



# CASE STUDY: MUNICIPAL SERVICE AGREEMENTS UNDERPIN FIRST NATION'S ECONOMIC DEVELOPMENT

FCM INTERNATIONAL

## The Case of St. Mary's, New Brunswick

St. Mary's, New Brunswick, is one of a handful of First Nations reserves in Canada that lies within the boundaries of a large urban municipality. Located in Fredericton, the capital city of the province, St. Mary's is an autonomous community with its own land, culture and character.

### PURSuing INCLUSIVE DEVELOPMENT

Fredericton and St. Mary's occupy the same urban environment. A traveler could easily pass from Fredericton into St. Mary's without noticing: the pattern of roads, housing and business development continues uninterrupted through the two jurisdictions.

Understandably, St. Mary's and Fredericton share the same water and sewage system, and police, fire and animal control services.

St. Mary's has been buying these key services from Fredericton for many years through agreements that are regularly reviewed, re-negotiated and renewed.

"It's a win-win situation," says St. Mary's Chief Candice Paul. "The city has the expertise, so we have a level of comfort — we can trust that things will be done right. **Buying the services from the city is economical for us and it helps build rapport between the communities.**"

*FCM would like to thank the following persons for their assistance in the preparation of this case study: Leanne Fitch, Acting Chief of Police for the Fredericton Police Force; Murray Jamer, Assistant CAO, Director of Engineering and Operations for the City of Fredericton; Jayme Johnson, Director of Operations for St. Mary's First Nation; Chief Candice Paul, St. Mary's First Nation; Tina Tapley, Finance Director and Treasurer for the City of Fredericton and; Brad Woodside, Mayor of the City of Fredericton.*

*The City of Fredericton partners with the municipality of Tiquipaya, Bolivia, within the Municipal Partners for Economic Development Program (MPED).*

*FCM delivers programs to strengthen relations between Aboriginal communities and municipalities, including the First Nation-Municipal Community Infrastructure Partnership Program (CIPP) and the Community Economic Development Initiative (CEDI). For more information, please visit FCM's website.*

#### CREDITS

Case Study Management: Pascal Lavoie, Theo Breedon and Mélanie Amyotte  
Research and Writing: Merv Walker, Walker Communications  
Design: Phredd Grafix  
Date: x

For more information: [international@fcm.ca](mailto:international@fcm.ca)



**MPED-PMDE**

[www.fcm.ca](http://www.fcm.ca)



FEDERATION  
OF CANADIAN  
MUNICIPALITIES

FÉDÉRATION  
CANADIENNE DES  
MUNICIPALITÉS

Financial support for this publication is provided by the Government of Canada through the Canadian International Development Agency (CIDA).



Canadian International  
Development Agency

Agence canadienne de  
développement international

Canada

## THE PARTNERS

The City of Fredericton was founded in 1785 when the site, on the St. John River about 100 kilometers from the coast, was chosen to be the capital of the newly formed British colony of New Brunswick.

Fredericton began as a village on the south shore of the river. Today it is a small but thriving city of just over 56 thousand people. The city spans the river and encompasses a metropolitan area that extends roughly 70 kilometers from the city core and boasts a population of 106 thousand.

St. Mary's is located on the north shore of the river, immediately across from Fredericton's downtown. The heart of the community occupies a location that the indigenous people used as a seasonal camp long before European settlers arrived. By the early 1800s the camp had become a permanent year-round settlement. When New Brunswick joined the Canadian federation in 1867, St. Mary's was officially constituted as an Indian Reserve.

When it was formed, the reserve consisted of about one hectare of land. Today St. Mary's occupies a 272-hectare strip of land that starts in Fredericton and extends beyond the city limits. The community is home to between 900 and 1,000 residents living in about 250 households.

St. Mary's hosts a range of businesses including an entertainment centre and bingo hall, and a retail centre with a supermarket, seafood restaurant and 24-hour gas bar and smoke shop.



## PEOPLE OF THE BEAUTIFUL RIVER

The people of St. Mary's First Nation are members of the Maliseet tribe, which has lived for centuries along the St. John River and its tributaries. Known in their own language as Wolastoqiyik — "The People of the Beautiful River" — the Maliseet are one of more than a dozen tribes of related peoples who speak languages with Eastern Algonquin roots. The tribe's traditional territories included parts of New Brunswick and Quebec in Canada, and Maine in the United States.

