

Amalgamation Questions

These answers have been prepared [from the PEI Government website](#), including the draft of the [new Municipal Government Act](#).

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1 WILL OUR PROPERTY TAXES STAY THE SAME AFTER AN AMALGAMATION?

1.1 MUNICIPAL TAXATION

Tax rates will be set annually by bylaw. A council may, by bylaw, set different property tax rates within the municipality to reflect differences in the service or levels of service provided to residents. A council may also set a different tax rate where it has created a levy group based on property use or type. Council must notify the province in writing regarding the rate or rates of taxation to be set for the period of January to December prior to March 31st of each year. Advance notice to the Tax Commissioner will be required if a municipality changes its boundaries, tax areas or levy groups between January 1st of the current tax year and January 1st of the previous tax year.

2 WILL THERE STILL BE A COMMUNITY COUNCIL AFTER AMALGAMATION?

The [new Municipal Government Act](#) describes council structure including size, roles and responsibilities of the mayor, deputy mayor and acting mayor as well as restrictions regarding council members being employed by the municipality.

2.1 CONTINUATION AS A MUNICIPALITY

Existing municipalities may continue as they currently exist, but communities will be renamed rural municipalities. New administration, governance and service standards will apply to all municipalities, regardless of their size. Many of these standards will be phased in over time.

2.2 SIZE

Councils of towns, rural municipalities and the resort municipality will have a mayor and six councilors unless the council passes a bylaw to increase its size to a mayor and eight councilors. For cities, there will be a mayor and eight councilors unless the city's council passes a bylaw to increase the number of councilors to ten. The new Act also allows for interim councils after restructuring.

2.3 TITLES

The title of chairperson and vice-chairperson are not used in the new Act. Instead, all municipalities will have a mayor and a deputy mayor.

2.4 RESTRICTIONS

Council members cannot be employees of the municipalities or a controlled corporation and they are not allowed to perform the duties of either a paid or unpaid employee. An exception is made in the Act for volunteer fire fighters.

3 HOW MANY PEOPLE DO WE NEED TO MAKE AMALGAMATION TO FORM A COMMUNITY. IS IT 3000-5000?

3.1 PROPOSALS TO CHANGE CLASS OR RESTRUCTURE

Existing municipalities proposing to change class or expand through a restructuring process (amalgamation, annexation or boundary change) will be required to meet new standards and criteria.

3.2 FORMATION OF NEW MUNICIPALITIES

Any new municipality will need to meet minimum criteria including size and assessment base described below as well as any other criteria in regulation. For cities, minimum criteria includes an estimated population of 15,000 or greater and a total property assessment value of \$750,000,000 or greater. For towns, minimum criteria includes an estimated population of over 4,000 persons, but not more than 14,999 persons and a total property assessment value of over \$200,000,000, but not more than \$749,999,999.

3.3 RURAL MUNICIPALITY

The Act provides flexibility to allow for the restructuring of a municipality that does not meet the minimum criteria for size and assessment base under certain limited circumstances. The exact wording of the proposed new Municipal Government Act is:

13(2) Where a proposal under subsection 15(1) to establish a municipality will not result in a municipality that meets the criteria specified in subsection (1), but in the opinion of the Minister it may be in the public interest to establish that municipality, the Minister may refer the proposal to the Commission under subsection 15(1) as if the proposed municipality met the applicable criteria under subsection (1).

In other words it appears to be up to the discretion of the Minister whether a Rural Municipality can be established that does not meet the minimum criteria.

3.4 COUNCIL SIZE

Effective at the time of the 2018 municipal elections, council sizes for towns, rural municipalities and the Resort Municipality will be a mayor and six councilors, or a mayor and eight councilors with a bylaw to that effect. For cities, council size will be a mayor and eight councilors, or a mayor and ten councilors with a bylaw to that effect.

4 WILL THE COUNCILORS BE PAID AFTER AMALGAMATION?

Remuneration will be decided by the individual councils based on their budgetary capabilities.

