

# One vision:

**pictou  
county** a unified commitment to growth &  
building prosperity for our region

## The Memorandum of Understanding (MOU) for Pictou County

On November 10, 2014, the Municipality of the County of Pictou and the Towns of New Glasgow, Pictou and Stellarton entered into a Memorandum of Understanding (MOU) to explore municipal reform. This was a formal arrangement to take an evidence-based approach to studying the impact of amalgamation on the participating units.

The MOU is basically an agreement that sets out how the municipal units were to approach the study, including what pre-conditions would need to be met to allow the voluntary application for amalgamation to proceed. Specific pre-conditions included:

- property tax burden not increasing as a result of amalgamation;
- no decline in service levels;
- existing municipal cash reserves remaining for the benefit of the geographical area of the former municipal unit;
- existing long-term debt remaining the responsibility of the geographical area of the former municipal unit and to be repaid through an area rate applied to those taxpayers;
- the debt of the Albion Business Park to be paid through regional tax revenue;
- a fair, equitable and prioritized five-year infrastructure and capital financing plan to be developed; and
- the principles of representation by population (meaning fair and proportionate), user-pay taxation, and evidence-based decision making are respected.

The MOU study compared the performance of a new municipality against data from the status quo operations of each municipal unit over the next five years. Independent analyses of council size and organizational structures were completed by independent consultants through comparisons to other similar municipalities across Canada.

## Why?

The governance system that we currently operate under was created in the 1800s. Things have changed considerably since that time. In February 2014, the Nova Scotia Commission on Building our New Economy released the **Now or Never Report**, which details the need for reform of municipal governments and regional service structures. Our region, like many communities in Nova Scotia, is facing significant challenges. The evidence shows that the status quo is a recipe for continued decline. A declining population, aging demographics, lagging economy, a flat or declining tax base, and the need for a coordinated approach to create the conditions for investment are critical realities that must be addressed. Not doing so will make it increasingly difficult to provide the kinds of core municipal services that citizens expect today.

This study was about investigating whether a new governance system could enable us to be more efficient and more competitive and give us the tools to better face the coming challenges.

# What does the evidence show?

## All the pre-conditions can be met

The analysis shows that the New Municipality can satisfactorily meet all the pre-conditions set out in the Memorandum of Understanding by the participating municipal units.

## Operating Surpluses of \$1M per year over the next five years

Amalgamation will produce on average \$1M in savings during each of the next five years.

## The governance and organizational structure will be right-sized in a fair and equitable manner

The New Municipality will move from having 31 elected officials to 11. It will have a Mayor elected at large and ten Councillors representing ten districts. This change will result in cost savings of \$220,000 per year and provide for a focused approach to governance. Each Councillor will represent approximately 3,000 electors. Staff will be reduced by a total of 16 full-time equivalents, 8 of which will come from management.

## \$69M for Capital Projects over the next five years

With financing from a negotiated Letter of Intent with the Province, national infrastructure funding, and the internal resources of the New Municipality, an unprecedented \$69M in infrastructure investment has been planned over the next five years. Projects have been targeted to address critical and core deficiencies in drinking water, local roads, and wastewater extensions and upgrades. This level of investment will also serve as economic stimulus creating both direct and indirect jobs.

## Cash Reserves

At the end of the next five years it is projected that the New Municipality will retain \$5.5M in reserves. These savings will position the New Municipality well for the future.

## Debt Load will remain low

The New Municipality will be able to do all capital infrastructure improvements while maintaining a consistent, not growing, debt load. The debt ratio will be 6%, much lower than the allowable municipal standard of 15%.

## Fire Services

The evidence submitted to the Nova Scotia Utility and Review Board assumes the following: the New Municipality will maintain status quo fire services, with continued cost recovery through separate area rates to the taxpayers receiving the services of a specific department. Eighteen of the twenty-one fire departments within the participating municipal units are independent non-profit societies (not municipally-owned entities) and will continue to operate as such. The Pictou County Mutual Aid Agreement will continue in effect, allowing for the cooperation of all emergency services.

## Next steps .....

A series of **Community Information Sessions** will be held in the coming weeks to provide facts and the evidence for the new governance structure consideration. Watch the website and local newspapers for dates, times and locations.

**A public plebiscite will be held May 28, 2016**, during which electors of the four municipalities will be asked a straight-forward question, whether or not you support amalgamation. The plebiscite will be run as a regular (paper ballot) election with an advance poll and electronic voting options available.

The participating municipal units have agreed to respect the results of the plebiscite and have until **June 20, 2016**, to formally withdraw from the MOU if that is the wish of its citizens.