In pre-colonial times the Maliseet were primarily agrarian people who also hunted, fished and gathered natural produce. While they had many permanent settlements, the people were semi nomadic and migrated up and down the river on a seasonal basis.

The Maliseet were among the first North American aboriginal people to encounter Europeans when French fur traders arrived in the late 17th century. Between first contact and 1758, when the British defeated the French, many Maliseet traded with the newcomers, learned French and embraced Christianity.

During the colonial wars between Britain and France, the Maliseet fought on the side of the French. After defeating the French in 1759, the British laid claim to the Maliseet territories and opened the area to settlement.

Settlers flooded into the valley after Fredericton was chosen as the capital of New Brunswick in 1785. Denied access to their traditional hunting grounds, the semi-nomadic Maliseet were forced to settle where they could.

One small band took up permanent residence at the previously seasonal camp on the site of modern St. Mary's. Historical records and drawings indicate that the site was established by the early 1800s.

Settlers and the colonial administration did not welcome the community, however, and tried repeatedly to relocate the Maliseet.

The people of St. Mary's refused to move and the settlement was officially established as an Indian Reserve in 1867 when Canada was formed. By the 1880s there were about 25 families living in 18 dwellings on the reserve.

In spite of the community's new status, government administrations made several more attempts to move the St. Mary's band during the late 19th and early 20th century.

The reservation system proved to be a double-edged sword for the Maliseet and other First Nations across Canada. On the one hand, reservation lands are held by the Crown exclusively for the use of aboriginal people on a permanent basis. These lands cannot be sold or traded to non-aboriginal people. On the other hand, since reserve lands cannot be bought and sold, they are not a source of equity, nor can they be used as collateral to provide capital for entrepreneurial ventures.

Both federal and provincial governments provide funds for reserves. The federal government has the primary responsibility but, since services such as education and policing fall under provincial jurisdiction, reserve budgets come from a mixture of sources. First Nations people on reserves are obliged to haggle with bureaucrats and make do with whatever governments decide to dole out.

Whatever St. Mary's modern residents feel about their current official status, they have to acknowledge a debt to the ancestors who held their ground more than two centuries ago. While many small rural and remote First Nations struggle to provide basic services for their members, thanks to its location, St. Mary's has a reliable urban infrastructure and can focus its attention on the future.

## THE SERVICES

Citizens of Fredericton and St. Mary's enjoy identical services thanks to the longstanding agreements between the communities.

"Essentially, the city deals with the reserve as another subdivision," according to Murray Jamer, Assistant City Administrator and Director of Engineering and Operations.

**Water and sewer pipes form a continuous network beneath the two communities. St. Mary's develops its own infrastructure, built to city standards, and turns the system over to Fredericton to provide the service. Residents of both communities receive the same level and quality of service.**

"We consider their pipes to be part of our network," says Jamer.

The city follows the same principle for fire and police services. The fire department responds to a call from St. Mary's exactly as it would to any other call. In fact, Fredericton has recently built a new state-of-the-art fire station adjacent to the reserve so response times are better than ever.

Police services are also seamlessly integrated, providing 24/7 services to residents of both the city and the reserve. **"The St. Mary's community is distinct, but it's situated in the core of the city and the residents deserve the same level of service as everyone else,"** says Acting Police Chief Leanne Fitch.

While delivery of policing has been consistent over the years, the service has evolved. Thirty years ago the department hired three First Nations officers who were permanently assigned to St. Mary's.

"Although the community liked having its own officers, it wasn't a good model for delivering services," says Fitch. "The officers couldn't work 24/7 and they were posted there for their entire careers, with no opportunities for promotion."



In the early 1990s the police department adopted a community-policing model, which emphasizes consultation and partnerships with the community. Two officers are assigned to work in the community and the police service holds regular consultations with the chief and community leaders.

**"Having officers working in the community developing ground-level relationships and establishing trust is absolutely critical,"** says Fitch. "Our community spills into theirs and theirs into ours so it's important to forge solid relationships."



