

**NOVA SCOTIA UTILITY AND REVIEW BOARD**

**IN THE MATTER OF:                    THE MUNICIPAL GOVERNMENT ACT**

- and -

**IN THE MATTER OF:                    AN APPLICATION by the MUNICIPALITY OF THE COUNTY OF PICTOU  
and the TOWNS of NEW GLASGOW, PICTOU and STELLARTON for an  
Order for the Amalgamation of the Municipality and the Towns**

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**Report of behalf of the Municipality of the County of Pictou and the  
Towns of New Glasgow, Pictou and Stellarton  
November 20, 2015**

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## 1.0 INTRODUCTION

### 1.1 Background

On November 10, 2014, the Municipality of the County of Pictou and the Towns of New Glasgow, Pictou and Stellarton executed a Memorandum of Understanding (MOU) on municipal reform. The MOU serves as a framework agreement under which these four municipalities have agreed to study, involve the public in the review process, and consider fact-based information surrounding possible amalgamation.

The impetus for the MOU involved the desire of the four municipal Councils to consider if structural change in local government could better utilize and align (among other aspects) economies of scale; regional asset planning; efficient and coordinated land use planning; consistent levels of core municipal programs and services; elimination of duplication of services and efforts; promotion and attraction of private sector capital and development; fair and proportionate representation; in addition to a right-sized governance body for more efficient strategic planning and decision making. The four elected Councils have agreed that an analysis of structural reform is required due to indicators such as: declining population levels (an almost 11% projected decline in population between the years 1996 and 2021); a changing demographic profile, e.g. an increasing number of older workers and retirees while fewer numbers of younger people comprise the total population between 2001 and 2011.

The Applicants also understood early on that introducing change to municipal incorporations would require careful planning in order to meet timelines associated with the October 2016 Municipal Elections. On one hand a fact-based analysis is required in order for the elected officials and the public to make informed decisions. On the other hand, timelines would not allow for the analysis to be completed in entirety prior to filing an application with the Nova Scotia Utility and Review Board (NSUARB). These considerations lead to an August 27, 2015 filing of a voluntary and conditional application with the NSUARB. The application involved a stepped process including key decision points for the Applicants with respect to a withdrawal from the Application.

The local study process and engagement of third party consultants is being governed by an MOU Steering Committee. The Committee comprises two elected officials from each of the Applicant Councils and is supported by senior municipal staff, one of whom has been appointed as the Project Manager and the agent of the Applicants relative to this application.

The NSUARB convened a public hearing on October 6, 2015 to determine what studies should be prepared, consider requests by individuals or groups for formal standing, and to set a date for a Public Hearing to consider the proposed amalgamation.

### 1.2 Contents of this Report

The NSUARB issued a Preliminary Order on October 9, 2015 directing the Applicants to file evidence on various issues relevant to the application to voluntarily amalgamate under the authority of section 358 of the *Municipal Government Act (MGA)*, SNS 1998, c 18.

**This report and exhibits referenced herein, addresses all points in the October 9, 2015 Preliminary Order with the exception of the status quo and amalgamated financial projections; and the Impact on taxpayers/residents of the Applicants in the event of either scenario (property tax burden/area rates).**

The Applicants will be filing exhibits on these three aspects as soon as possible, following the conclusion of a Letter of Intent (LOI) from the Province of Nova Scotia. The Applicants have had encouraging

negotiations with the Province but they are not yet concluded not approved by Cabinet. The content of the LOI will have a significant effect upon the analysis of the financial impact of amalgamation.

### 1.3 Legal Basis

Section 358 *MGA* provides that municipal units may be amalgamated upon application to the NSUARB by the Minister of Municipal Affairs, a municipality, or the greater of 10% or one hundred of the electors in the area proposed to be amalgamated.

## 2.0 GOVERNANCE

The following subsections relate to the proposed size and remuneration of a new Council; recommended electoral districts of the new municipality; and how the new municipality could be involved in the governance of related municipal corporations and the Pictou County Deed Transfer Tax Trust Agreement.

### 2.1 Size of Council and Proposed Levels of Remuneration

In the spring of 2015, Grant Thornton LLP was hired to conduct a governance study to determine the optimal size of a new council, as well as to table recommendations on salary and benefits to the members of the new council. Grant Thornton LLP recommended that a new council should consist of 10 councillors and one Mayor elected at large (Exhibit P-2, p. 14).

During its discussion on the Grant Thornton report, the MOU Steering Committee agreed to set the initial salary for Council members towards the lower end of the scale recommended by Grant Thornton. The MOU Steering Committee approved the following for presentation purposes to the public:

Mayor	\$50,000
Deputy Mayor	\$28,750
Council Member	\$25,000

The MOU Steering Committee also adopted the position that new Council members should not have access to a municipally sponsored RRSP plan or medical benefits. The recommendations of the MOU Steering Committee in this regard have been incorporated in the financial estimates of the new municipality for consideration of the NSUARB.

### 2.2 Proposed Council Districts

In support of the work of the Applicants to explore the governance requirements of the proposed amalgamated municipality, the MOU Steering Committee undertook a multi-step process to identify the configuration of new electoral district boundaries, and to approximate the workload of the new council. The supporting report entitled “MOU Steering Committee Governance Report” will be filed as a separate exhibit.

Based on Grant Thornton council size recommendations, new district boundaries were designed in attempt to respect voter parity and community boundaries and then shared with the public. Throughout the public engagement process, the boundaries were revised several times until a final set was identified for recommendation and consideration by the NSUARB.

The recommended boundary lines for the 10 proposed districts respect communities of interest and community boundary lines, as well as voter parity (each district containing +/- 10% of the average number of electors), with one exception. District 7 exceeds the average number of electors for the districts by 10.19%, 0.19% above the variance. In practice, this difference equates to only 10 electors, and is for all intents and purposes unlikely to detrimentally impact the democratic rights of voters. The proposed voter distribution between the new districts is displayed below:

Table 1 - Proposed Voter Distribution

District	Voters	# of Voters from Average	Variance	NSUARB
1	2,825	-171	-5.70%	Yes
2	2,987	-9	-0.29%	Yes
3	3,026	30	1.01%	Yes
4	2,800	-196	-6.54%	Yes
5	3,114	118	3.95%	Yes
6	2,874	-122	-4.07%	Yes
7	3,301	305	10.19%	No
8	3,264	268	8.95%	Yes
9	2,967	-29	-0.96%	Yes
10	2,800	-196	-6.54%	Yes
Total Voters	29,958			
Avg. number of voters	2,996			
10 % Below Average	2,696			
10 % Above Average	3,295			

Finally, the MOU Steering Committee Governance Report (filed as a separate exhibit) also attempts to approximate the workload of the new smaller Council. This has been undertaken by forecasting the obligations associated with committees, boards and commission memberships. It is estimated that the reduction from 31 elected representatives to 11 for the new structure, is unlikely to detrimentally impact the time available to the new Councillors to meet their commitments. The new council will have an opportunity to focus its priorities. To that end, a draft protocol for determining the commitments of the new council is being provided. It is anticipated that the meeting and committee requirements of the new council will average about 20 hours per month for each councillor, and 13 per month for the Mayor.

