

I ntegrated
C ommunity
S ustainability
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FRAMEWORK

Including Gas Tax Backgrounder

April 2009

Department of Municipal Affairs
Newfoundland and Labrador

Gas Tax Agreement Backgrounder

As of 2006 all provinces and territories have signed Gas Tax Agreements (GTA) with the Government of Canada to share federal gas tax funds with municipalities. Gas tax funds are designated for environmentally sustainable municipal infrastructure. Eligible project categories include water, wastewater management, solid waste management, public transit, community energy systems, municipal capacity building, and roads and bridges, where it can be demonstrated that they will enhance environmental sustainability outcomes. These investments will result in significant environmental benefits, such as cleaner air, cleaner water and reduced greenhouse gas emissions. Note that for purposes of this document the term “municipality” includes Inuit Community Governments.

Canada’s total contribution to Newfoundland and Labrador for the first four years of the agreement is as follows:

Fiscal year	Canada’s Contribution
2006-2007	\$19,740,000
2007-2008	\$13,160,000
2008-2009	\$16,450,000
2009-2010	\$32,900,000
TOTAL	\$82,250,000

The flow of the GTA funding is facilitated through the Gas Tax Funding Agreement, signed between the Government of Newfoundland and Labrador and Eligible Recipients. The agreement outlines the terms and conditions that recipients are required to follow. The following section outlines some of the details of those conditions along with a section regarding eligibility criteria. **This document is not designed to replace the official agreement** and is simply intended to review some of the details relevant to the development of Integrated Community Sustainability Plans. For complete details please refer to the official Canada-Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax Revenues.

Project categories

Eligible projects must fall into one of two main categories including **environmentally sustainable municipal infrastructure (ESMI)** projects or **capacity building** work to help develop sustainable communities across Newfoundland and Labrador.

Environmentally Sustainable Municipal Infrastructure (ESMI) Project examples include the following:

- **Public transit:** Capital assets and rolling stock including Rapid Transit, Transit Busses, Intelligent Transport Systems and High Occupancy Vehicle Lanes.
- **Water:** Drinking water supply and storage systems, purification and treatment systems, distribution and metering systems, regional systems and protection of water sources.
- **Wastewater:** Wastewater systems, including sanitary and combined sewer systems, separate storm water systems, including outfalls and wastewater treatment facilities, flood proofing infrastructure, wastewater and storm water collection and treatment systems, including infrastructure to prevent cross contamination in water supply systems.
- **Solid Waste:** Waste diversion, material recovery facilities, organics management, collection depots, waste disposal landfills, thermal treatment and landfill gas recuperation, regional waste management systems relating to items mentioned above, including waste transport, onsite equipment and transfer stations.
- **Community Energy Systems:** Including cogeneration or combined heat and power projects, district heating and cooling projects, active transportation infrastructure that can enhance sustainability outcomes.

Capacity Building includes the following activities:

- **Collaboration:** building partnerships and strategic alliances, participation and consultation and outreach.
- **Knowledge:** use of new technology; research; and monitoring and evaluation, including municipally initiated or driven research into sustainable models for infrastructure such as regional water supply, regional sewage treatment, regional solid waste management and regional road systems, as well as water quality monitoring and evaluation, drinking water source protection, and training for operation and maintenance of infrastructure.
- **Integration:** planning, policy development and implementation. Integrated sustainability planning, policy development and implementation such as environmental management systems, life cycle assessment, water supply system planning, wastewater system planning, solid waste management planning, watershed planning and land use planning

Eligible Costs

The eligible costs under the GTA fall in to the following two main categories.

1. Eligible project costs may include the following:
 - The capital costs of acquiring, constructing or renovating a tangible capital asset and any debt financing charges related thereto.
 - The fees paid to professionals, technical personnel, consultants and contractors specifically engaged to undertake the surveying, design, engineering, manufacturing or construction of a project infrastructure asset and related facilities and structures.
 - The costs of environmental assessments, monitoring and follow-up programs.
 - The costs related to strengthening the ability of Local Governments to develop Integrated Community Sustainability Plans (ICSP).
2. In the case of municipalities that are in remote locations, the out of pocket costs (not overhead) related to employees or equipment may be included in its Eligible Costs under the following conditions:
 - the provision of such works or services by anyone other than the Eligible Recipient would be unduly costly;
 - employees or equipment are employed directly in respect of the work that would have been the subject of the contract; and
 - the arrangement is approved in advance and in writing by the Oversight Committee.

