

# Summary Report: Municipal Finances and Taxation

Amalgamation means lower taxes for the same or better services for everyone.



Tony DeCoste Photography

## Background

As part of our application to amalgamate, the Nova Scotia Utility and Review Board required us to develop five-year financial projections – one for each municipality if amalgamation does not happen, and one for the New Municipality if amalgamation does happen.

Status quo projections used the March 31, 2015 audited financial statements as the base year. The approved 2016 budgets and five-year capital budgets were also used.

The projections for the New Municipality combine the financial information from all four municipalities, including capital plans and additional projects that would be possible with support from the provincial government.

The provincial support includes both capital funding and freezing equalization funding at current levels for the next five years which protects us from an upcoming change expected in the equalization formula.



## Projections show benefits

- Lower taxes for the same or better services.
- At least **\$1M in savings** each year during the first five years.
- Retaining **\$5.2M** total in reserves at the end of the fifth year.
- Necessary capital infrastructure projects can be done in all areas of the New Municipality.
- Modest long-term debt, well below the acceptable standard for municipalities.

## Independent analysis

The Utility and Review Board hired a chartered accounting firm with municipal auditing experience to provide independent analysis of our financial projections. The firm's report is available at [onepictoucounty.ca](http://onepictoucounty.ca) and [nsuarb.novascotia.ca](http://nsuarb.novascotia.ca). The executive summary includes the following statements:

*"Based on our analysis the Applicants appear to have prepared the projections appropriately and used educated and reasonable assumptions. While actual results of the proposed municipality would differ from these projections due to the inherent limitations of using estimates and predicting results, we find the projections are a reasonable portrayal of what the financial situation of the New Municipality could be if the Applicants were to amalgamate.*

...

*Barring any unforeseen unrecorded liabilities, the projections indicate the amalgamated municipality would be viable in the short term and, primarily due to funding provided by the Province, it would be in a better financial position than the status quo.*

*If the Applicants were to amalgamate they would realize benefits including economies of scale of a larger combined municipality, a projected increase in infrastructure expenditures, and additional funding available through the letter of intent with the Province of Nova Scotia. As such, from a financial perspective, the residents of the Applicants would appear to be best served if the application to amalgamate were approved by the Board."*

## Urban and rural taxation

Under the Municipal Government Act, municipalities have options for setting taxes to ensure that they are fair and relate to the services that property owners receive. With this authority, we plan to charge separate urban and rural rates. With our financial projections, taxes will be lower for everyone and each property owner will get a fair tax bill for the services he or she receives.

To read the detailed financial exhibits, visit [www.nsuarb.novascotia.ca](http://www.nsuarb.novascotia.ca) and search under case number M07050, Exhibits 16, 17, 18, 19 and 29.

### Other report summaries are also available:

- Why Amalgamate?
- The Amalgamation Process – including plebiscite details
- Council and Districts
- Staffing the New Municipality
- Capital Investment Plan

For evidence summaries, quick facts, or more information visit our website. To request copies of information contact [info@onepictoucounty.ca](mailto:info@onepictoucounty.ca) or any of the participating municipal offices.

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