## 2.3 Other Boards and Commissions

Currently, the Applicants are part owners and their elected or appointed representatives serve on the Boards of Governance of: two homes for special care; two entities incorporated under s. 60 MGA; the Pictou Antigonish Regional Library; and the Pictou County Deed Transfer Tax Trust Agreement. More specifically, the constating documents of each of these entities provides that each municipal unit that is a party to those agreements is responsible for appointing their directors/board members. The specific provisions regarding each of the above noted entities is described below.

### 2.3.1 Glen Haven Manor Corporation

The Glen Haven Manor Corporation consists of members appointed by the Towns of New Glasgow, Stellarton, Westville, and Trenton. Each of these members serves a term of two years. The By-Laws of the Glen Haven Manor Corporation provide at section 1(e) that vacancies are to be filled by the municipal council that appointed the member.

### 2.3.2 Pictou County Shared Services Authority

The Towns of New Glasgow, Pictou, Stellarton, Trenton, Westville as well as the Municipality of the County of Pictou are owners of the Pictou County Shared Services Authority (PCSSA) – a municipal corporation. Intermunicipal services related to residential curbside collection of solid waste, organics and recycling are provided by the Authority’s Solid Waste Division. Wastewater collection and treatment services are provided by the Authority’s East River Environmental Control Centre Division. Other services provided under the Authority include Regional Emergency Measures Organization, and Active Pictou County. The Board of Directors for the Shared Services Authority consists of the Mayors and Warden of each of the member municipal units. Section 5(4) of the Intermunicipal Services Agreement states that, in the event of a vacancy that occurs with respect to a director, the council appointing the director shall appoint a replacement within six weeks after receipt of notice of vacancy from the Shared Services Authority.

### 2.3.3 Riverview Home Corporation

The Riverview Home Corporation consists of eight members, of whom six must be Councillors appointed by the Councils of the Towns of New Glasgow, Pictou, Stellarton, Trenton, and the Municipality of the County of Pictou. Section 3.05 of the By-Laws provides that where any vacancy occurs in the office of a member who ceases to be a member of a Council or for any other reason, the Council that appointed such member will fill the vacancy.

### 2.3.4 Pictou County Wellness Centre Building Authority Inc.

Article 38 provides that unless otherwise determined unanimously by general meeting, the number of Directors shall not be more than six nor less than four but, in any event each Council shall appoint one and only one Director at any given time so that the number of Directors shall be equal to the number of Members. The members are defined as the Towns of New Glasgow, Pictou, Stellarton, Trenton and the Municipality of the County of Pictou.

### 2.3.5 Pictou Antigonish Regional Library

Regional Library Boards are incorporated pursuant to section 10 *Nova Scotia Libraries Act*. The Pictou Antigonish Regional Library Board currently comprising ten members, one from each of the eight municipalities and two provincial appointees. The Honourable Tony Ince has indicated (to be filed as a separate exhibit by the Applicants) that... *“subject to a decision and order of the NSUARB, and pursuant to ss. 3 and 10 of the Libraries Act, I am prepared to authorize the amendment request by the Applicants provided the other PARL member units agree.”*

### 2.3.6 Pictou County Deed Transfer Tax Trust Agreement

The Municipality of the County of Pictou along with the Towns of New Glasgow, Pictou, Stellarton and Trenton are the municipal parties to the Pictou County Deed Transfer Tax Trust Agreement. Each of these units is responsible for appointing a trustee. Article VII, section 7.04 provides that in the event of resignation or removal of a trustee or in the case a vacancy arises, the successor trustee shall be appointed by an instrument executed by the Municipality for which the resigning or removed trustee was a nominee.

### 2.3.7 Post Amalgamation Governance

Agreement has been sought with the other municipal owners/participants, the corporate entities themselves and the Minister of Communities, Culture and Heritage with respect to the Pictou Antigonish Regional Library Board. The Applicants have requested the other municipalities, participants, and the

Minister to agree to maintain the pre-amalgamation representation on the Boards should the NSUARB order amalgamation.

In the event agreement cannot be obtained from the other parties, the Applicants will request the NSUARB to Order the maintenance of representation through operation of s. 367(1) (c) MGA and the Board's powers.

Effect of annexation of amalgamation

*367(1)(c) where the whole of a municipality is annexed to a municipality or municipalities are amalgamated, all of the assets and liabilities of the annexed or former municipalities are vested in the annexing or amalgamated municipality, and the annexing or amalgamated municipality stands in the place and stead of the annexed or former municipalities.*

(emphasis added)

## 3.0 HUMAN RESOURCES

### 3.1 Background

Two separate reports have been completed. The first report, authored by Raymond Chabot Grant Thornton, entitled “Human Resources Analysis” is being submitted as a separate exhibit with the NSUARB. The consultant provided a current state analysis, and a proposed and validated organizational structure for the new municipality. Their methodology further examined span of control principles in the design of a proposed management structure while benchmarking the new municipality to similar organizations in other jurisdictions.

The second report, prepared by the Applicant’s in-house staff and a consultant solicitor which will also be submitted as an exhibit, estimates one-time human resource costs and ongoing costs of management and non-unionized personnel. These costs are being used within the financial modelling of the proposed amalgamated unit.

Among the Applicants there are currently 140 full time equivalent positions (**not** including police and fire). There are 19 management personnel. Inside and outside workers are unionized in the Municipality of the County of Pictou (Nova Scotia Government Employees Union), while the Towns of New Glasgow, Pictou and Stellarton have collective agreements in place covering outside workers (Canadian Union of Public Employees).

### 3.2 Principles and Main Assumptions

In undertaking this review a number of guiding principles and assumptions have been made. For example:

- The Raymond Chabot Grant Thornton analysis was undertaken to recommend a structure that will support undertakings, obligations and duties of a newly created municipality (a new municipality rather than one of the existing municipalities subsuming the other three).
- A privacy impact assessment was developed and followed and meetings have been held with employees and their unions as part of the process. In addition written correspondence and updated communications have been provided.
- The MOU Steering Committee has sought and received professional advice on matters specific to the *Trade Union Act*, Labour Standards Code and common law requirements, benefits, pensions (defined contribution and defined benefit) as well as early retirement.
- Projections have considered the professional, regulatory and service delivery requirements and associated costs of the new municipality. Current wage and salary levels, and age plus years of service of the current workforces have been examined. The importance of retaining “corporate memory” and current service levels has been taken into account. Furthermore these projections have taken into consideration such factors as severance estimates, rationalization of collective agreements, harmonization of employee benefits and the implications of merging employees from the Applicant municipalities, while respecting stakeholder’s interests.

