



Stantec

West River Group  
Municipal Growth  
Management Study

Public  
Consultation

Kingston Legion  
New Haven, PE  
6:00 pm, Thursday,  
June 14, 2018



## Discussion Points – Raised Concerns by the Residents

### West River Group

June 14, 2018, 7pm at Kingston Legion

1. Welcome & Introductions by Elizabeth Wilson and Helen MacPhail-Smith
2. Presentation by John Heseltine and Brenda Wedge
3. Elizabeth Wilson opened the floor for questions

3.1 Bill Loo of New Haven- asked about the Black Fly tax and if that will continue to stay in the community should they be amalgamated. Elizabeth responded that yes it would.

Bill also pointed out that there is a large difference between joining Cornwall at \$0.46 vs \$0.16.

Bill later commented that Amalgamation has worked well in the past and it is not a dirty word, in his experience in Ontario all communities maintained their own identity.

3.2 John Hughes of Rice Point – Asked about upfront costs and if the province will step up to fund the initial costs to comply. Elizabeth indicated that the province will provide some assistance through the gas tax.

3.3 John of Cornwall - pointed out the loss of identity with amalgamation, provided an example of his little sister not knowing that North River once wasn't Cornwall.

3.4 Eric MacArthur of St. Catherine's - said that he has been living in St. Catherine's for 40 years and he has never stated that he is from West River, always St. Catherine's.

3.5 Phil Griffin of North Wiltshire – asked why county offices have never been considered, they may be able to offer a broader range of services at a lower rate.

Elizabeth responded stating that our residents asked us to look at independent costs as well as amalgamated costs.

3.6 Robert MacArthur of Long Creek – pointed out that it is not broken so why are we fixing it. Would like to see rationale for the MGA, asked if it has been repelled and have we lobbied the Province.

Elizabeth indicated that he is more than welcome to do so, and encourages that, however, we are complying with the Act on the premise that it has already been approved.

Robert later stated that in Ontario in some cases some of the smaller communities whom remained outside of amalgamation are currently doing better. He also reiterated that he would like to see the Act amended or repelled.

3.7 Chris of Dunedin – Wanted to know why only two costing options were presented (Alone and Together).

Elizabeth indicated that again, that was the wishes of our communities.

John also indicated that he presented the different options and the determining factor was that each community would still have to have their own office and CAO and that was one of the largest expenses for each community. A separate entity could streamline service expenses but it does not remove the main expense of having an office.

3.8 James of South Melville – asked where is the democracy in this process, not all numbers have been presented, what about service agreements and regional agencies?

Helen responded reiterating the wishes of our communities were to present the costs of being independent and amalgamated. We are abiding the wishes of the Province and our communities.

3.9 Gina Rankin of Rocky Point – Indicated that she is a member of Afton and she actively attended the meetings hosted in her community. Thanked the Group for taking the information that was asked for back to the communities.

Elizabeth indicated that at one point there was 16 communities involved in the process and when it came down to the study there

were only 5 remaining communities that wished to have the study completed.

3.10 Rosemary of St. Catherine's – Thanked the Group and asked what the process is to make a decision, will there be community engagement.

Elizabeth responded that yes, there will be and Afton has considered using a plebiscite at their upcoming council election.

Helen responded saying that in Meadow Bank there is no plan in place yet but it will involve community engagement.

3.11 Eugene Murphy of Meadow Bank – Thank you. Asked with regards to the service agreements and planning services if it is possible for one community to hire a planner and provide plans to the other 4 communities.

John commented that the Planning Act on PEI still would require 5 separate plans each including the issuance of permits, rezoning and public processes as well as council voting on changes.

3.12 Chris of St. Catherine's – Asked why only 5 communities are included in the study.

Elizabeth stated again that there were more to begin however many communities and councils faded out of the process.

Chris commented to the affect of repelling or amending the Act, that we can't complain or won't be heard when there are bigger problems to face for the Province.