Ineligible Costs

Costs related to the following items are ineligible costs:

- eligible Project costs incurred before April 1, 2006
- services or works that are normally provided by the Eligible Recipient or a related party
- salaries and other employment benefits of any employees of the community applicant
- an Eligible Recipient's overhead costs, its direct or indirect operating or administrative costs and, more specifically, its costs related to planning, engineering, architecture, supervision, management and other activities normally carried out by its applicant's staff
- costs of feasibility and planning studies for individual Eligible Projects
- taxes for which the Eligible Recipient is eligible for a tax rebate and all other costs eligible for rebates
- costs of land or any interest therein, and related costs
- cost of leasing of equipment by the Local Government
- routine repair and maintenance costs
- legal fees
- administrative costs incurred as a result of implementing this Agreement
- audit and evaluation costs.

Outputs and Outcomes

The impact of the use of the gas Tax Funds will be measured through a set of core indicators linked to the following outcomes that flow from the following outputs:

Outcomes:

- a) Cleaner Air
- b) Cleaner Water
- c) Lower Greenhouse Gas emissions

Outputs:

- a) Community Energy Systems
- b) Public Transit Infrastructure
- c) Water Infrastructure
- d) Wastewater Infrastructure
- e) Solid waste
- f) Local Roads and Bridges
- g) Capacity Building

For example the installation of solar panels on a town hall could fall into the Output of Community Energy Systems and would produce the Outcome of Lower Greenhouse Gas Emissions.

Requirements of the recipients

The following is a sample of the requirements of eligible recipients:

1. A **Capital Investment Plan** and ensure that Funds will not be used as the municipal contribution to any Multi-Year Capital Works Program project.
2. An **Annual Expenditure Report** that will report on:
 - the amounts received under this Agreement
3. An **Outcomes Report** that will report on the cumulative investments made, including information on the degree to which these investments have actually contributed to the objectives of cleaner air, cleaner water and reduced GHG emissions.
4. Its **Annual Municipal Audit**, due by June 30th of each fiscal year and of projects, if required.
5. Its **Annual Budget**, due by December 31 of the previous year.
6. Where the Eligible Recipient is a Local Government, develop an **Integrated Community Sustainability Plan (ICSP)**, either by itself or as part of some higher level of agglomeration.

Note: The above sections are for ICSP information purposes only and are not intended to be comprehensive. For complete details please refer to the official Canada-Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax Revenues.

ICSP FRAMEWORK

WHAT IS AN ICSP?

The 2005 the Federal Government's New Deal for Cities and Communities and subsequent signing of the Canada-Newfoundland and Labrador Agreement on the Transfer of Federal Gas Tax initiated the Integrated Community Sustainability Planning (ICSP) process. Managed and implemented by Infrastructure Canada, the funding is to be spent on environmentally sustainable municipal infrastructure and is intended to achieve three outcomes: reduced greenhouse gas emissions, cleaner air, and cleaner water. The Agreement identifies that communities that access this funding must develop an ICSP (among other requirements). **In its most basic form an ICSP is a strategic plan that addresses long term community sustainability.**

While it is an obligation of the agreement, the ICSP process also presents a unique opportunity for communities to examine program and service delivery, capacity and long-term strategic planning as they have never done before. In Newfoundland and Labrador ICSPs will include planning for the sustainability of local government as well as the community as a whole. There will also be a greater emphasis on regional cooperation, allowing regional sustainability plans where communities choose to plan on a regional basis, while incorporating the unique needs and visions of communities within regions. The framework is also flexible and can accommodate the incorporation of existing community plans into the ICSP process, particularly comprehensive long-term municipal or community development plans completed within the past three years.

As per Section 28 of the Urban and Rural Planning Act, Municipal Plans in Newfoundland and Labrador must be reviewed every five years and due to the potential connection with this planning process, ICSPs should also be developed with a **five year outlook**. While longer term planning can be very valuable in certain circumstances, the infrastructure and project component requires that ICSPs have detailed plans for five years. Planning beyond a five year window is also recommended especially during any community visioning exercises that can look ten, twenty or fifty years into the future. The focus of the ICSP should be on the five year window with allowances for issues regarding longer term goals as well.

WHAT IS SUSTAINABILITY?

If the goal of the ICSP process is to move closer toward a sustainable community, then a tangible definition of a "sustainable community" is required. The following are some of the characteristics that a **sustainable community** displays:

- Manages resources within ecological limits by developing infrastructure and service delivery programs that preserve biodiversity and keep greenhouse gas emissions to a minimum.
- Provides the means for citizens to meet economic needs by availing of local vendors and service providers while providing a "livable wage" to employees.

