



33 Pleasant Street
Guysborough, NS
(902) 533-3705 www.modg.ca

Information Bulletin—November 2011

Re. Town of Canso Dissolution & Integration with Municipality

The purpose of this Information Bulletin is to inform residents of the Municipality of the District of Guysborough (MODG) and the Town of Canso of the progress to date regarding the dissolution process for the Town of Canso and to provide an overview of the Municipality's integration plan if dissolution is approved by the NS Utility & Review Board (UARB).

Background

As most residents are aware, in September 2010, the Town of Canso submitted an application to the UARB for dissolution of Town status. The application for dissolution was necessary as a result of many factors, primarily related to the decline of the fishery and the closing of the large-scale fish plant in the Town, resulting in a significant loss of commercial taxation and employment opportunities. In addition to the loss of fishery-related revenues, the cost of operating and upgrading the infrastructure in the Town has been dramatically increasing resulting in failing infrastructure and unsustainable tax rates.

Dissolution Process

As soon as the application for dissolution of Town status was filed by the Town of Canso with the UARB, the Province (Service Nova Scotia & Municipal Relations) appointed a Transition Coordinator (Reg Ridgley, Accountant) for the Town and the UARB developed a dissolution process and schedule. The dissolution process included:

- i. Preliminary Hearing (November 2010)
- ii. Board Order (May 2011) (requiring infrastructure, financials & governance studies)
- iii. Submission of Studies (September/October 2011)
- iv. Information Requests re. Studies (October/November 2011)
- v. Filing of Evidence (October/November 2011)
- vi. Formal Hearing (December 5 & 6, 2011)
- vii. Board Order (response to application) (Winter/Spring 2012)

As shown, the formal Hearing by the UARB to consider the application for dissolution from the Town of Canso will be held on December 5 & 6, 2011. Details on locations, times and procedures for submission/presentations are shown on the official Notice of Hearing, which is included on the back cover of this information bulletin

As shown in the Notice of Hearing, the Town of Canso applied to the UARB to dissolve the Town in accordance with Section 395 of the Municipal Government Act (MGA). Section 399 of the MGA states "after the application for dissolution is heard, the Board may dissolve the Town upon such terms as it considers advisable". It is anticipated by the Province and the Municipality that the UARB will dissolve the Town and Canso will then be a community of the Municipality.

The Municipality of the District of Guysborough participated in the dissolution process by assigning senior staff to the file and joining a Transition Advisory Committee, which had representatives from MODG, the Town of Canso and the Province. The purpose of this committee was to ensure that the interests of all parties were considered for each decision in the process. Working with this committee, MODG insisted that detailed studies of the infrastructure, finances and governance related to Canso be carried out. Following the Preliminary Hearing held by the UARB in November 2010, the Board ordered the detailed studies as requested by the Municipality.

Infrastructure Studies

MODG was very concerned about the condition of the core municipal infrastructure in the Town. Therefore, MODG Council insisted that the Province fund detailed studies of all major infrastructure in the Town. As a result of the UARB Order, the following infrastructure studies were completed:

- i. Wastewater Treatment Plant & Collection system
- ii. Water Treatment & Distribution System
- iii. Streets, Sidewalks & Associated Infrastructure
- iv. Stormwater Infrastructure
- v. Water & Electrical Rate Studies
- vi. Electrical Distribution Infrastructure
- vii. Building/Property Assessments
 - Arena & Pool Facility
 - Seaside Manor Inn
 - Whitman House Museum
 - Town Administration Building
 - Old Post Office
 - Fire Hall
 - Others (potential demolitions)
 - Old Fire Hall
 - Old Car Wash
 - Public Works Garage
 - Canso Academy (if closed)

CBCL Consulting Engineers Ltd. were tasked with completing the various engineering studies. Their assessments showed 2 categories/pieces of municipal infrastructure were in good to excellent condition, 3 were in average condition, 1 in poor to average condition, 3 in poor condition, and 10 were in failing condition. Based on the studies, the estimated cost to upgrade the infrastructure to average or better condition would be in the \$7 to \$10 million range. A 10-year infrastructure program will be developed to target the infrastructure deficits. Also, a short-term program will be implemented to address emergency, safety, and visual infrastructure concerns. MODG negotiated a special reserve fund with the Province, which would be used if Canso Academy is closed, and if demolition is required.

Financial Studies

Grant Thornton, Chartered Accountants, were engaged to complete the financial studies ordered by the UARB. Financial information for MODG and the Town was taken from annual financial statements and budgets for each municipal unit. The financial studies order by the Board were:

- i. 2-year forecast for Canso—no dissolution
- ii. Transition Review for Canso
- iii. 5-year forecast for MODG—no dissolution
- iv. 5-Year Forecast for MODG and Canso after dissolution

Governance Study

The UARB ordered that a governance study be carried out in the Municipality of the District of Guysborough and the Town of Canso. The Town engaged Stantec Consulting Ltd. to complete this study. The study, which has been submitted to the UARB, has scenarios with a range of 8 to 10 councillors for the combined Municipality and Town areas. The recommended scenario has 8 councillors with adjustments made to the boundaries of District # 5 (Dover, Hazel Hill, Tickle) and District # 8 (Canso) as well as other minor adjustments to balance (within acceptable limits) the number of voters in each district.

Essentially, under the recommendation, the majority of Canso residents will vote for one councillor in District 8, while some Canso residents who live along Route 16 will vote for one councillor in District 5. It should be noted that Section 399 of the Municipal Government Act (MGA) states: "The Order of the Board dissolving a Town shall determine that the area be an additional polling district or shall form part of another polling district of the Municipality to which it is annexed."