3.13 Susan Williams of St. Catherine's – Commented that identity crisis is a non-issue, we need to have a plan. Currently with are like the wild west with no planning in place, we have been fortunate and lucky that we remain as organized as we are. She also commented on what is happening in Montague and praised our communities for setting a good example for being involved and doing it our own way.

Helen agreed that the whole process has been very cordial and the group has always tried to come to a consensus oppose to a vote, given the similarities in all the communities that has been easy to do.

3.14 Carol Carragher of Cumberland – Great job of presenting the information and giving residents the opportunity to ask questions. Pointed out the small print on the financial review and the potential impact of Carbon Tax, Marijuana Tax etc.

Brenda commented that it must be considered and pointed out because it may affect the tax rate down the road, at this point we do not know what it's impact may be.

3.15 Don Willis of South Melville – Was the office and 20 hours what was the determine factor? Why has the Province off loaded this onto us?

Elizabeth said that right now we have no control as to what planning takes place in our own back yard, it is done through the Province. With the new Act, we will have a plan, a planner and public consultation.

Sharon spoke to the plan in New Haven Riverdale and how that has helped the community. Professional Planners protect issues of environment and community development, without a plan they may have a waste area in their community. With a plan, no changes can take place without public engagement.

Don asked with regards to the plan, if the plan was not pleasing to residents what can they do?

Elizabeth indicated that they can approach IRAC and appeal any decisions made that are unsatisfactory.

3.16 Norman MacPhee of Long Creek – stated that this is the Government creating jobs and selling jobs, a planner is a waste of time and money.

3.17 Colleen Murphy of Nine Mile Creek – What happens if we stay status quo?

Bev McIsaac (CAO of Afton) stated that she did ask this question and what she was told was that the government would withhold funding and tax credits until the community complied with the Act.

3.18 Rick Singer of Meadow Bank – Thanked the respective councils, indicated that there was no arm twisting of residents through this process and it was done in a very democratic way. From his perspective, they can't go it alone and there are many options to look at and examine for the future of our communities.

4.0 Helen thanked everyone for attending and the meeting was adjourned.



# West River Municipal Growth Management Study

## Why Change Now?

In Canada, provinces create municipalities. The services that municipalities deliver are delegated by the province. Each province sets the framework for its municipal government. Some provinces delegate a wider range of services than others and the provinces together have defined many different types of municipalities.

The *Municipal Government Act* (MGA) sets the framework for municipal government in Prince Edward Island. The Province recently revised the Act with sweeping consequences for its municipal governments. The Province has stated “today’s municipalities require modern legislation that is consistent with the principles of democracy, good governance and service.” In the short-term, this new approach will require municipalities to adopt standard financial procedures including preparation of an annual budget and conduct of an annual review or audit.

A minor but visible change already in place is the renaming of municipalities formerly designated “Communities” as “Rural Municipalities,” which applies to all five members of the West River Group. More significant changes include the requirement to appoint a Chief Administrative Officer (CAO) and maintain a municipal office that must be open to the public at least 20 hours per week. Municipal councils must also hold at least six regularly scheduled council meetings a year.

The new Act, furthermore, will require all municipalities to deliver three services:

- Fire protection
- Land use planning
- Emergency measures planning.

Each service has implications for municipal costs and, therefore, revenue needs. Efficient delivery will be critical to keeping down future tax burdens.

## What Can be Done?

PEI municipalities must comply with the MGA. They do not have to amalgamate or reorganize in any other way. It will, however, be difficult for many of PEI’s small municipalities to meet their obligations with current resources. The West River Group is comprised of five smaller municipalities facing this challenge.

Collaboration is an obvious solution. It can be achieved by amalgamating to create a municipality large enough to afford the services mandated by the new MGA. Alternatives to amalgamation are available, however. Municipalities can share resources and pay for services in a variety of ways, many of which are already used in PEI.

On the following two boards, we present three alternatives for consideration:

- Service agreements
- Regional agency
- Amalgamation.