- Promotes socially just and inclusive communities by engaging the public, developing community cohesiveness and empowering citizens with decision-making capacity.
- Promotes creative and vibrant communities through activities that celebrate and cultivate heritage and cultural expression.

The requirement for local governments to develop ICSPs was designed to accelerate the shift in local planning and decision-making toward a more long-term, coherent and participatory approach to achieve sustainable communities. ICSPs have been identified as a means to help cities and towns to effectively plan and manage their assets and resources to achieve identifiable outcomes, deliver services and address priorities within an integrated framework encompassing the economic, environmental, social and cultural dimensions of community sustainability.

SUSTAINABILITY PILLARS

The Gas Tax Agreement identifies an Integrated Community Sustainability Plan (ICSP) as

*“a long-term plan, developed in consultation with community members that provides direction for the cities, towns and regions to realize sustainability objectives it has for the **environmental, cultural, social and economic** dimensions of its identity”*

To maximize benefit for municipalities in Newfoundland and Labrador the definition has been expanded to include the pillar of **governance**. These pillars were addressed in various categories of the Municipal Sustainability Self-Assessment recently conducted by the Community Cooperation Resource Centre (CCRC) of Municipalities Newfoundland and Labrador (MNL).

Environmental Sustainability

Sustainability is the capability to equitably meet the vital human needs of the present without compromising the ability of future generations to meet their own needs, by preserving and protecting the area’s ecosystems and natural resources. The key aspects of environmental sustainability include reducing the reliance on fossil fuels and the production of greenhouse gas emissions, reducing use of chemicals and other manufactured substances that can accumulate in the environment, and the protection of ecosystem integrity and diversity.

Cultural Sustainability

When compared to other dimensions of sustainability, cultural sustainability objectives are probably the least defined and, to a large extent, are the least resonant with decision-making leaders facing more immediate pressures such as infrastructure, transit and housing. Despite increasing diversity in communities, the longer-term benefits of culture in terms of promoting community identity and cohesion are difficult to quantify and therefore less evident to decision-makers.

Many municipalities have invested in arts and heritage as an important element of their revitalization and renewal strategies. Cultural tourism is also on the rise

and is increasingly linked with community branding and economic development initiatives. The unique cultural development and history of Newfoundland and Labrador requires that municipalities consider cultural issues while developing long term plans.

Social Sustainability

Community social sustainability is a process of community development, supported by policies and institutions that ensure harmonious social relations, to enhance social integration and improve living conditions for all citizens. The redistribution of resources, as well as equal access to the means by which to fulfill basic human needs, including housing, employment, public facilities and services that are all central to social sustainability.

More specifically, social sustainability within municipalities means that the following conditions are present:

- The basic needs of citizens with respect to food, shelter, education, work, income and safety are met;
- Family friendly environments are developed through access to childcare, youth programs and other family services;
- Access to opportunities are distributed equitably and fairly across society;
- There is an environment of hospitality, wherein citizens live together harmoniously and in mutual support of each other; and
- Individuals have the opportunity and are encouraged to participate in civic processes (formal and informal).

Economic Sustainability

There are several facets to economic sustainability. On one level, it focuses on development, not simply growth. This implies the economic activity that is conducive to, as well as supports, sustainable community development. Community economic development can be defined as a process through which the community itself identifies and implements tools for the development of the community. The aim is to promote economic development that provides opportunities for people of different incomes and skills, promotes a better quality of life and protects the environment while maintaining sufficient revenues for the municipality.

Governance Sustainability

The structure of municipal government in Newfoundland and Labrador is relatively new in comparison with some other jurisdictions even within Canada. For the ICSP the area of governance will refer to the ability to manage and operate a municipality. The idea of sustainability for municipal governance includes issues of administrative capacity, availability of elected officials, committee structures, adoption of solid planning and decision making policies, compliance with all legislative requirements for municipalities as well as financial viability. As a basic question, can you generate enough revenue to meet your municipality's needs now and in the future? All other pillars depend on the sustainability of the governance of a municipality or a region so it is imperative that this pillar is adequately addressed.

