

West River Group  
Municipal Growth  
Management Study

Public  
Consultation

Kingston Legion  
New Haven, PE  
6:00 pm, Wednesday,  
June 20, 2018



## Discussion Points –by the Residents

### West River Group

June 20, 2018, 7pm at Kingston Legion

1. Welcome & Introductions by Elizabeth Wilson
2. Presentation by John Heseltine and Brenda Wedge – previously sent to the group
3. Elizabeth Wilson opened the floor for questions

3.1 Bill Vanderleeuw from New Haven-Riverdale – What will happen with the National Building Code? I am very aware of how expensive this is.

John – The province will continue to do the inspections for the code and has indicated that the municipal government's will not have to take that on.

3.2 Terence McGaugly from New Argyle – What exactly is Emergency Planning?

Brenda – It must be coordinated with the Province and annually reviewed. There would be a risk assessment done, evacuation plan in place as well as appointing an emergency operations center.

Terence asked for more information on the MGA and has it gone into effect?

Elizabeth stated that it is in effect now and offices must be started within 2 years but have 1-5 year window to be fully accessible. The second step will be to amend the election process this fall with a deadline of Nov. 9<sup>th</sup>.

3.3 Robert MacArthur from West River/Long Creek – stated that the Minister has discretion within the Act, sure they can withhold funding, dissolve and/or appoint a council. Robert encourages

residents to review the MGA on the website (Part 8) or look at the overview. It does indicate that the onus is on the councillors. It has also been amended both in November and December of 2016 and officially passed on December 15<sup>th</sup> 2016, Robert admitted he wasn't aware of this. That said, with two sections already repealed, he would like to see the municipalities and the residents going back to repeal it again. There is no benefit and it will just cost more. Robert thanks the councillors for doing their duty in studying this information, we knew it would cost more, now we know how much more. Robert believes that the province will continue to keep increasing our responsibilities, encouraged attendees that we are the tax payers and it comes from our pockets, so please go to the website and read at least the overview, ask the Politian's to answer to our wishes and demands. This system is flawed and expensive and should be repealed.

Elizabeth thanked him for his input, indicating that as a council member she can not repeal but encourages residents to have their voice heard.

3.4 Chris Wright from St. Catherine's – Agrees with Robert and thinks that our debt loads will triple over night. Why does the province indicate \$200M and 4,000 people as the threshold?

John indicated that no, there is no particular population threshold required for different types of governance, John suspects that the government did do some research to come up with those values.

Chris then said that there could be a government change in the fall, is it possible for municipalities to drag their feet through this process?

Elizabeth reiterated that some changes have to happen right away while others may take time.

Chris asked where the estimate for permit issuance came from?

Brenda indicated that she looked at a 3 year history and took the annual average.

3.5 Larry Hughes from Bonshaw – stated that the provinces outlook on this MGA is ridiculous, our population is too small. We are debt free communities, the government went and cut and pasted a MGA and pushed it through, only to cost us more. Why should we vote in a non-binding poll? If New Haven-Riverdale has a Blackfly tax do we all have to have a blackfly tax?

Elizabeth stated that Blackfly is only for New Haven Riverdale, not for all communities. You do not have to vote if you do not want to, only if you wish to express your opinion.

Larry continued saying that the estimates are just estimates and the act isn't being enforced, a 20 hour admin person doesn't work for our communities. This act should be repealed.

Elizabeth said as she mentioned please feel free to contact your parties and ask them to repeal, as it stands our municipalities have to move forward with the act.

3.6 Rick Oastler from St. Catherine's – Let's focus on what we can do about the MGA. We have had our options laid out in front of us, x, y or z. Let's focus on that.

3.7 Chris Ortenburger from Bonshaw – she indicated that she feels her community is very vibrant but feels it may be different for them in Bonshaw being on the western edge, surrounded by a lot of unincorporated areas. While she appreciates the time and efforts as well as all the questions from these meetings. Chris proceeded to read the transcript from the legislative assembly on Friday June 1<sup>st</sup>. This indicated that the Minister said he was working with the communities and if they can not meet the needs of the act within 5 years, in no way will they force them. In regards to the CAO and office the Minister indicated that new technology can help with that, it could be a virtual or shared office and the Minister indicated they are willing to work with rural communities.

Elizabeth responded by saying that she can not comment on what the Minister has said in the legislative assembly but in no way, have these five communities received that same message from the province.

3.8 Bill Vanderleeuw from New Haven – stated that he is on the council in New Haven, the MGA is enforced by bureaucracy not the minister. As council, we don't have options, please come to the council meetings and express your concerns, the council is bound by the act at this point and moving forward.

3.9 Ron Rayner from Bedeque – doesn't think that we need 72 Mayors on PEI. He spoke to the Minister when he started this process 2 years ago with the annexation of 2500 people in his area. They completed this process 100% on board with the MGA and then one petition came out totally against them so they are back at square one. He stated that what he sees here tonight is fantastic, 5 communities coming together, don't worry the tax will level off and at the end of the day you will have new municipalities. He went through it in his community and failed. The government wants all municipal governments to come together, you are lucky to meet the requirements by coming together as 45 of 72 municipalities can't do so. Sure, we (rural municipalities) are answering to the government and this act is an act of power. In your case, (West River Group) the power is in you guys, all 5 communities are alike, the numbers are good, he thinks we should go with it. In his case, well, Summerside may take them over.

Elizabeth thanked Roy and reiterated that the five communities within our area decided not to include any unincorporated areas, the five came together because of how similar they all are. It has been a really good group to work together and she doesn't see that changing at all.

4. John resumed his presentation and described the process of the dotmocracy.
5. Attendees were given the chance to place their dot where they thought best suited their community.
6. Attendees were thanked on their way out.





# 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.



## 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.





# West River Municipal Growth Management Study

## 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.

Prepared for the West River Group by



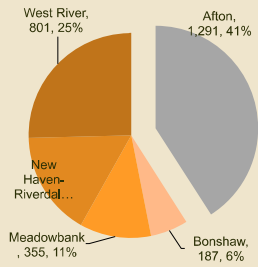


## Current Status by Rural Municipality

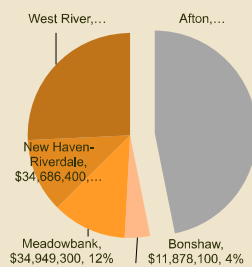
Four of the five West River municipalities added population recently; however, the services and assets of all five are limited. Under the new MGA each municipality will have to hire a CAO and three will have to obtain community spaces. While all five have fire protection in place, four will have to add 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		

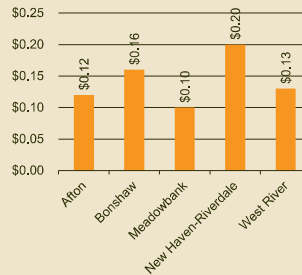
Population 2016



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>

Prepared for the West River Group by





### 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)