- In addition to cost projections, the human resources review is intended to offer implementation support to the Transition Manager (further commentary contained in the Transitional part of this submission).

## 4.0 FINANCIAL

### 4.1 Status Quo

A separate exhibit, entitled “Financial Projections – Municipality of the County of Pictou and the Towns of New Glasgow, Pictou, and Stellarton – for Fiscal Years Ending March 31, 2016 to 2020” is being filed as exhibit to the NSUARB. The report covers operating, capital, and reserve funds for each of the four applicants in addition to a variety of financial ratios falling under revenue, operational and debt and capital dimensions of the municipalities.

### 4.2 Amalgamated

A separate exhibit, addressing an amalgamated state for the same fiscal years, funds and financial ratios as identified in section 4.1 will be included.

### 4.3 Amalgamated Revenue Analysis

A separate exhibit, entitled “Revenue Analysis of the Proposed Amalgamated Municipality Comprising the Applicants – for Fiscal Years Ending March 31, 2016 to 2020” will be filed with the NSUARB. The report will cover proposed tax rates and burden for residential and commercial property owners.

### 4.4 Equalization

#### 4.4.1 Introduction

The following assessment has been undertaken on the impact amalgamation would have on the amount of future Municipal Equalization funding relative to status quo.

Municipal Equalization refers to an unconditional operating grant program administered by the Province, which is defined in the *Municipal Grants Act*.

#### 4.4.2 Background

The Province of Nova Scotia first instituted a form of Municipal Equalization funding around 1980, when it was brought about as part of a general operating grant. Similar to the federal equalization concept, it was meant to allow all residents to receive a similar level of municipal services at a comparable level of taxation, regardless of where one lived. For Nova Scotia’s program, the standard unit of analysis continues to be the calculation of a standard expenditure per dwelling unit.

#### 4.4.3 Legal Basis

Equalization Funding for Nova Scotia’s municipalities is provided for within the *Municipal Grants Act*. Section 17(1) outlines the equalization entitlement regulations while Section 12 articulates how the calculation is made.

#### *Municipal Grants Act*

The amount of equalization granted to municipalities is explained in section 8:

*“(1) Every municipality with an equalization entitlement pursuant to this Act shall be paid in each year an equalization grant pursuant to this Act.*

*“(2) The total equalization grants payable to municipalities in each year shall be the amount determined by the Governor in Council.”*

Therefore, there is no fixed formula for the amount of provincial equalization that is to be paid each year. The amount is determined annually by the Governor in Council and for 2015-16 it was fixed at \$30,500,000. This is the same amount as the preceding 9 years, with an additional \$1,550,000 provided through the Towns Foundation Grant, for a total of \$32,050,000.

#### 4.4.4 Equalization Calculation

The amount each municipality is entitled to receive is determined by a calculation that takes place each year. This involves uniform assessment and the average dwelling unit cost of certain specific services provided one year prior. For example, the 2014-2015 calculation was completed with the 2013-2014 Statement of Estimates (SOEs) submitted to the Provincial Department of Municipal Affairs by municipalities. These are the most up-to-date budget projections available. SOE's are comprehensive, non-consolidated budget estimates.

Most of the data for uniform assessment comes from the municipally-owned assessment agency, the Property Valuation Services Corporation (PVSC), with the remaining data coming from municipalities themselves. Provincial staff complete a calculation, capitalizing the value of any special agreements or grants that municipalities may have on specific properties, to determine the uniform assessment base of each municipality. The PVSC also provides the dwelling unit counts for each municipality for the calculation of average standard expenditures.

#### 4.4.5 Classification of Municipalities for Equalization

Municipal equalization calculations of need are based on dividing the 51 municipalities into two subsets: Class I (regional municipalities and Towns) and Class II, (district and County municipalities).

The next part of the equalization calculation involves the determination of the number of dwellings in each municipal unit. Section 9 of the *Municipal Grants Act* speaks to this and removes Department of National Defence and First Nation reserve land dwellings from the calculation.

#### 4.4.6 Calculations

The entitlement for each municipality is determined using the following equalization formula:

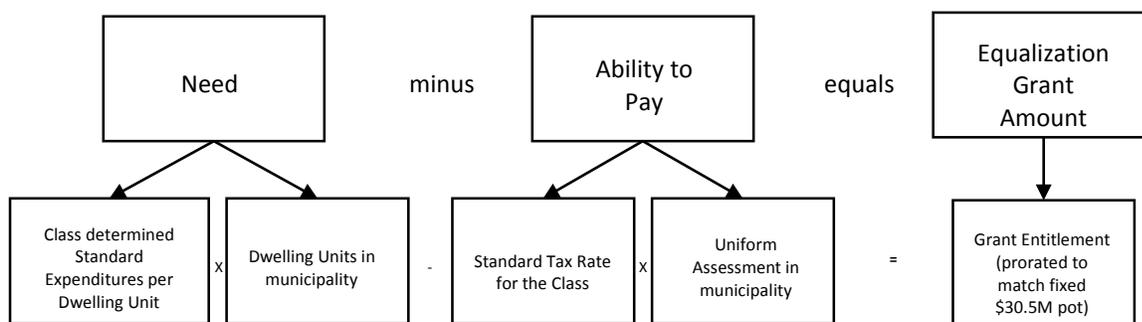


Figure 1 - Equalization Formula

In addition, Towns are provided with an annual \$50,000 in recognition for the particular challenges they face due to local road responsibilities.

The *Municipal Grants Act*, Section 12(2) defines which municipal expenditures are included in the standard expenditures calculation. Specifically:

- Police protection
- Fire protection
- Transportation services (excluding public transit and operating grants from TIR, and
- Half of environmental services.

The following section shows the calculation of equalization for the Towns of Pictou, New Glasgow, Stellarton, and the Municipality of the County of Pictou based on 2014-15 data (the program has been frozen at 2014-15 levels).

**4.4.7 Towns of Pictou, New Glasgow, Stellarton**

Class 1 Standard Expenditures per Dwelling Unit: \$1,504  
 Standard Tax Rate for Class 1 units: 0.8757%  
 Class 2 Standard Expenditures per Dwelling Unit: \$611  
 Standard Tax Rate for Class 2 units: 0.4593%

Given that the program calculates a total municipal need exceeding the \$30,500,000 allocation, a prorating factor must be applied to the entitlements. In 2014-15, the factor was 44.15%. Each of the Towns receives an additional \$50,000 as Foundation Grant.