5 DO WE HAVE A CHOICE WHERE WE GO OR IS DONE ON POPULATION ONLY?

5.1 INITIATING A RESTRUCTURING OF PHYSICAL BOUNDARIES

All Processes for the establishment, dissolution and restructuring (amalgamation, annexation and boundary changes) of a municipality will now involve a single and consistent approach. The formation of a new municipality may be initiated by either the Minister or by a petition signed by at least 30% of the population who would be electors of the new municipality. The dissolution or restructuring of municipal boundaries, including annexation, amalgamations and boundary changes, may be initiated by either the Minister or the council of a municipality.

Proposals for formation, dissolution or restructuring need to be in writing and filed with the Island Regulatory and Appeals Commission (IRAC). If the proposal would result in a town or city that does not meet certain criteria that are described in the new Act, the proposal must be submitted to and approved by the Minister prior to being accepted by IRAC.

5.2 STAKEHOLDER ENGAGEMENT

IRAC will notify and inform the Minister, nearby municipalities, nearby First Nations Bands, the Federation of Prince Edward Island Municipalities (FPEIM) and the public about the proposal through various methods. Once notice has been provided, any person opposing the proposal has 21 days to file a written objection with IRAC.

If the Minister determines there is a significant public interest in the proposal after the objection period, IRAC will hold a public hearing. IRAC may also decide to hold a public hearing without direction from the Minister if objections to the proposal have been received.

If an objection is received from a municipality during the objection period for a restructuring, IRAC will appoint a mediator to assist the municipalities in resolving the dispute. If, following the mediation, the dispute remains unresolved and the objection is not withdrawn by the municipality, IRAC will hold a public hearing.

5.3 COST

The cost associated with any proposal to establish, restructure, or dissolve a municipality, including costs for notification or for holding a hearing, will be the responsibility of the applicant. The cost associated with any mediation will be the responsibility of the parties.

5.4 CRITERIA AND CONDITIONS

Regulations will set out criteria and minimum standards that must be taken into consideration regarding the establishment or restructuring of municipalities.

5.5 IRAC RECOMMENDATIONS

Once any mediation or public hearings are complete, IRAC will provide the Minister with a written report containing its findings, recommendations and reasons for the recommendations. IRAC will send a copy of the report to the person or persons who made the proposal, nearby

municipalities, nearby First Nations Bands, the FPEIM, and any other persons that IRAC believes should receive it.

5.6 DECISION MAKING

The Minister will review the report from IRAC and will make a recommendation to the Lieutenant Governor in Council. The Lieutenant Governor in Council may then decide to:

- Establish or restructure the boundaries as proposed or with changes
- Deny the establishment or restructuring as proposed
- Dissolve the municipality

5.7 CHANGING A MUNICIPALITY'S NAME OR CLASS

A municipal council must apply in writing to the Minister to have the name or class of their municipality changed. The Minister has flexibility in engaging with the public on changes to a municipality's name or municipal class. For example, the Minister may invite residents to provide written submissions or might hold public meetings to gather feedback. Other methods may be used to collect information if the Minister thinks it is necessary for considering the request. The Minister will consider the submissions and comments prior to making a recommendation to the Lieutenant Governor in Council. Lieutenant Governor in Council may then approve or deny the change of name or change of status for the municipality.

6 HOW DO THE COUNTIES WORK IF THEY ARE IN PRINCE, AS KINKORA IS, OR EMERALD WHICH IS HALF AND HALF? CAN WE JOIN A COMMUNITY WHICH IS NOT IN QUEENS COUNTY?

(Same as answer above) Proposals for formation, dissolution or restructuring need to be in writing and filed with the Island Regulatory and Appeals Commission (IRAC). If the proposal would result in a town or city that does not meet certain criteria that are described in the new Act, the proposal must be submitted to and approved by the Minister prior to being accepted by IRAC.