Sustainability Pillars, the Sustainability Self-Assessment and sample Goals and Actions:

Some Examples

Sustainability Pillars	Relevant Self-Assessment Categories	Sample Goal	Sample Action
Environment	Service Delivery	Reduce toxic chemicals entering the local ecosystem.	Develop a hazardous waste collection and disposal program.
	Equipment and Infrastructure	Residents to spend more time outside enjoying the environment.	Ensure that all parks and trails have appropriate signage.
	Community Well-Being	Protect local ecological integrity.	Work with the community and environmental partners to develop a protected lands strategy for the areas in and around your town.
Economic	Governance	Diversify the local economy.	Engage local partners to develop a diversification strategy including opportunity identification.
	Community Well-Being	Encourage the continuation of existing businesses.	Develop a local business recognition program to highlight what they offer and to encourage residents to use local services.
	Regional Cooperation	Work in conjunction with existing plans.	Work with RED Boards and other municipalities to ensure municipal plans are in alignment with regional plans.
Social	Community Well-Being	Maintain a healthy volunteer base.	Create/Enhance a local volunteer recognition program.
	Regional Cooperation	Develop strong social connections in the region.	Establish/Maintain a multi-community sports league.
Cultural	Community Well-Being	Support the local arts community.	Display/Highlight local pieces of art at public facilities.
Governance	Finance and Financial Management	Ensure the municipal budget is followed appropriately.	Monitor the budgeted versus actual expenditures on a minimum of a quarterly basis.
	Governance	Streamline the decision making process.	Ensure that there is a committee of council in place for significant issues.(e.g. Finance)
	Administration	Employ adequate staff.	Develop/Maintain job descriptions for all positions.
	Regional Cooperation	Work with neighbouring communities on common issues.	Develop or become part of a regional body.(e.g. Joint Council)

INTEGRATED PLANNING

Integrated planning essentially means that decision-making processes should include consideration of a broad range of impacts. The separation of functions within a municipal organization often results in a decision-maker in one area overlooking impacts that would be readily apparent to people in other areas.

Integration involves developing organizational processes that allow such impacts to be easily viewed and considered across departments before decision-making occurs. Integration also suggests working more closely and cooperatively with other organizations, including neighboring municipalities, other levels of government and, most significantly, all partners within the local community. It is essential that respective stakeholders from different sectors of society actively participate in reaching a basic consensus on the path to take towards sustainability. ICSPs should consider existing plans of various origins including any land use plans, economic development plans, community or neighbourhood plans along with any previously completed strategic plans.

KEY DATES

There are three ICSP Options available to municipalities in Newfoundland and Labrador and the following section outlines the key steps that can be taken to set up an ICSP framework. Municipalities do not have to strictly adhere to this proposed ICSP process but there are four **deadlines that municipalities must respect**. These are as follows:

- **By June 30, 2009**, each local government must inform the Department of Municipal Affairs which type of ICSP they will be completing and who the lead on the project is.
- **By October 31, 2009** each municipality must complete a basic ICSP progress report form as supplied by the Department of Municipal Affairs.
- **By December 31, 2009** each municipality must submit a draft of their ICSP as completed by that date for comment.
- **By March 31, 2010** each municipality must submit their final and completed ICSP, As supported by a resolution of Council, to the Department of Municipal Affairs.

The following steps outline a possible **general process** for creation of an ICSP. The specific details of each ICSP are outlined in the relevant sections of the ICSP Guide. As the ICSP process evolves over time it is likely that certain aspects will require more attention as goals are accomplished so the Framework and Guide should be seen as only a starting point in a continuous process.

Generic ICSP Process

Step 1	Sustainability Self-Assessment
Step 2	Review Sustainability Self-Assessment Report
Step 3	Attend Regional ICSP Workshop
Step 4	Review ICSP Options
Step 5	Identify Collaborative ICSP Partners
Step 6	Identify ICSP Lead
Step 7	Finalize ICSP Framework Option
Step 8	Begin ICSP Development
Step 9	ICSP Review and Final Council Approval
Step 10	Final ICSP Submission to Municipal Affairs

Step 1: Sustainability Self-Assessment

The first step in developing an ICSP is to complete the Sustainability Self-Assessment Questionnaire as delivered by the Community Cooperation Resource Centre (CCRC) within Municipalities Newfoundland and Labrador (MNL). The Sustainability Self-Assessment Questionnaire will help you in assessing your municipality's ability to continue to govern and provide municipal services effectively and it will examine the following key sustainability indicators of your municipality:

- Governance
- Administration
- Finance and Financial Management
- Service Delivery
- Infrastructure
- Community Well-Being
- Regional Cooperation

One aspect of the Self-Assessment process is to have municipalities recognize for themselves where current methods of service delivery may be problematic or insufficient in the long-term and, in some cases, where new governance or structural solutions may be required. The Self-Assessment has also identified where a municipality has insufficient resources to complete an ICSP. It is strongly suggested that any municipality that has not yet completed the Self-Assessment should contact the CCRC/MNL to request a copy of the Self-Assessment Tool Kit.