Table 2 - Equalization Calculation

	Class	Std Exp/DU	Dwelling Units	Std costs	Uniform Assessment	Std Tax Rate (%)	Projected revenue	Entitlement	Prorated Grant	Towns Foundation Grant	Total Grant
New Glasgow	1	1,504	4663	7,013,152	540,830,712	0.8757	4,735,838	2,277,314	1,005,434	50,000	1,055,434
Pictou	1	1,504	1680	2,526,720	160,382,596	0.8756	1,404,363	1,122,357	495,521	50,000	545,521
Stellarton	1	1,504	2129	3,202,016	249,093,393	0.8757	2,181,214	1,020,802	450,684	50,000	500,684
MOCP	2	611	11744	7,175,584	1,428,854,529	0.4593	6,562,672	612,912	270,601	-	270,601
Total				19,917,472	2,379,161,230		14,884,087	5,033,385	2,222,240	150,000	2,372,240

Thus, in 2014-15 (and in 2015-16), the three Towns received equalization grants with a combined value of \$2,101,639, while the Municipality of the County of Pictou received \$270,601.

**4.4.8 Class Impact on Grant Value**

Significant differences between the standard expenditures and standard tax rates for Class 1 and Class 2 units can be noted in the above. The classification will have a material impact on the amount equalization received by a municipality whether a community is incorporated as a Town, or whether it is simply an urban area within a rural municipality. For example, in 2014-15, the Towns of Pictou, New Glasgow, and Stellarton received equalization grants totalling \$2,101,639, while the Municipality of the County of Pictou received \$270,601, for a total, combined grant of \$2,372,240. However, if the three Towns and the County had amalgamated on April 1, 2014, they would have been treated as a single Class 2 unit for the purposes of the equalization calculation. As a result, the total entitlement for the Applicants would have been approximately: \$682,756. Because Pictou, New Glasgow and Stellarton would no longer have been Towns in Pictou County, but rather communities within the Municipality of the County of Pictou, the equalization

entitlement to the combined unit would have decreased by approximately \$(1,689,484). According to the formula, the combined units would require less equalization funding to pay for the standard services identified above. This impact is displayed in the table below.

Table 3 - Comparison of Equalization Entitlement

Fiscal Year	Towns	Pictou County	Combined without agreement	Combined with Agreement	Difference
2014-2015	\$2,101,639	\$270,601	\$682,756	\$2,372,240	\$1,689,484

Given the differing results from the change in structure, any municipalities that currently receive equalization and seek to pursue structural change for their communities will be penalized in terms of future equalization funding decreases. Barring a change to the program that introduces structure neutrality to the calculation, this shortcoming is likely to continue going forward. To address the disparity in this case, and similar to commitments made in recent dissolutions, the following table lays out a proposal for structure neutral equalization transfers from the Province to the amalgamated unit for the next 5 years.

Table 4 - Proposed Equalization Transfer

Fiscal Year	Towns	Pictou County	Total Agreement Amount	Gain (compared to no agreement)
2015-2016	\$2,101,639	\$270,601	\$2,372,240	-
2016-2017	\$2,101,639	\$270,601	\$2,372,240	\$1,689,484
2017-2018	\$2,101,639	\$270,601	\$2,372,240	\$1,689,484
2018-2019	\$2,101,639	\$270,601	\$2,372,240	\$1,689,484
2019-2020	\$2,101,639	\$270,601	\$2,372,240	\$1,689,484
2020-2021	\$2,101,639	\$270,601	\$2,372,240	\$1,689,484
<b>Total</b>	<b>\$10,508,195</b>	<b>\$1,353,005</b>	<b>\$11,861,200</b>	<b>\$8,447,420</b>

As can be viewed in the above table, in the absence of provincial agreement to maintain the equalization freeze for these units upon amalgamation, the new municipality would experience a total loss of revenue of \$8,447,420 over a 5 year period. This is a significant loss of funding that would have a material impact on taxes. The new amalgamated unit would have to increase both its residential and commercial tax rates by 6.89¢ to recover the loss.

#### 4.4.9 Conclusion

Given the impact that the loss of this equalization funding would have on the taxes for the new municipality, in addition to the history of freezing equalization entitlements for municipalities undergoing dissolution (Canso, Springhill, Bridgetown and Hantsport), it is the intention of the Applicants to secure a commitment from the Province related to Equalization. The Applicants are currently discussing this aspect as part of a Letter of Intent. The Letter of Intent will be filed with the Board once approved by Cabinet. It is anticipated that the Province will agree to commit to provide the new amalgamated municipality with the funds received by the four separate units in the year prior to amalgamation, which would total approximately \$2,372,240 per year, for 5 years.

## 4.5 Provincial Impact Status Quo

The Applicants work well together, e.g., the recent completion of the Pictou County Wellness Centre, the expansion of the Aberdeen hospital. This cooperation will continue in the absence of amalgamation. However, given the coordination involved in aligning the priorities and activities of the Applicants, there are significant opportunities for efficiencies that could be realized through amalgamation. These efficiencies will be realized both in terms of economies of scale and decision-making processes.

### 4.5.1 Provincial Impact Amalgamated

The municipalities situate in Pictou County are, similar to many areas of Nova Scotia, facing unfavourable demographic and economic circumstances. For example, between 2006 and 2011, the population of Pictou County as a whole declined by 1.6%. The Town of Pictou's population decline 9.9%, Stellarton declined 4.9%, and the Municipality of the County of Pictou declined by 1.3%. New Glasgow was the only municipality in the County to see growth in population, although the growth was only a modest 1.1%. At the same time, the residents in the region have faced recent economic challenges as well, e.g. significant job losses as a result of changes in the global economy.

From a geographic and proximity perspective Pictou County is unique. There are six municipal governments five of which have contiguous borders and the sixth is not far removed. The population of the County is 45,643 with 41 elected representatives. Going back further than the Graham Royal Commission in the 1970s, numerous reports have called for Pictou County to amalgamate to streamline the governance and realize economies of scale.

The Councils of the Applicants recognize that to face the challenges confronting Pictou County, things need to be done differently. The Councils are firmly supportive of the One Nova Scotia Report, and the We Choose Now Playbook, specifically the statement:

*“Maintaining a business-as-usual, status-quo approach will not work. Nova Scotians are facing challenges that require unprecedented levels of private sector, public sector, and community collaboration, driven by determination and courage. We require a dramatic shift in how we respond both to our opportunities and our challenges.”*

In this spirit, the Applicants have applied for amalgamation as a way to position themselves to be both responsive and proactive to the changing circumstances in the Province, and to ensure they are best positioned to help grow the Nova Scotian economy, while improving the demographics of Pictou County.