Funding Agreement

The information in the infrastructure and financial studies was used by MODG Council to develop a dissolution funding request to the Province. After lengthy and substantive negotiations, the Municipality, the Province and the Town have signed a Letter of Intent, which is the framework for a financial agreement between the parties that would allow tax rates in Canso to be stabilized and the condition of core infrastructure to be improved. The agreement will provide specified equalization-type funding and provincial capital funding for a 5-year period. Also, the Province will assist MODG in accessing infrastructure-type funding (cost-shared) for a 10-year capital improvement program. The Province will also assume other costs related to dissolution such as current debt, legal costs, employee severance packages, and other specified transition costs. The funding in the Letter of Intent is a balanced solution that recognizes the Province's responsibilities, helps with improving infrastructure and stabilizing tax rates for Canso residents, and mitigates the impacts on the residents of MODG.

Go-Forward Strategy

MODG will focus on the following core municipal services within the community of Canso:

- i. Water Treatment & Distribution
- ii. Wastewater Treatment & Collection
- iii. Streets & Associated Infrastructure
- iv. Solid Waste Collection & Management
- v. Fire Protection
- vi. Recreation/Parks & Playgrounds
- vii. Administrative & Planning Services
- viii. Economic Development & Tourism

The core services in the community will be reviewed in detail as part of the process to develop short-term and long-term infrastructure improvement programs. The short-term program will target emergency, safety and visual upgrades. The long-term program will target improving overall condition of infrastructure to average or better and right-size all infrastructure for today's community requirements to reduce operating and capital costs. The Department of Transportation will be responsible for the maintenance of Canso streets after dissolution. MODG will pay a per km fee to DOT for this service. The Municipality will assume the responsibility for the operation and maintenance of all core municipal services in Canso if/when dissolution occurs.

It should be noted that any buildings and/or properties that are not required for the provision of core municipal services will be sold or disposed of in accordance with municipal policy.

On the dissolution date, the municipal office in Canso will close and all administrative services will be provided out of MODG offices. MODG officials have met with officials from Bell Aliant to discuss the elimination of all long-distance calling charges within MODG and Canso. If this is not achieved in the short-term, MODG will institute a 1-800 number. MODG will be issuing additional newsletters with more information on the provision of municipal services.

Overall Goals

MODG Council's overall goals for Canso are:

- i. Stabilize tax rates
- ii. Improve the condition of infrastructure

- iii. Reduce operating costs
- iv. Right-size infrastructure , liabilities and operations
- v. Review programs and services and sustain or integrate with MODG's programs and services where appropriate
- vi. Integrate MODG by-laws and policies where appropriate
- vii. Develop communications and community relations with Canso residents and organizations consistent with all other communities within MODG.
- viii. Work with the RDA and other economic/tourism agencies to help build on economic development opportunities.
- ix. Assure Canso residents that MODG will work diligently to build on the rich history in Canso and improve the economic conditions in the community.

In closing, Guysborough Municipal Council and Staff look forward to Canso joining our family of communities in the Municipality if dissolution is approved by the UARB. For more information on MODG services, please visit www.modg.ca.

Following are contacts for the Canso file.

Barry Carroll, Chief Administrative Officer, bcarroll@modg.ca

Gary Cleary, Managing Director, gcleary@modg.ca.

NOVA SCOTIA UTILITY AND REVIEW BOARD NOTICE OF HEARING

THE TOWN OF CANSO has applied to the Board under section 395 of the *Municipal Government Act* to dissolve the Town and amalgamate with the Municipality of the District of Guysborough.

The Hearing will be held as follows:

COMMENCING: Monday, December 5, 2011 at 9:30 a.m.
Canso Fire Hall
1134 Union Street
Canso, Nova Scotia

EVENING SESSION: Monday, December 5, 2011 at 6:30 p.m.
Canso Fire Hall
1134 Union Street, Canso

EVENING SESSION: Tuesday, December 6, 2011 at 6:30 p.m.
Guysborough Municipal Council Chambers,
33 Pleasant Street, Guysborough

THE PURPOSE OF THIS HEARING is to hear evidence and argument on the merits of the application.

ALL PERSONS MAY ATTEND THE HEARING. PERSONS WHO ARE NOT PARTIES, BUT WHO WISH TO SPEAK, MAY DO SO AT THE EVENING SESSIONS, AND MUST NOTIFY THE BOARD OF THEIR INTENTION TO DO SO NO LATER THAN TUESDAY, NOVEMBER 29, 2011. All such persons shall be scheduled on a speakers list which will determine the order of speakers at the evening sessions. Depending on the circumstances, the Board may limit the time for each speaker. Any person wishing to make written submissions, whether or not they are speaking at an evening session, must file such submissions with the Board, to be received by the Board no later than **Tuesday, November 29, 2011.** Filing can be by delivery, mail, fax or e-mail.

The Board can be contacted at: Clerk of the Board, Nova Scotia Utility and Review Board, PO Box 1692, Unit "M", Suite 300, Summit Place, 1601 Lower Water Street, Halifax, N.S. B3J 3S3, Fax: (902) 424-3919, Telephone: (902) 4244448, E-Mail: board@gov.ns.ca

Documents filed by the Town are available for inspection at the Canso Town Office and at the Office of the Board or on the Board's website at www.nsuarb.ca under the Evidence Tab, Matter Number M03578. The documents filed by other formal intervenors, including the Municipality of the District of Guysborough, can be accessed through the Board's website or at the Office of the Board.