Step 2: Review Sustainability Self-Assessment Report

Through the completion of the Sustainability Self-Assessment, municipalities will gain a better appreciation for issues affecting the sustainability status of their municipality, their community and surrounding region. The municipal Sustainability Self-Assessment is an integral component and a starting point for the ICSP process. Significant areas of concern identified in the Self-Assessment process and report must be addressed in the ICSP including basic municipal legislative requirements. Using the results of the Sustainability Self-Assessment,

municipalities can establish objectives and targets in each of the seven key areas of municipal sustainability, as well as strategies for reaching those targets and a means of monitoring progress. The Sustainability Self-Assessment Report also provides a recommendation on which ICSP option may be best suited for an individual municipality.

Step 3: Attend Regional ICSP Workshop

To facilitate the development of ICSPs through the Province, the Department of Municipal Affairs will be hosting regional ICSP Workshops. These workshops will be used to explain the ICSP options and templates to participating municipal representatives. While the workshops are not mandatory, they will be one of the most important forums through which municipal leaders and administrators responsible for ICSPs will learn about the ICSP Process.

Step 4: Review ICSP Options

There are three main planning options available to municipalities under this ICSP Guide. Municipalities may complete a Municipal Plan ICSP, create a Stand-Alone ICSP, or participate in a Collaborative ICSP. Details of each option are found in the ICSP Guide.

Step 5: Identify Collaborative ICSP Partners

There are currently 281 municipalities in Newfoundland, the majority of which are home to less than 1,000 residents and have limited planning capacity. Therefore, Collaborative ICSPs have been identified as one option to address the planning capacity issue. In developing a Collaborative ICSP municipalities can pool their resources together to develop a regionally based ICSP, making the process more cost-effective and efficient. If the Collaborative ICSP appeals to municipalities they should consider partnering with municipalities and/or other communities or groups in their region. Sustainability Self-Assessment Reports have identified when a collaborative ICSP would be beneficial.

Step 6: Identify ICSP Lead

Every municipality will require an individual to champion the ICSP process. This typically is a staff person, although it could also be, for example, a Councillor, key administrator, or Steering Committee Chair. The ICSP lead will be charged with responsibility for overseeing the ICSP process. This person may write the ICSP, or maybe responsible for overseeing another staff person or consultant who is undertaking this task. If a collaborative ICSP will be undertaken, financial resources will likely be pooled to hire a coordinator or consultant to oversee the ICSP process. Larger municipalities with a variety of stakeholders and constituents or those considering a collaborative approach may want to appoint a sustainability steering committee. The primary function of this committee is to move the ICSP process forward.

The committee should:

- Coordinate the process;
- Champion the concept;
- Provide the communications link between and with stakeholders;
- Facilitate the process by developing and sharing knowledge and understanding of the issue; and
- Make recommendations to council regarding the adoption of an ICSP.

Step 7: Finalize ICSP Framework Option

Once municipalities have determined which ICSP Option best fits their municipality and the individuals responsible for implementation of the ICSP have been identified, municipalities should formally advise the Department of Municipal Affairs which ICSP Option they will be pursuing and who the lead person is by June 30, 2009.

Step 8: Begin ICSP Development

Once municipalities have determined which ICSP Option they will undertake, the municipality will be ready to begin the ICSP development as one of the options laid out in the corresponding Guide. Supplemental materials and templates will be supplied throughout the process and will work in conjunction with the options presented in the ICSP Guide.

Step 9: ICSP Review and Final Council Approval

Prior to submitting a completed ICSP to the Department of Municipal Affairs, the documents and/or Municipal Plan amendments should be reviewed and supported by a resolution of Municipal Council.

Step 10: Final ICSP Submission to Municipal Affairs

All completed ICSPs will need to be reviewed by the Department of Municipal Affairs to ensure continuity with the requirements as set out in this Framework and the accompanying Guide and the Gas-Tax Agreements. Municipalities must submit their documentation no later than March 31, 2010.

About The ICSP Framework

The ICSP Framework has been developed to assist the municipalities of Newfoundland and Labrador in completing an Integrated Community Sustainability Plan (ICSP). The Gas Tax Agreement signed between the Province and Local Governments indicates that Municipalities must complete an ICSP by March 2010. If the Local Government does not comply with the terms of the agreement, the methods of enforcement may include withholding of payment, reduction of payment, requiring the return of payment, or non-renewal of the Gas Tax Funding Agreement. This document is not intended as a replacement for the Gas Tax Agreement and full details of all obligations and requirements can be found in the official agreement.

For further information regarding ICSPs or any other component of the Gas Tax Agreement please contact the Department of Municipal Affairs at 1-877-729-4393 or gastax@gov.nl.ca.