Should the NSUARB Order amalgamation, the new municipality will be the fourth largest in the Province by population, and it will have the fifth largest tax base (see table 5 below). It is anticipated that with this size, the new municipality will have a sufficient critical mass and resources to invest in its future with reduced provincial support. For example, the new municipality will have access to the fifth largest property tax base in the province. One cent 1¢ of the tax rate equals \$250k. With this capacity the municipality the ability invest in strategic projects that will both grow the assessment base and positioning the community for economic growth.

Table 5 - Municipalities by Dwellings, Population and Assessment Base

<b>Municipality</b>	<b>2015 Dwelling Units</b>	<b>2011 Population</b>	<b>2015 Uniform Assessment Base</b>
Halifax	191,266	390,096	41,284,702,763
CBRM	47,388	97,398	4,276,205,340
Kings	22,272	47,569	3,409,076,476
<b>Applicants</b>	<b>20,258</b>	<b>38,762</b>	<b>2,443,007,151</b>
Colchester	17,715	36,624	2,276,779,024
Lunenburg	14,540	25,118	2,469,875,691

Similarly, the new municipality will be better able to develop and observe a coordinated approach to land use controls and development. It will also have the resources to employ specialists and professionals to assist the Council in the development, adherence and implementation of growth strategies as well as predictable and stable property taxes. Taken together, these changes will allow the new municipality to work as an effective partner with the province in attracting new investment and growth. In the spirit of the One Nova Scotia report, these changes will allow the Applicants to speak with one voice and demonstrate a readiness for business.

#### 4.6 Deed Transfer Tax

Each of the six municipal units situate in Pictou County have enacted Deed Transfer Tax By-Laws pursuant to sections 102 to 110 MGA. Each municipality currently imposes a deed transfer tax in the amount of one percent (1%) of the value of property transferred. The Registrar of Deeds has been appointed the agent and collector of the deed transfer tax on behalf of the municipal units.

On December 14, 2014 the Municipality of the County of Pictou along with the Towns of New Glasgow, Pictou, Stellarton and Trenton formally executed the Pictou County Deed Transfer Tax Trust Agreement. The Trust Agreement among other aspects names the trustees as the Mayors and Warden of the respective municipal units. The Town of Westville is not party to the Trust Agreement and therefore does not appoint a trustee.

The Agreement names the beneficiaries of the Trust and how funds are to be distributed to them. In summary, the distribution of proceeds in order of priority is to flow as a series of payments to address the:

1. capital debt associated with the Pictou County Wellness Centre Building Authority Inc. (PCWCBAI);
2. municipal contribution towards current-day renovation and expansion costs associated with the Aberdeen Hospital (less the Town of Westville contribution towards this project); and
3. operational deficits associated with the PCWCBAI.

As noted above, the Town of Westville has no ownership interest in the Pictou County Wellness Centre nor do they contribute to any operational costs or deficits. However, the Town of Westville has contractually committed to remit the proceeds of their deed transfer tax to the capital debt of the

Wellness Centre and the current-day municipal component of renovation and expansion costs of the Aberdeen Hospital. These agreements are more fully articulated within a separate agreement among the municipalities dated June 1, 2010 and subsequent participation and guarantee agreements executed by the Town of Westville with respect to the Aberdeen Hospital renovation and expansion project.

The Trust Agreement was amended on June 1, 2015 to change the fiscal year end from December 31<sup>st</sup> to March 31<sup>st</sup>; and to delegate accounting, auditing and reporting work to the Pictou County Shared Services Authority.

Governance aspects of the Pictou County Deed Transfer Tax Trust Agreement are detailed within the section of this submission speaking to Governance (see section 2.3.6).

The Applicants do not believe that amalgamation will impact the Deed Transfer Tax, i.e. the Applicants foresee the continuation of the Trust Agreement and present day beneficiaries. The Applicants do note however that the current collection rate, if not improved, may not be sufficient to meet the debt obligations associated with the Wellness Centre and the Aberdeen Hospital project. This is due in large part to capital cost estimates associated with the municipal share of the Aberdeen Hospital project increasing from \$4.1M to \$6.8M. Any shortage in the ability of the deed transfer tax to fund obligations may be addressed through a number of options.

#### 4.7 Transfer of Assets and Liabilities

The Applicants are requesting the NSUARB's consideration of the operation of law to enable the transfer of assets and liabilities. More specifically s. 367 MGA states:

*“Effect of annexation or amalgamation*

*367 (1) Unless the Board otherwise orders*

- (a) the real property of a municipality situate in an area annexed to another municipality is vested in the annexing municipality;*
  - (b) taxes imposed with respect to the ownership or occupation of property in an area annexed to another municipality and unpaid at the date of an annexation belong to the annexing municipality and may be collected as if they had been imposed by the annexing municipality;*
  - (c) where the whole of a municipality is annexed to a municipality or municipalities are amalgamated, all of the assets and liabilities of the annexed or former municipalities are vested in the annexing or amalgamated municipality, and the annexing or amalgamated municipality stands in the place and stead of the annexed or former municipalities.*
- (2) The annexing or amalgamated municipality has the same rights with respect to the collection of taxes imposed by the annexed or former municipalities as if the taxes had been imposed by the annexing or amalgamated municipality. 1998, c. 18, s. 367”.*

#### 4.7.1 Current Assets and Liabilities

From an operational perspective, the Applicants propose that the outgoing Councils and municipal units dissolve on October 31, 2016. The proposed effective date of the new municipality is November 1, 2016.

It is further proposed that the outgoing Councils would set a 12-month budget for the 2016-2017 fiscal year and issue the full tax levy for the year. On November 1, 2016, the new municipality would receive the transfer of assets and liabilities of the dissolved units, including without limitation, deferred revenue covering the period between November 1, 2016 and March 31, 2017. In their first (stub) fiscal year (between November 1, 2016 and March 31, 2017) the new municipality would operate on resources provided by the former units and transitional funds that may be provided by the Province.<sup>1</sup>

The legislation noted above, in addition to the proposed effective date and approach to tax receivables and deferred revenue, in the opinion of the Applicant would address the transfer of current assets and liabilities.

#### 4.7.2 Tangible Capital Assets and Long-term Debt

The Applicants are asking for the same consideration by the NSUARB relative to real property and the operation of law. Land title would automatically be vested the new municipality pursuant to section 367 of the MGA.

*“Effect of annexation or amalgamation*

*367 (1) Unless the Board otherwise orders*

*(a) the real property of a municipality situate in an area annexed to another municipality is vested in the annexing municipality;”*

The Applicant respectfully request for the NSUARB to confirm in the Order for amalgamation that such vesting occurs.

