

Greater Three Rivers Area

Island Regulatory and Appeals Commission Application Process

September 12, 2018 Hearing

Applicant Information Package

Contents

Introduction

Long-Term Goals

The Power of Our Voice

Geographic Region

What Doesn't Change

A New Governance Structure

Province of PEI Investing in Greater Three Rivers Area

Other Points Agreed to During Mediation Process

Appreciation for those Involved and Moving Forward

Introduction

- ✓ The process began in 2014 – Phil Wood Report
- ✓ For the past 2.5 years, the seven communities in the Three Rivers Areas collectively took the initiative to analyze amalgamation as an option for our region
- ✓ This has been entirely a community-led initiative since idea inception
- ✓ Followed the process as per Municipal Governance Legislation
- ✓ Consensus that the status quo is not a sustainable option
- ✓ Communities share an underlying belief that we would be stronger together

Long-Term Goals

✓ **We share the following long-term goals:**

- Making the region a better place for our next generation – A Focus on Youth
- Addressing the impact of declining population
- Improving land use protection for everyone in the region
- Improving programs and services and supporting infrastructure
- Enhancing economic development opportunities, creating conditions to spur economic growth
- Proactively responding to new Municipal Governance Legislation
- Working together to make our region a better place to live and work – a new era of cooperation
- Maintaining our local community identities, respecting our past, building on strengths
- Increasing federal and provincial investment in our region
- Responding to increased administrative burden, risk, and litigation for smaller communities
- Becoming more competitive

The Power Of Our Voice

- ✓ We believe that working together the Greater Three Rivers Area would have a significantly stronger voice in critical areas such as:
 - Health Care/Hospital
 - Education/Schools
 - Recreational & Cultural Investments
 - Jobs, Economic Development & Supporting Local Businesses
 - Political Influence – Policies, New Initiatives, Government Direction, Rural Issues
 - Highways, Roads, Technology Infrastructure
- ✓ Stronger Together

Geographic Region

Rural Municipalities

Brudenell

Cardigan

Lorne Valley

Lower Montague

Valleyfield

Towns

Georgetown

Montague

Cardigan Fire District

Georgetown Fire District

Montague Fire District

**The Greater Three Rivers Area could become
PEI's 4th Largest Municipality**

What Doesn't Change

- ✓ Water & sewer services and user pay system
- ✓ Fire protection and our three fire service areas
- ✓ Local involvement and leadership on all current boards, committees and organizations (e.g., Kings Playhouse, Recreational facilities, Economic Development Corps, Georgetown and Area Development Corp, Garden of the Gulf Museum Committee, Water and Sewer Corps, and many others)
- ✓ Pest control programs
- ✓ Respecting historical importance and identities of local communities in the region

A New Governance Structure

- ✓ New wards to be established
- ✓ Representation by population in accordance with Municipal Governance Act
- ✓ All areas within the region will have representation as we move forward
- ✓ Initially 10 wards, 12 elected representatives
- ✓ A substantial reduction in number of elected representatives for the entire region
- ✓ Encourage participation from all residents within the region

Province of PEI Investing in Greater Three Rivers Area

Annual Operations

(A) A new \$820,000 transitional fund to finance:

- New official plan and by-law policy development
- Economic Development Strategy
- Recreational plan
- Infrastructure assessment
- Professional fees
- Buildings upgrades
- Overall amalgamation process
- Additional funds will be available if needed to finance the transitional expenditures

(B) A New Revenue Sharing Model

A new proposed revenue sharing model – resulting in an additional \$ 124,000 annually

(C) Property Tax Offset Funding

For areas where property taxes will increase: Property tax offset funding as follows:

Years 1 to 5	\$ 216,100
Year 6	\$ 184,320
Year 7	\$ 152,540
Year 8	\$ 120,760
Year 9	\$ 88,980
Year 10	\$ 57,200

Directed towards all unincorporated areas and Brudenell, Lorne Valley, Lower Montague and Valleyfield