## MAKING THE AGREEMENTS WORK

- Funding has to be secure. When federal and provincial governments don't live up to their funding responsibilities, municipalities have to subsidize services or withdraw them, which can damage the relationship between communities.
- A simple agreement based on average per capita costs is best. A fair, simple agreement doesn't require much ongoing management or frequent review.
- Avoid variable standards. It makes sense to buy into the same level of service. If the service standards are the same there are no special directions for staff and no additional administrative costs.
- A heavy-handed crime-control model of policing does not work. You need to collaborate with the community to solve problems. Above all, you need respect on both sides.
- Communication is key. The city meets annually with representatives from the First Nation and the federal and provincial governments to confirm or renegotiate the service agreements. St. Mary's Chief attends city council meetings as needed and Fredericton's police try to schedule meetings four times a year with St. Mary's Chief and Band Council.



## MEETING THE FUNDING CHALLENGE

While Fredericton and St. Mary's have contracted to deliver key services for many years, funding of the agreements is inherently challenging because **municipalities and First Nations are very different creatures**.

The municipality is the basic unit of local government and under the Canadian Constitution it falls under provincial jurisdiction. Municipalities receive their charters from the provinces (or territories). They are permitted few interactions with the federal government and are granted limited taxation powers to pay for services. Most of their funds come from property taxes. Elected Councillors develop and approve budgets but, since these officials are answerable to voters, citizens are ultimately responsible for deciding on the services they can afford.

First Nations reserves, on the other hand, fall under the authority of the Crown, the highest level of the state. Although reserve administration is patterned on the municipal form — with an elected Chief and Councillors — both federal and provincial governments provide reserves with funds and control the purse strings. When Fredericton and St. Mary's sit down to negotiate cost-sharing agreements for services, federal and provincial representatives are also at the table.

Most of the agreements have been in place for at least 15 years and, according to Murray Jamer, there are few technical or service issues. "The agreements carry on smoothly from one year to the next. Apart from funding, there aren't many problems."

**The federal government contributes funds for St. Mary's water and sewer, fire and animal control services.** Both the federal and provincial governments contribute to its policing costs.

When federal and provincial governments decide to cut budgets, as they have in recent years, or engage in disputes over the funding formulas, the city can be left with the awkward choice between cutting services to St. Mary's and subsidizing the costs.

"Our costs continue to go up because of arbitrated wage settlements, which are out of the city's control,"



says Tina Tapley, Finance Director and City Treasurer for Fredericton. "There is no escalation clause in the federal and provincial agreements, so we're caught."

The most effective argument Tapley says is that St. Mary's residents should be paying the same per capita costs as Fredericton residents.

Based on that rationale and others, Fredericton has recently negotiated a new five-year agreement for fire services with St. Mary's. Previous agreements ran for one year at a time.

## THE BENEFITS

**The service agreements between Fredericton and St. Mary's benefit both communities in a variety of ways.**

"The biggest advantage is economy of scale," Murray Jamer believes. "It's better if you're bigger, to offset administrative costs."

Deputy Police Chief Leanne Fitch notes that crime doesn't respect geographic boundaries and that good policing serves the needs of both communities.

**Chief Candice Paul points out that reliable urban services make St. Mary's more attractive to investors and that its community-owned businesses are the largest employers on the north side of the city.**

St. Mary's entertainment centre draws tourists from throughout the region to the Fredericton area, and all of its businesses employ city residents.

Fredericton's Mayor Brad Woodside believes that reliable urban services have helped St. Mary's pursue development projects that meet the community's needs and contribute to the character and economy of the city. St. Mary's has solid economic development plans and they're operating very successful businesses, Woodside says. "That's good for the First Nation and it's good for the city."

### FOR MORE INFORMATION

#### St Mary's First Nation

150 Cliffe Street  
Fredericton, NB E3A 2T1  
Tel: (506) 458-9511  
Toll Free: 1-888-445-6644  
[www.stmarysfirstnation.com](http://www.stmarysfirstnation.com)

#### City of Fredericton

397 Queen Street  
Fredericton, NB E3B 4Y7  
Tel: (506) 460-2085  
[www.fredericton.ca](http://www.fredericton.ca)