Title of vehicles, equipment and other rubber tire assets will need to be undertaken in a manner that is in compliance with the registry of motor vehicles or through bills of sale as the situation dictates.

Arranging for these matters will be an assigned responsibility of the Transition Manager (see Transitional Issues part of this submission).

The new municipality will have the benefit of the five-year capital investment and related financing plan prepared for the amalgamation (a component of the forthcoming exhibit). Within the exhibit to be filed is a prioritized investment plan including the estimated use of operational funding, long-term debt, infrastructure funding, and reserves.

With the exception of outstanding debenture principal and interest payments associated with the Albion Business Park, existing long-term debt of the former units has been forecasted to be recovered through specific area rates applied to property owners of the former municipal units. Existing Albion Park related long-term debt will be retired from general revenues of the new municipality.

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<sup>1</sup> For additional information please see response to IR-14 filed by the Applicants on October 19, 2015.

#### 4.7.3 Reserves

Reserves at the time of amalgamation will be maintained for projects/applications related to the corresponding municipal unit of origin. Cash inflows and outflows of existing and new reserves have been estimated and will be included within a forthcoming exhibit.

## 5.0 SERVICE LEVELS AND OPERATIONS

### 5.1 Police

The Applicants have filed as an exhibit with the NSUARB a letter received from the Nova Scotia Attorney General, the Honourable Diana Whalen (Exhibit P-9). The Attorney General indicates, that subject to a NSUARB Order, she is prepared to maintain status quo policing plans relative to the New Glasgow and Stellarton municipal police forces and the provincially and federally contracted RCMP services in the Municipality of the County of Pictou and the Town of Pictou respectively. The Attorney General further indicates she is prepared to maintain existing policing arrangements for up to five-years.

The Applicants have modelled and are proposing to recover the specific policing costs, associated with each specific policing arrangement, by way of area rates to the property owners within the geographic limits of what will become the corresponding former municipalities. Four area rates would be created, and each will be different depending on the costs associated with the police force providing coverage.

The Applicants understand that no change to a municipal policing plan whether RCMP or Municipal Force, can be introduced without first obtaining the approval of the Attorney General. The Applicants are further mindful of their current-day contractual obligations.

Within the Transitional section of this submission, the Applicants propose that the new Municipality consider the joint development of a study terms of reference and the commissioning of a Policing review by the new municipality.

The New Glasgow Regional Police Service currently provides policing services to the Town of Trenton. Additionally, the Town of Stellarton purchases Chief of Police services from the Town of Westville. Financial *pro forma* analysis to be filed with the NSUARB assume the continuation of the current-day sale of service and sharing agreements.

The Applicants forecast that the Pictou County Integrated Street Enforcement Unit would continue as created in 2007.

### 5.2 Fire Services

#### 5.2.1 Fire Departments

There are currently 18 rural fire departments situate within the Municipality of the County of Pictou. The related assets, obligations and operations of these fire departments are wholly controlled independently by each of the 18 departments. The Municipality does not own the facilities, infrastructure or equipment.

The Municipality financially supports the fire departments through the levying of specific fire rates. Current day fire rates, in several instances, cross electoral districts in the municipality, i.e. a fire department related levy may be issued across district boundaries similar to the provision of services.

Town departments have different operating profiles. These departments are owned by the municipality and the related tangible capital assets in this instance will be transferred to the new municipality. The Applicants however do not foresee change in the operating profiles.

Similar to policing, the Applicants are proposing to recover the differing costs through the application of community specific area rates. In this case there may be as many as 21 different area rates (18 rural and 3 in the urban areas).

The Applicants foresee the continued involvement of the Pictou County Firefighters Association in the updating of mutual aid agreements. The Applicants also foresee the present day training methods continuing into the future. This aspect is covered in the Transitional part of this submission.

### 5.2.2 Municipal Fire Inspections

The Human Resources part of this submission includes the engagement of inspection personnel to administer the new municipality's obligations under the Nova Scotia *Fire Safety Act*. As referenced in the August 27<sup>th</sup>, 2015 application (Exhibit P-1), a 2013 internal report prepared by the Pictou County Shared Services Authority which ranked five classes of properties defined by the National Building Code of Canada, can be used by municipal inspection personnel together with proposed inspection and permitting software. These aspects are covered in the Transitional part of this submission.

### 5.2.3 Emergency Measures

As outlined in section 9.5 of the August 27, 2015 application submitted to the Board Emergency Planning is managed by the Pictou County Regional Emergency Measures Organization (REMO). In part, this involves the Applicants maintaining a common By-Law, funding a Regional Coordinator and participating in training sessions. REMO is currently a service of the Pictou County Shared Services Authority. The Applicants do not foresee any change in the delivery of this service.

An updated emergency measures plan would be an assigned responsibility of the Transition Manager (see Transitional part of this submission).

## 5.3 Curbside Collections Processing and Disposal

The Applicants currently receive services administered by Pictou County Solid Waste a division of the Pictou County Shared Services Authority (PCSSA). The PCSSA is a corporate entity incorporated pursuant to s. 60 of the *MGA* (see other boards and commissions section of the governance part of this submission).

The Applicants do not foresee a change in the service delivery or participation within the PCSSA.

The current service delivery model applies mainly to residential ratepayers and includes:

- Combined curbside collection of solid waste, organics and recyclables.
- PCSSA maintains transfer stations for solid waste and recyclables at Mt. William Pictou County.
- Collection vehicles enter the Mt. William site over weight scales that record weight by municipal unit or the private sector.
- From the transfer stations, solid waste is transported to the second generation landfill operation owned and operated by the Municipality of the District of Guysborough. The term of the disposal contract runs until 2026 and the annual rates are tied to CPI.
- Recyclables are transported to facilities owned by the Municipality of the County of Colchester in Colchester County. The processing contract has a term expiring in 2022.

- PCSSA also maintains licensed organic processing and construction and demolition (C&D) sites at Mt. William. Similar to solid waste and recyclables, the weights of organics and C&D are captured and assigned to the municipal unit of origin.
- PCSSA further provides programs to its municipal owners related to public education and enforcement.

Administrative costs of the PCSSA are assigned to the municipal owners by applying a municipal percentage of the total uniform assessment of the six municipalities in Pictou County, as published by the Province of Nova Scotia, against the total administrative costs forecasted for the year.

Other estimated net costs, gross expenditures less funding received from third parties, private sector use of the facilities and programs, and the sale of materials, are allocated to the municipal owners on a user pay basis (a municipal unit's percentage share of the total weighted tonnage). These include costs associated with operations, capital, post-closure and maintenance and are expressed on a fee per tonne basis.

Assumptions surrounding future costs of collection, transportation, disposal, and processing have been included within the financial information to be filed with the Board.