Province of PEI Investing in Greater Three Rivers Area

Capital Projects

- (A) A new \$1,000,000 strategic infrastructure fund to support long-term sustainability
- (B) Additional gas tax funding to finance capital projects. Increases to \$710,000 from \$334,000 due to inclusion of unincorporated areas and a higher rate throughout the region
- (C) The additional funding and larger population base should allow Three Rivers to leverage additional capital funding from federal agencies such as ACOA

Proposed Tax Rates

- ✓ The mediation process resulted in rates as proposed in the Mediated Agreement dated August 24, 2018
- ✓ As noted in the Mediated Agreement, unincorporated areas tax rate effectively at zero for five years then phased in over the subsequent five year period (with support from Province of PEI)
- ✓ As noted previously, Province of PEI will also assist in transitional funding for other areas of the region where there are rate increases
- ✓ Rate structure includes a new high traffic corridor area as defined by the mediator
- ✓ Refer to the Mediated Agreement for detailed information regarding property tax rates and transitional measures

Other Points Agreed to During Mediation Process

- ✓ All employees of the towns and rural municipalities transferred to Three Rivers
- ✓ All capital assets and related liabilities transferred at book value to Three Rivers
- ✓ All recreational and community facilities shall continue to be operated and maintained
- ✓ Georgetown continues to be known as the capital of Kings County
- ✓ Three Rivers and Government committed to working together to ensure continued operation and maintenance of Kings County Memorial Hospital and restoring Emergency Department hours to 8:00 am to 10:00 pm daily
- ✓ Updated financial projections (updated for 2016 census data, 2017 assessment values, new revenue sharing formula, Province of PEI property tax offset, councillors remuneration rates, etc.)

Appreciation For Those Involved & Moving Forward

All Councillors

Our many residents who provided input

Mediator

Province of PEI Representatives

We are committed to respecting the identity of all current communities while simultaneously building a stronger Greater Three Rivers Area for our next generation

Let's move forward together

Thank you

Appendix to Applicant Presentation

Excerpt from Mediated Agreement

Property Tax Rates (per \$100 of assessment)

COMMUNITY	NON-COMMERCIAL RATES	COMMERCIAL RATES
Brudenell**	.13*	.38
Cardigan	.22	.38
Lorne Valley	.13*	.38
Lower Montague	.13*	.38
Valleyfield	.13*	.38
Georgetown	.39	.75
Montague	.39	.75
Unincorporated***	.05	.23

* Rate payers will pay .09 for a ten year period. Government has committed to pay the remaining .04 for a ten year period as set out in the attached Appendix B.

Appendix to Applicant Presentation

Excerpt from Mediated Agreement

** The high traffic corridor is currently the area from the Poole's Corner Industrial Park along Route 4 through to Commercial Cross. The area also includes 500 meters on either side of the corridor. The high traffic area will be priority for new water and sewer infrastructure investment over a period of five years. Therefore, rates in this area will increase as follows:

Year 1	.38
Year 2	.43
Year 3	.48
Year 4	.53
Year 5	.60

Notwithstanding the foregoing, the rate shall be .75 when the infrastructure investment is complete.

Regardless of the location of a commercial property, commercial properties located on the high traffic corridor will be charged the rates included in this section and not be eligible for any tax subsidies.

Appendix to Applicant Presentation

Excerpt from Mediated Agreement

*** The commercial and non-commercial rates for the unincorporated communities shall be paid to Three Rivers by the government of PEI for period of five (5) years from date of amalgamation pursuant to Appendix B. At the end of the five (5) year period the government contribution will decline each year in accordance with Appendix B and the rate payers in those communities will pay property taxes as per the following:

	Non-commercial		Commercial	
	Gov't	Ratepayer	Gov't	Ratepayer
Year 1	.05	0	.23	0
Year 2	.05	0	.23	0
Year 3	.05	0	.23	0
Year 4	.05	0	.23	0
Year 5	.05	0	.23	0
Year 6	.04	.01	.184	.046
Year 7	.03	.02	.138	.092
Year 8	.02	.03	.092	.138
Year 9	.01	.04	.046	.184
Year 10	0	.05	0	.23