They offer three levels of integration allowing different degrees of flexibility and municipal independence.

While municipalities and their residents are free to choose the governance approach they prefer, each choice has financial implications many of which are shaped by the requirements of the new MGA. Each municipality will, for example, have to maintain a municipal office, employ their own CAO, and elect their own council, even though they may deliver services collaboratively through service agreements or from a single source through a regional agency. Under amalgamation, only one office, one CAO, and one Council will be required. These and other factors dictate the estimated costs and future tax rates that we have outlined on our last two panels to the right.

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## Service Agreements



Land Use Planning



Emergency Measures



Fire Protection

Two or more municipal units can arrange to provide services, share revenues, or otherwise address their needs or goals through contractual agreements. Municipalities may share some services and deliver others on their own.

The variety of alternative service arrangements is considerable. The examples diagrammed to the left show options for delivery of the three services mandated under the MGA. For land use planning, New Haven-Riverdale, which is the only municipality that currently has an Official Plan, might hire a planner/development officer and sell her services to the other four municipalities. New Haven-Riverdale might also develop emergency management services to sell to its immediate neighbours in Bonshaw and West River, perhaps using the same employee. Meadowbank and Afton, on the other hand, might feel more closely connected to each other and could contract another person or organization to provide these services. As shown, Meadowbank would be the service provider but either municipality could hire appropriate staff and sell the service to their opposite number.

In the final example, all five municipalities could continue to obtain fire protection services from the North River Fire Department, which is a private department operating from Cornwall.

Service agreements are common and offer a flexible approach to obtaining services. Three different services can be delivered three different ways. Providers will usually be other municipal units but private companies can also supply services, as can individuals contracted by one or more municipalities. Providers may grow to any size that client municipalities will support. While municipalities can share services and even staff members, each is required under the new MGA to employ a CAO, elect its own council, and maintain a municipal office within its limits that must be made fully accessible by 2022.





## Regional Agency



Like service agreements, regional agencies can take a variety of forms. They may deliver just one service (e.g., a transit authority or a water utility in a large town or city) or they may provide a full suite of services. They may also contract with other public or private sector organizations as municipalities do through service agreements.

The map to the left represents a single agency that would deliver planning, emergency measures, and fire protection services to all five West River municipalities. The agency could hire its own staff to deliver the first two services and might well continue to contract with the North River Fire Department for fire protection. Although staff and equipment of the regional agency might be located in a selected centre, each individual municipality would have to maintain an office within its limits. Each municipality would also be required to have its own council and CAO.

## Amalgamation



Amalgamation would unite the five municipalities comprising the West River Group into a new Rural Municipality. All municipal services would presumably be delivered through the amalgamated local government, although it would have similar potential to contract services as the five independent municipal units or a regional service agency (e.g., it could continue to contract with the North River Fire Department for fire protection).

As a single municipality, the amalgamated communities will be required to maintain just one office, and can be led by one CAO and one municipal council. A new name would have to be adopted, although existing communities would no doubt continue to be recognized as they are within the current five municipalities of the West River Group.



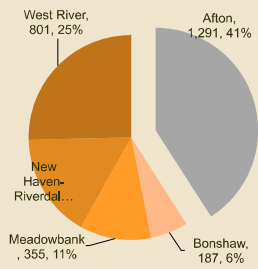
# West River Municipal Growth Management Study

## Current Status by Rural Municipality

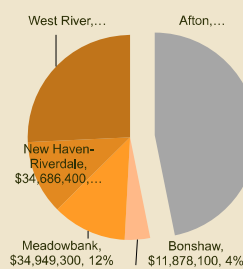
Four of the five West River municipalities added population recently; however, the services and assets of all five are limited. Under the new MGA each municipality will have to hire a CAO and three will have to obtain community spaces. While all five have fire protection in place, four will have to add land use planning services and even New Haven-Riverdale, which has an Official Plan and Zoning Bylaw, will have to engage the services of a professional planner. All five must add emergency services.

