

AMALGAMATION QUESTIONS REQUIRING ANSWERS
Prepared by the Council of the Village of Alma
March 7, 2022

Revenue and Tax Rates:

- 1. Will the founding municipalities have the same tax rate once amalgamation becomes effective? If not, how are the different rates established?**

As outlined in the white paper, the tax rates will be different in the different areas coming together and will be based on services. If there are services that are being paid for by Alma residents, but benefit a larger area, there will be cost-sharing reflected in the tax rates for 2023 and beyond.

- 2. We have been told that the former LSD areas will have a different tax rate than the former founding municipalities. Is this true?**

Yes, as outlined in the white paper, taxes will be based on services and will be different in different areas of the new entity.

- 3. If it is true that LSD areas will have a different tax rate than the founding municipalities, will all our amalgamated LSDs have the same tax rate? If not, how will it vary in terms of geography and criteria?**

The rates will be based on services, and if their services are different, a different rate will apply.

- 4. What are the services that the LSD areas are perceived NOT to receive in our entity, and thus (according to the stated local governance reform principles) they should not have to pay for?**

Roads will be the immediate differentiator, as the Province will retain the roads and the current taxation structure in former LSDs. There could be others and that will be determined when the services are reviewed in the coming weeks through the advisory committee.

- 5. We have been told LSD area tax increases (if any) will be phased in over time. But in the meantime, who picks up the tab for the shortfall?**

If that is required, it would mean a resulting reduction in former municipal rates, and those reductions would need to be phased in as well, offsetting each other.

- For example, if the entity shares the cost of administrative services, it may result in a reduction in the former municipal rate and an increase in the former LSD rate, and these increases/decreases would be phased in.

- 6. Will non-tax revenue (e.g., rent) stay within the local community where it is raised, or will it go to the entity's general coffers?**

It will be dependent on the service. The shared services like recreation, the revenue would be shared.

- 7. If a tourism accommodation levy is implemented within the entity, will the Council be free to spend the revenue generated wherever they choose in the entity?**

Yes, but only on tourism promotion or tourism development as required by law.

Debts:

- 1. If, as stated by Department of Local Government, that debts will remain with the founding municipalities, will the associated assets associated with these debts also remain, forever, with those municipalities? If these assets are subsequently sold, how will the proceeds be distributed?**

That would be a decision of the future council.

- 2. For existing debts associated with common systems (e.g., water and sewer) and/or shared assets (e.g., fire trucks, recreation facilities, library, etc.), will those debts remain with the founding municipalities, or will they go to the new entity? If the debts remain with the founding municipality, when these assets are subsequently sold, how will the proceeds be distributed?**

Each former local government will be responsible for their current debts; however, fire is cost-shared based on the fire service area. Only new debt of common services will be shared over the entire entity. Water and sewer service is user-pay and budgeted separately, and the debt will be paid by the users of their respective system.

Water and Sewer:

- 1. Will the three water and sewer systems be combined (in a financial sense) into one common system with one common rate structure? If no, how will the various rate structures of the three, separate water and sewer systems be established?**

There would be one budget/one consolidated statement, but the entity would do three sub-budgets with three rate structures. This is done elsewhere today. This would not stop sharing of staff or administrative functions if appropriate.

Public Works:

- 1. Will the three municipal snow removal systems/contracts/arrangements and the DTI snow removal services be combined (in a financial sense) into one common system with one common rate structure for all taxpayers? If no, how will the various rate structures for snow plowing be established?**

The cost would be shared by those receiving the service. Contracts would be brought in line as they expired.

- 2. Will the three public works organizations be combined into one common system with one common rate structure for taxpayers? If no, how will the various rate structures be established?**

Yes.

Fire Protection and Other Municipal Services:

- 1. Will there be one common fire department for the entire entity? If yes, will the fire protection budget be split evenly among all taxpayers? If no, how will costs and levels of service for taxpayers be established?**

On day one, it will remain local and separate. Council can bring those together over time if they choose.

- 2. Will there be one common garbage collection service for the entire entity? If yes, will the garbage collection budget be split evenly among all taxpayers? If no, how will costs and levels of service for taxpayers be established?**

On day one, the contracts will remain separate and be brought together as the contracts end. The rate would be brought together when the contracts are combined.

- 3. Will there be one common recreational budget for the entire entity, no matter where any recreational facility is located? If yes, will the recreation budget be split evenly among all taxpayers? If no, how will costs for taxpayers be established?**

Yes.

- 4. Will there be one common library budget for the entire entity, no matter where any library facility is located? If yes, will the library budget be split evenly among all taxpayers? If no, how will costs for taxpayers be established?**

Yes.

- 5. Will there be one common animal control budget for the entire entity? If yes, will the animal control budget be split evenly among all taxpayers? If no, how will costs for taxpayers be established?**

This will be dependent on the service arrangement and contract. The former LSDs have a contract and will be charged at that rate and receive the service from the NB SPCA until the contract ends.

- 6. Will there be one common bylaw enforcement budget for the entire entity? If yes, will the bylaw enforcement budget be split evenly among all taxpayers? If no, how will costs for taxpayers be established?**

Not until the bylaws are reviewed to include the LSDs - in the meantime, it will only be cost-shared by those that benefit.

- 7. Will there be one common beautification budget for the entire entity, nomatter where any beautification initiatives are implemented? If yes, will the beautification budget be split evenly among all taxpayers? If no, how will costs for taxpayers be established?**

This would remain local until such a time as a whole-entity strategy was prepared and acted upon.

- 8. How will streetlight costs be distributed within the entity?**

Only in the taxing authorities/areas with lights.

- 9. Will the policing budget for the entire entity be split evenly among all taxpayers? If no, how will costs for taxpayers be established?**

This is under active discussion with Public Safety, and the goal is to mitigate any potential changes to policing costs (outside of the typical yearly cost adjustment.

- 10. If the entity is required to pay another entity for services that the other entity provides our entity (e.g., fire, recreation), are these costs shared by all entity taxpayers or only those who (realistically) use the other entities services? [former Coverdale LSD residents using Town of Riverview facilities is good example].**

Fire remains split, including those who pay for the contracts.

General Governance:

- 1. Will there be only one General Operating budget for the entire entity? If no, how many different budgets will there be and how will they be differentiated from one another?**

There would be sub-budgets, the pieces of general government for roads, and any other services not benefited from in the former LSD will be charged separately.

2. Will any existing Committees of Council of the three founding municipalities be automatically enabled within the new entity effective January 1, 2023?

No - new committees will need to be established by the new council.

One Last Question Specifically for the Deputy Minister (DM) of Local Government:

1. What other options were considered for Entity 42 and why were they rejected? [The DM told the Village of Alma Council on March 3, 2022, that many other options were considered]

They included but were not limited to the entire area joining Riverview, splitting the area in three and splitting it in two. The status quo or minor adjustments were also looked at. The option presented in the white paper was determined to be most reflective of community of interest and ensure future sustainability and vibrancy – having adequate capacity financially, and population to take advantage of future opportunities.