## 5.4 Waste and Stormwater

### 5.4.1 Wastewater

There are two operating profiles associated with wastewater collection and treatment. One system is in part operated by the East River Environmental Control Centre (ERECC) a division of the municipally owned Pictou County Shared Services Authority. The second relates to standalone systems currently owned and operated by the Municipality of the County of Pictou and the Town of Pictou.

### 5.4.2 ERECC Operations

The net operating costs of the wastewater treatment collection and processing system, which services all or parts of the Towns of Trenton and Westville and three of the Applicants (all but the Town of Pictou), are funded through a formula comprising a combination of user pay (metered flows) and a municipal unit's percentage of the total of the five municipalities annual uniform property tax assessment as published by the Province of Nova Scotia.

The Applicants do not believe that amalgamation will impact this component of the operations, i.e., ERECC will continue and the Applicant will purchase services from this organization. Governance aspects of the Pictou County Shared Services Authority are detailed within the Governance part of this submission.

### 5.4.3 Municipality and Town of Pictou Operations

The Municipality of the County of Pictou provides wastewater collection in nine of their fourteen districts with the vast majority only servicing smaller geographic parts of districts. Municipal employees service and monitor the equipment and infrastructure.

The Town of Pictou owns and operates a larger scale wastewater treatment facility that treats wastewater from the Town and approximately 31 km of piping situate within the Municipality of the County of Pictou. The Town also retain municipal staff to service and monitor the equipment and infrastructure.

Wastewater collection and treatment facilities are classified by the Nova Scotia Environment (NSE). Employees working on the systems are required to be certified by NSE. The Human Resources report has taken into consideration licensing requirements.

## 5.5 Street lighting - Service

The three participating Towns have streetlights throughout their respective areas, and the Municipality of the County of Pictou offers street lighting in 32 communities within its boundaries. The Town of New Glasgow is the only municipality that currently has high efficiency LED streetlights throughout; they have had these lights since 2011. The other three municipalities are currently in the process of switching the streetlights to LEDs; the Town of Pictou, and the Municipality of the County of Pictou are both taking ownership of new lights, and all of the existing streetlights will be replaced with LEDs over the next several months. Stellarton will rent their new LED lights from NSPI and the new lights will be installed in a phased process over the next 5 years.

Based on the experience of New Glasgow, the Town of Pictou and Municipality of the County of Pictou are anticipating 70% reductions in their power costs for providing street lighting as a result of the change to LED lights over the next year. Due to the nature of Stellarton's arrangement, it is anticipated that they will not realize similar savings until a later date. This is an outcome of the phased replacement plan, and the fact that Stellarton is required to pay NSPI for the cost of their stranded assets. As such, it is anticipated that Stellarton will only experience street lighting cost savings of 20% for the next few years. New Glasgow will continue to benefit from their already low street lighting costs stemming from the decision made several years ago.

Should the municipalities amalgamate or not, the above-noted arrangements will continue as they have been regulated by the Province. All areas currently receiving street lighting will continue to receive the service and all lights not yet LED technology will be converted by 2020. The Town of Pictou, the Town of Stellarton and the Municipality of the County of Pictou will each see a reduction in their cost of providing street lighting as the LED changes come online.

## 5.6 Street lighting - Payment

The three Towns currently pay for street lighting through the general tax rate, while the Municipality of the County Pictou has a series of flat fees and area rates for different communities in which it provides street lighting. For example, among the flat fees, the range is from \$13.80 to \$127.92 per property per year, while the area rates range from mill rates of 0.0286 to 0.171. The above circumstances will be reported on within the forthcoming exhibit.

## 5.7 Water Utilities

The Applicants have identified two aspects related to their Water Utilities - the transfer of ownership and ongoing operations.

### 5.7.1 Transfer of Ownership

The Applicants request the NSUARB to consider ownership transfer of the Utilities through the operation of law, application of s.367 MGA (see part 4 of this report).

### 5.7.2 Ongoing Operations

As outlined in the August 27, 2015 application (Exhibit P-1), each of the Applicants own and operate a Water Utility. Among other aspects, the owners produce separate financial statements and carry independent insurance coverage.

Should the NSUARB Order amalgamation, the Applicants are proposing that the post-amalgamation transition plan include the commissioning of a rate study that could include, among other aspects, examination of the scales of economy that might be introduced by combining operations. This aspect is further referenced in Section 6.0 Transition Issues of this report.

## 5.8 By-Laws and Policies

### 5.8.1 General

The Applicants are requesting the NSUARB to Order that policies and by-laws continue in force pursuant to s. 366 (1) of the *MGA* if the municipalities are amalgamated. In this instance, the policies and by-laws in effect in each continue in force in the area of each former municipality until repealed by the new council.

### 5.8.2 Land Use Planning

As outlined in the August 27, 2015 Application, each municipality currently retains individual Planning Documents as defined by the *MGA*. The Municipality of the County of Pictou's land use controls are limited to wind energy and requirements prescribed within their Subdivision By-Law. The Towns have more robust Municipal Planning Strategies and Land Use By-Laws but with differing policies, definitions, permitted uses and zone requirements.

In 2014 the Towns of New Glasgow, Pictou, Stellarton, Trenton, and Westville took significant steps under ss. 215-216 *MGA* towards the adoption of common Municipal Planning Documents including an Intermunicipal Planning Strategy, Secondary Planning Strategies, and a uniform Land Use By-Law. The goal of these new documents is to establish common land-related controls and regulations across all similar zones, to better facilitate development growth, and to enhance administrative efficiencies.

An Intermunicipal Planning Strategy, Secondary Planning Strategies addressing particular aspects of the planning areas within each Town not adequately covered by the Intermunicipal Planning Strategy, and a common Land Use By-Law have been drafted.

Without limitation, the above noted documents include:

- allowing for development by site plan approval in certain instances instead of development agreement, thus enabling a more streamlined and quicker process of development approval;
- uniform definitions of terms that would apply to all Towns;
- standardization of land use zones throughout the Towns, with the ability for each Town to decide which zones are to be employed within its unit;
- new requirements for Traffic Authority approvals for non-residential developments;

- allowance for garage, garden and secondary suites to permit for a broader range of housing options; and
- Addressing wind energy and the siting of telecommunications towers.

The Towns of New Glasgow, Pictou and Stellarton have completed second reading of the above noted Planning Documents. The documents have been submitted to the Department of Municipal Affairs for review in accordance with Part VIII *MGA*.

## 5.9 Roads and Sidewalks

As a component of the LOI, are roads currently maintained by the Applicants will to continue to be maintained by the Applicants. All roads currently maintained by the Province will to continue to be maintained by the Provinces under current financial terms and conditions.