Description	Afton	Bonshaw	Meadowbank	New Haven-Riverdale	West River	Total	
2016 Population	1,291	187	355	520	801	3,154	
Change 2011-2016	5.6%	-14.2%	5.0%	7.2%	8.1%	5.0%	
Assessment Base	\$139,137,900	\$11,878,100	\$34,949,300	\$34,686,400	\$76,414,000	\$297,065,700	
# of Properties	1,404	163	298	360	840	3,065	
Municipal Tax Rate	\$0.12/\$100	\$0.16/\$100	\$0.10/\$100	\$0.20/\$100	\$0.13/\$100		
Assets	<ul style="list-style-type: none"> <li>Community Centre (operating agreement)</li> <li>7 acres behind the Community Centre</li> <li>Rice Point Wharf</li> </ul>	<ul style="list-style-type: none"> <li>Community Centre including 0.5 acres</li> <li>Maintain a small inactive private cemetery</li> </ul>	<ul style="list-style-type: none"> <li>Signage</li> </ul>	<ul style="list-style-type: none"> <li>R.J. Mutter Park, walking trails and sportsfields (37.8 acres)</li> <li>Office equipment</li> </ul>	<ul style="list-style-type: none"> <li>Lloyd Inman Memorial Park (land, buildings, equipment)</li> <li>Computer equipment</li> </ul>		
Debt	None	None	None	None	None		
Administration	<ul style="list-style-type: none"> <li>CAO less than 20 hrs./wk.</li> <li>No office hours or space</li> <li>Meetings at Community Centre</li> </ul>	<ul style="list-style-type: none"> <li>CAO less than 20 hrs./wk.</li> <li>No office hours or space</li> <li>Meetings at Community Centre</li> </ul>	<ul style="list-style-type: none"> <li>CAO less than 20 hrs./wk.</li> <li>No office hours or space</li> <li>Meetings at APM Centre</li> </ul>	<ul style="list-style-type: none"> <li>CAO less than 20 hrs./wk.</li> <li>No office hours</li> <li>Office and meeting space rented from Kingston Legion</li> </ul>	<ul style="list-style-type: none"> <li>CAO less than 20 hrs./wk.</li> <li>No office hours or space</li> <li>Meeting space rented from Women's Inst.</li> </ul>		
Fire Protection	Yes	Yes	Yes	Yes	Yes		
Land Use Planning	No	No	No	Yes	No		
Emergency Measures	No	No	No	No	No		
Black Fly	No	No	No	Yes	No		

Population 2016



Assessment 2017



Tax Rates 2017





## How Costs Will Increase

The requirements of new MGA will have costs for all municipalities. Keeping a municipal office open 20 hours a week, hiring or increasing hours for a CAO, and adding or expanding services will increase the budgets of all five municipalities in the West River Group. The following table lists expected additional expenditures each municipality will incur to satisfy requirements of the new MGA based on assumptions developed by MRSB with the West River Working Group.

Description	Afton	Bonshaw	Meadowbank	New Haven-Riverdale	West River	Total
Current Expenditures	\$159,500	\$22,700	\$34,500	\$70,600	\$108,500	\$395,800
<b>Estimated Additional Expenditures</b>						
Municipal Office/Audit/Insurance	\$30,000	\$33,800	\$63,100	\$26,000	\$42,000	\$194,900
Council Remuneration	-	-	\$2,100	-	\$5,000	\$7,100
Elections	\$700	\$600	\$700	\$600	\$700	\$3,300
Planning/Bylaw Enforcement/Legal	\$73,000	\$15,000	\$21,000	\$23,000	\$37,000	\$169,000
Reserve for 5-year Official Plan Review	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$20,000
Emergency Measures	\$1,000	\$1,000	\$1,000	\$1,000	\$1,000	\$5,000
Reserve for Capital Asset Replacement	-	-	-	\$10,000	-	\$10,000
<b>Total Additional Expenditure</b>	<b>\$108,700</b>	<b>\$54,400</b>	<b>\$91,900</b>	<b>\$64,600</b>	<b>\$89,700</b>	<b>\$409,300</b>
<b>Total Estimated Future Expenditures</b>	<b>\$268,200</b>	<b>\$77,100</b>	<b>\$126,400</b>	<b>\$135,200</b>	<b>\$198,200</b>	<b>\$805,100</b>
<i>% Increase</i>	<i>68%</i>	<i>240%</i>	<i>266%</i>	<i>92%</i>	<i>83%</i>	<i>103%</i>

