents to guide their next step discussions with the Province, neighbouring municipalities and their administration on their preferred option. The Alberta representatives interviewed testified that participants have found the adapted viability review process more approachable and understandable compared to the previous dissolution procedures as residents were informed about the significance of their vote on their municipality's current state and prospects.

Alberta's reframing of the municipal dissolution process to focus and become the municipal viability review process could be done in BC. Although BC does not have a dissolution process, MAH currently has and leads the provincial government's municipal restructuring and improvement district conversion/dissolution processes.¹⁰ These existing processes, upon guidance from Alberta and further consultations with BC's local government stakeholders, such as UBCM, LGMA, CivicInfo and municipal administrators, could form the foundation for BC's viability review process.

Although the existing municipal restructuring and improvement conversion/dissolution procedures may help inform the design and development of a viability review, the more significant local government system implications of a review process should be considered. The Alberta model requires involvement from numerous local government actors, including neighbouring municipalities, local government associations and residents. If the Alberta approach were to be developed for BC's local government system, information and aid from the actors identified in Alberta, and representatives from regional districts, would be required to understand and evaluate the long-term influence of municipal viability factors. External stakeholder involvement and support is critical to providing residents with the knowledge to inform their decision on their municipality's ability to operate continuously.

The current improvement district and restructuring procedures are designed to support smaller entities, such as improvement districts, and more narrow concerns, such as boundary changes. As more system considerations influence a municipality's long-term viability, a viability review process must be expanded from existing methods and developed to provide residents with the appropriate information to self-determine the future of their municipality.

¹⁰ Historically, improvement districts provided a governance and tax accountability framework for a local public service demanded by and collectively funded by local property owners. Since the Province's introduction of regional districts, efforts have been underway to phase out the improvement districts in response to lost community capacity to fund the single services provided through conversions, or less commonly, dissolutions. Improvement district dissolutions occur when the service previously offered is deemed unnecessary. More often, the service is still desired, so the provision of the improvement district's previous service is transferred to their corresponding regional district. As improvement districts have a more specific purpose than municipalities, it may be less complicated to transfer their role and responsibilities to other local government stakeholders, such as regional districts and other municipalities (Governance and Structure Branch, n.d.e.).

The redesigned municipal viability review and its consequential effectiveness to address concerns may be impeded by residents' fears about and in the process. Common resident concerns raised in improvement district conversions/dissolutions include a sense of lost self-sufficiency and control on cost and maintenance and lack of trust, understanding and responsiveness to local needs and new adjustments. These anxieties are likely to arise when initiating or during the municipal viability review as beliefs may be challenged, expectations unsatisfied and substantial changes recommended. Therefore, mitigation of such impairments, possibly through open forums and information campaigns, should be designed and incorporated in the municipal viability review process.

The development of a municipal viability-focused review may incentivize BC municipalities, as it did in Alberta, to welcome provincial government involvement as residents are more informed and prepared when voting on their municipality's future. The transparency of the Alberta model of a municipal viability review may improve local support throughout the process and trust in its final recommendations as residents are encouraged to participate and share their opinions. The discussions also improve resident knowledge to cast an educated vote as they learn about the diverse factors impacting their municipality's future and the actions necessary to maintain their current administration and its operations.

By initiating stakeholder engagement and conversation on municipal viability and sustainability, the guiding principles of local and provincial government relations are respected as actors involved can provide guidance and feedback to improve and mitigate concerns in partnership with one another. This approach represents a shift from a binary choice, to dissolve the municipality or not, to a broader spectrum of futures available as all available options are studied and presented to residents for their choosing.

9.0 Conclusion

The objective of this research project was to explore municipal viability and sustainability initiatives employed in different Canadian jurisdictions to provide MAH with advice and options to support BC municipalities. Information was collected and analyzed from:

- An academic literature review of Canada, Australia and New Zealand local government systems and Canadian understandings of municipal viability and sustainability theories
- A document analyses of indicators and tools used in Alberta, Saskatchewan, Manitoba, Nova Scotia and the Yukon to identify commonalities and differences in the approaches available and taken
- Informational interviews were conducted with representatives from the five jurisdictions to learn about their experiences developing and using their municipal viability and sustainability indicators and tools

Together, the three qualitative data collection methods employed were synthesized to inform MAH with options that could be taken to address the concerns of BC stakeholders regarding municipal viability and sustainability. Three non-binding approaches were developed with respect to BC's provincial-local government relationship principles and current operating practices. The options to consider, in no particular order, are as follows:

1. Create municipal sustainability self-assessment tools
2. Introduce municipal reporting on viability and sustainability indicators
3. Develop a municipal viability review process

MAH may benefit from additional work to supplement this research project as it focused on exploring the viability and sustainability indicators and tools used in five Canadian jurisdictions to provide information on what is already available. Further research to understand and mitigate the challenges MAH may face in creating and developing municipal supports to improve long-term governance and economic resilience may be valuable and encouraged by local government stakeholders.

Municipalities have significant impacts on their residents' daily lives, from the water running out of their taps to the availability of housing and street parking. As the world changes, it has become essential for local government actors and stakeholders to contemplate their decisions and actions in their evolving circumstances and adapt accordingly. Therefore, the difficulty associated with determining the best approach to address municipal viability and sustainability challenges for BC's local government system has significant implications for everyone involved.