The Applicants have developed a five-year capital investment plan for consideration by the new Council that addresses the maintenance, replacement and extension of municipal roads and sidewalks. The capital investment plan will be filed as part of a forthcoming exhibit.

## 6.0 TRANSITIONAL ISSUES

### 6.1 Pre-Transitional

The Applicants believe there to be both governance (oversight) and administrative functions relative to the proposed amalgamation.

#### 6.1.1 Governance - June to November 2016

Due to the voluntary and conditional nature of this application, the Applicants are requesting the NSUARB to consider the following governance and administrative structure for managing the amalgamation process between the date of the NSUARB Order, and the proposed November 1, 2016 effective date of the new municipality.

The Applicants propose that following the NSUARB amalgamation order, the MOU Steering Committee, in consultation with the Province, will appoint a Transition Manager to oversee the administrative requirements of the transition process. In this arrangement, the MOU Steering Committee would act in the governance role until the date of incorporation of the new municipality (which follows shortly after the 2016 Municipal Election). The MOU Steering Committee is recommended because of:

- The voluntary nature of the Application;
- Familiarity with the amalgamation process and the details associated with winding down of the existing municipalities; and
- Existing terms of reference governing their interactions, including a mechanism that encourages consensus decision making, while respecting the distribution of electors among the four Applicants.

#### 6.1.2 Administration - June to November 2016

The Applicants are requesting the NSUARB to consider the following administrative proposal. The Transition Manager be enabled through amendment to the MOU Agreement. This amendment would facilitate the orderly transition from the four individual units to the new municipality. The Amending Agreement would follow the established principles and allow for the secondment of municipal employees to support the Transition Manager, and to facilitate the transition of employees to the new municipal government. The Human Resources Report prepared by Raymond Chabot Grant Thornton LLP indicates that employee secondments to support the transition could last for a period of up to two years.

The Amending Agreement would also establish that the MOU Steering Committee, under the auspices of one of the existing municipal unit's structures and controls, would have the responsibility for the management of any funds received in trust for the new municipality.

#### 6.1.3 Transition Manager Responsibilities

The Applicants suggest that the Transition Manager be retained by contract. Without limitation, the contract would include a requirement for the Transition Manager to employ best use and legislated practise with respect to procurement and labour law among other aspects. The Transition Manager will be provided the reports and studies prepared for this amalgamation process to guide their decisions.

The Transition Manager reports to the MOU Steering Committee and shall have all the powers of the Chief Administrative Officer until such time as a Chief Administrative Officer is appointed. More specifically, and without limitation, the Transition Manager will have the power to:

- design and implement the new administrative structure, including the appointment of the CAO;
- enter into contracts and be contracted with;
- acquire real property;
- hire employees;
- wind up of operations of the Applicants;
- sell any capital assets not required for the new municipality;
- oversee the administration of the election of the new municipal council;
- provide (with the assistance of municipal employees) for the election of the Mayor and the municipal council members; and
- do any other things that are necessary to establish the new municipality.

Once the CAO has been appointed the Transition Manager will, in consultation with the CAO, be responsible for the following:

- overseeing the orderly transition of the Applicants to the new municipality;
- establishing a program that may provide for the early retirement, pre-retirement or termination and severance of employees not employed by the new municipality (such program may be limited to those employees of Applicants that shall not be required by the new municipality);
- coordinating and establishing new collective agreements, pension plans, benefit plans and all other transitional aspects; and
- conducting of studies on any transitional items that arise from the merger of the Applicants.

#### 6.1.4 Chief Administrative Officer Responsibilities

The appointment of the CAO shall be ratified by the new municipal council as soon as practical following the administration of the oaths of office by council. Through the pre-transition period, the CAO shall have the responsibility to:

- hire the department heads of the municipality and approve the hiring of any other municipal employees;

- hire municipal employees prior to the effective date of the new municipality, under a mandate requested through this application;
- administer the stub budget year (November 1, 2016 to March 31, 2017);

The CAO will also have all powers conveyed to the position as defined in the *MGA* and may delegate authority, where applicable by law to any other municipal employee.

## 6.2 Post-Transitional

Subject to the decision of the NSUARB, should the new municipality take effect on November 1, 2016, the CAO and Transition Manager will be responsible without limitation for the following items:

- coordinating the consulting and term contracts to address transitional items not addressed at the time of merger;
- contracting a legal advisor to update constating documents and contracts;
- procuring financial service contracts and insurance coverages;
- harmonizing Information Technology systems to ensure the Applicants are migrated to a consistent platform for the financial management and control;
- negotiating or retaining Human Resource specialists to arrange for the creation and implementation of a pension and benefit plan;
- negotiating of a new collective agreement(s) with the Trade Unions representing the employees of the Municipality;
- overseeing the creation and implementation of an Occupational Health and & Safety Plan for the new municipality;
- contracting individuals with expertise in the field of Occupational Health and & Safety, as necessary, to ensure the timely development of program which meets compliance requirements of the Occupational Health and Safety Act;
- ensuring the Emergency Management Response Plan for the Municipality meets the requirements of the Emergency Measures Act;
- ensuring that the new municipality creates a hazard assessment and has a plan to respond to the issues identified in the assessment;
- arrange for the disposal or transfer of title of vehicles, equipment and other rubber tires assets as necessary to meet the needs of the new municipality;

- creating or contracting with individuals capable of creating a water model for the new municipality, that will review the existing rates of the Applicant's water utilities and the possibility of a merger into a single water utility;
- develop terms of reference for the creation of a Municipal branding strategy, that creates a public image and signage strategy for the new municipality;
- engage inspection personnel to administer the new municipality's obligations under the Nova Scotia Fire Safety Act;
- in consultation with the Pictou County Firefighters Association and other relevant parties, as necessary, oversee the updating of mutual aid agreements; and
- develop terms of reference in consultation with the Department of Justice, the Atlantic Police Association and the Royal Canadian Mounted Police, develop terms of reference to conduct a comprehensive review of policing options for the new municipality.

## 7.0 SOCIAL IMPACT

There are no expected changes in the current social, recreation, active living and heritage related initiatives within the new municipality. There are some opportunities to leverage existing strengths in programming for citizens. The Town of New Glasgow and the Municipality of the County of Pictou recently launched an Age-Friendly Plan which could be easily adapted to the other two Applicants. The Town of New Glasgow currently operates with a five year Community Development Plan and it is intended that a new generation of a Community Development Plan will be undertaken for the new municipality. The key benefits related to these plans is the citizen engagement and consultation associated with the long term planning for the new municipality.

It is intended that some form of public polling/survey will be undertaken early in 2016. The community consultations will be designed to examine the concerns that citizens may have with the proposed voluntary amalgamation application and allow for strategies to mitigate the concerns.

A separate document will be filed as an exhibit.