## How Amalgamation Compares

The largest increases in municipal costs are on the lines Municipal Office/Audit/Insurance and Planning/Bylaw Enforcement/Legal in the tables above and below. Amalgamation will reduce these costs considerably. An amalgamated municipality will only pay for one council, one municipal office, and one CAO, whereas the separate municipalities will require five of each. An amalgamated municipality will also require one official plan and one zoning bylaw instead of five.

Description	Separate	Amalgamated	Savings	
			Net	%
Current Expenditures	\$395,800	\$395,800		
<b>Estimated Additional Expenditures</b>				
Municipal Office/Audit/Insurance	\$194,900	\$35,200	\$159,700	82%
Council Remuneration	\$7,100	(\$900)	\$8,000	113%
Elections	\$3,300	\$1,100	\$2,200	67%
Planning/Bylaw Enforcement/Legal	\$169,000	\$99,000	\$70,000	41%
Reserve for 5-year Official Plan Review	\$20,000	\$5,000	\$15,000	75%
Emergency Measures	\$5,000	\$2,500	\$2,500	50%
Reserve for Capital Asset Replacement	\$10,000	\$10,000	\$0	0%
<b>Total Additional Expenditures</b>	<b>\$409,300</b>	<b>\$151,900</b>	<b>\$257,400</b>	<b>63%</b>
<b>Total Estimated Expenditures</b>	<b>\$805,100</b>	<b>\$547,700</b>	<b>\$257,400</b>	<b>32%</b>

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### The Limits of Service Sharing and Regional Agencies

As we have noted, service agreements between the West River municipalities or a jointly operated regional agency could achieve most of the operational efficiencies available through amalgamation. If the separate municipalities continue to exist, however, they are required to have their own offices open for 20 hours per week, their own CAOs as well as their separate councils. The PEI *Planning Act*, furthermore, requires that an official plan apply to a municipality so five municipal plans and related zoning bylaws would be required.

In other words, none of the major new costs that the municipalities must assume can be mitigated by either mechanism. A regional agency, in fact, would add the cost of the agency itself, which would include its staff and office space.

### Estimated Potential Municipal Property Tax Rates

The costs for additional services set out on the preceding panel will increase municipal tax requirements. If the West River municipalities remain separate, all five will see substantially increased tax rates. With lower costs for administration and planning, tax rates in an amalgamated municipality can be kept much lower, although rates will still rise for residents of three of the five current West River municipalities.

Rural Municipality	Current		Future		
	Municipal Rates	Five Separate Municipalities		Amalgamated	
		Estimated Potential Municipal Rates	Change from Current	Estimated Potential Municipal Rates	Change from Current
Afton	\$0.12/\$100	\$0.17/\$100	+\$0.05	\$0.16/\$100	+\$0.04
Bonshaw	\$0.16/\$100	\$0.56/\$100	+\$0.40	\$0.16/\$100	+\$0.00
Meadowbank	\$0.10/\$100	\$0.34/\$100	+\$0.24	\$0.16/\$100	+\$0.06
New Haven-Riverdale*	\$0.20/\$100	\$0.36/\$100	+\$0.16	\$0.19/\$100*	(\$0.01)
West River	\$0.13/\$100	\$0.235/\$100	+\$0.105	\$0.16/\$100	+\$0.03

\* New Haven-Riverdale is the only community providing Black Fly Control

### Tax Bill Comparison (based on \$100,000 assessment)