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Appendices

APPENDIX 1:



**University
of Victoria**

Interview Questions

Sample Interview Questions Guide

1. What is your understanding of the term ‘municipal viability’?
2. How long have you worked with municipal viability indicators and its framework?
3. How did you get involved with municipal viability indicators and its framework?
4. If you are or were involved with the development of your jurisdiction’s municipal viability indicators:
 - a. What is or was your role and associated responsibilities?
 - b. Did you or your team examine other models of municipal viability measures?
 - i. If so, which ones and why?
 - ii. If not, why not?
 - c. What strategic considerations did you have throughout its development?
 - i. Situational?
 - ii. Economic?
 - iii. Governance?
 - iv. Demographic changes?
 - d. How does your chosen municipal viability indicator framework reflect the strategic considerations identified?
 - e. What challenges did you face when developing the municipal viability indicators?
 - f. Are there any influences on municipal viability that you believe your indicator has missed or not questioned further enough?
 - g. How did you decide the format of your municipal viability tool? (self-assessment or ministry-initiated)
 - i. Why did you choose your specific delivery and result reporting methods?
5. If you use or have used municipal viability indicators to assess a local government’s short- and long-term sustainability:
 - a. What is or was your role and associated responsibilities?
 - b. Did you find that the indicators covered all possible themes that may influence or impact municipal viability?
 - i. If not, what additional themes could be included?
 - c. What challenges did you face when trying to use the municipal viability indicators?
 - d. Did you find the municipal viability framework and its indicators user-friendly?
 - i. If not, how could it be made more user-friendly?
 - e. Did you find the municipal viability indicators helpful in assessing a local government’s short- and long-term sustainability?
 - i. If not, why not?
6. Do you have any advice or recommendations for someone who is looking to develop municipal viability indicators?



**University
of Victoria**

*Invitation to Participate
E-mail Script*

Email: Participate in an Interview on Municipal Viability Indicators for a master's project study

Dear [insert name of prospective applicant]; / To whom it may concern,

My name is Coco Zhu, and I am contacting you today to invite you to participate in an interview/ your organization to identify a participant to interview for my study entitled *Developing Municipal Viability Indicators for Local Governments in British Columbia (BC)*. I am required to conduct research as part of the requirements for my master's degree in Public Administration with the University of Victoria. This research is being conducted under the supervision of Dr. Kim Speers. If you have any further questions, you may contact her at kspeers@uvic.ca.

I am also conducting this study as a part of my contract with the Province of BC's Ministry of Municipal Affairs and Housing, where I am being supervised by Catherine Lee, a Senior Program Analyst with the Governance and Structure branch of the Ministry.

The purpose of this project is to provide background analysis and recommendations for the potential development of municipal viability "self-assessment" tools for local governments operating under BC's *Local Government Act (LGA)* and *Community Charter*. This project will explore existing research on the concept of municipal viability, identify appropriate and transferable measures used in other jurisdictions, and recommend an approach and set of municipal viability indicators for local governments in BC. This will include determining which specific municipal viability indicators and their chosen delivery and results reporting mechanism would be most useful and applicable to the BC municipal governance structure.

You are being asked to participate in an interview for this study because I have identified you to possibly have worked on the development, implementation and/or use of your jurisdiction's municipal viability indicators based on your current position within your organization, as listed in the staff directory. // You are being asked to participate in an interview for this study because you have been identified by a colleague to be knowledgeable about the development, implementation and/or use of municipal viability indicators. If you believe that there is another person better positioned to discuss your organization's work with municipal viability indicators, please feel free to cc' me and forward my invitation to participate to them or provide me with their contact information.

Your participation in this research will be completely voluntary, and any personal information collected during the interview will be kept anonymous and confidential in the final report. There are no penalties or impacts on your employment for not participating in this study. No personal information of participants will appear in the final report or information note shared with the Ministry of Municipal Affairs and Housing. Additionally, no one except me will have access to the raw data collected during the interview.

The duration of the interview will be approximately 30 to 45 minutes. For more information about this study, please see the attached *Letter of Consent* and *Sample Interview Questions*.

If you are able to participate in this study, please let me know by replying to this email.

Additionally, if there are others to include in this conversation or if there is someone else in your organization that is better suited to participate than yourself, please provide me with their contact information.

Kind regards,
Coco Zhu



Developing Municipal Viability Indicators for Local Governments in British Columbia

Hello.

My name is Coco Zhu and I am calling on behalf of the Governance and Structure Branch in the Province of British Columbia’s Ministry of Municipal Affairs and Housing where I am also University of Victoria graduate student conducting research for my Master of Public Administration degree. May I please speak to [participant].

*** When the desired person is on the phone*

Hello [participant],

I am calling you to follow up your interest in participating in a study entitled *Developing Municipal Viability Indicators for Local Governments in British Columbia* that is being conducted by myself, on behalf of the Governance and Structure Branch in the Province of British Columbia’s Ministry of Municipal Affairs and Housing.

I sent you an email 2 days ago at [email address] to invite you to participate in my study that I am conducting on behalf of Catherine Lee, Senior Program Analyst with the Governance and Structure Branch in the Province of British Columbia’s Ministry of Municipal Affairs and Housing and my graduate degree at the University of Victoria. Have you received and had a chance to read this email yet? [yes/no]

If yes,	If no,
Would you be interested in participating in a 30-minute interview for this study?	<p>Would you like me to re-send you the email? If so, what is your email address?</p> <p>Let me provide a brief introduction and description of my study. I am hoping to conduct an informational interview with you on your experiences with municipal viability indicators as the Province of British Columbia is interested in possibly developing our own indicators. As a master’s student with the University of Victoria, I am required to conduct research as a requirement for my degree.</p> <p>Would you be interested in participating in a 30 minute interview for this study?</p>

If yes,	If no,
Thank you.	Okay. Thank you for your time.

<p>What time would be best for me to schedule our informational interview?</p> <p>Thank you and have a good day.</p>	<p>Do you know if there would be anyone who has worked with municipal viability indicators who may be interested in participating in my study?</p> <p>Thank you and have a good day.</p>
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