

Town of Parrsboro

GOVERNANCE DISCUSSION
AUGUST 13, 2015



Overview of Tonight's Meeting

- **Review Current Town Financial and Governance Situation**
Parrsboro Mayor Lois Smith
- **Review of Current and Future Perceived Challenges and Potential Opportunities**
Parrsboro Chief Administrative Officer Ray Hickey
- **Benefits to Cumberland of Structural Change**
Warden Keith Hunter
- **How Did the Springhill Dissolution Go?**
Councillor Maryanne Jackson and Councillor Doug Williams
Cumberland Chief Administrative Officer Rennie Bugley
- **Structural Change Perceived Challenges and Potential Benefits, and Process**
Chris McNeill, Department of Municipal Affairs
- **Opportunity to Share Information and Obtain Community Feedback about Potential Future Choices**
- **No Decisions Will be Made Tonight.**

Parrsboro Community Profile

- **Population** **1,305** (↓6.9%)
 - Under Age 15 **180 (13.8%)**
 - Over 65 **340 (26.1%)**
 - Average Age **50.2**
- **Total Dwellings** **768**
- **Land Area** **14.88²km**
- **Average Capped Residential Assessment** **\$60,601**
- **Average Commercial Assessment** **\$88,352**
- **1 cent increase on all tax accounts generates approximately \$6,226**

	2013-2014	2014-2015	2015-2016
General Government	527,039	538,078	545,535
Protective Services	527,195	562,954	579,378
Public Works	553,121	567,481	592,394
Engineering & Planning	111,400	122,175	137,175
Recreation and Culture	129,092	182,711	154,935
Fiscal	398,895	405,967	405,967
Subtotal	2,246,742	2,379,366	2,415,384
Transfers from Operating Reserves	11,582	30,000	55,000
Total	2,235,159	2,349,366	2,360,384

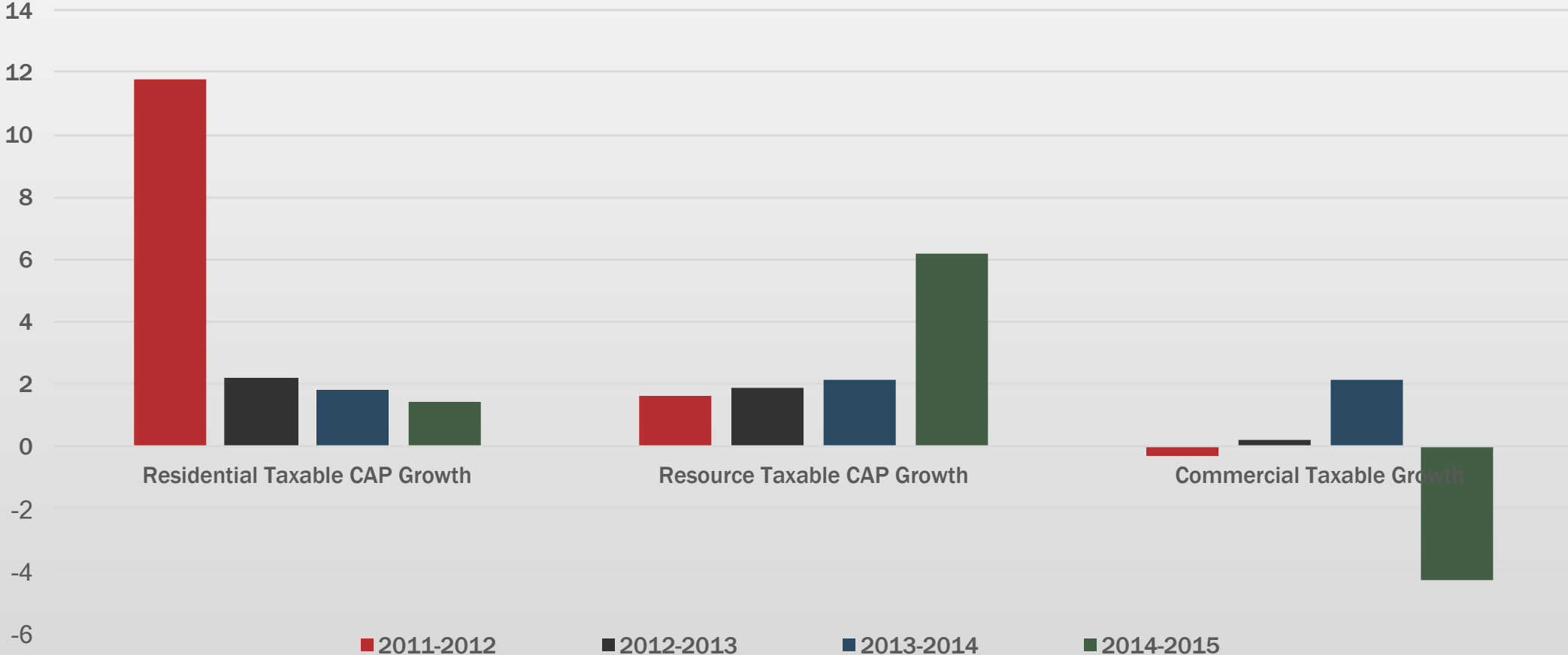
Parrsboro Community Profile



	2013-2014	2014-2015	2015-2016
Residential Tax Rate	1.99	1.80	1.75
Commercial Tax Rate	4.13	3.99	3.85
Solid Waste Charge	\$125	\$130	\$120
Fire Rate - Residential - Commercial	0 0	\$125 \$150	\$125 \$150
Streetlight Charge - Res. - Comm.	0 0	\$50 \$55	\$50 \$55
Sewer Charge	\$200	\$200	\$205
Water Charge	\$7 / tap	\$7 / tap	\$7 / tap
Residential Taxes based on \$60,601 assessment	\$1,331	\$1,396	\$1,356
Commercial Taxes based on \$88,352 assessment	\$3,649	\$3,730	\$3,607

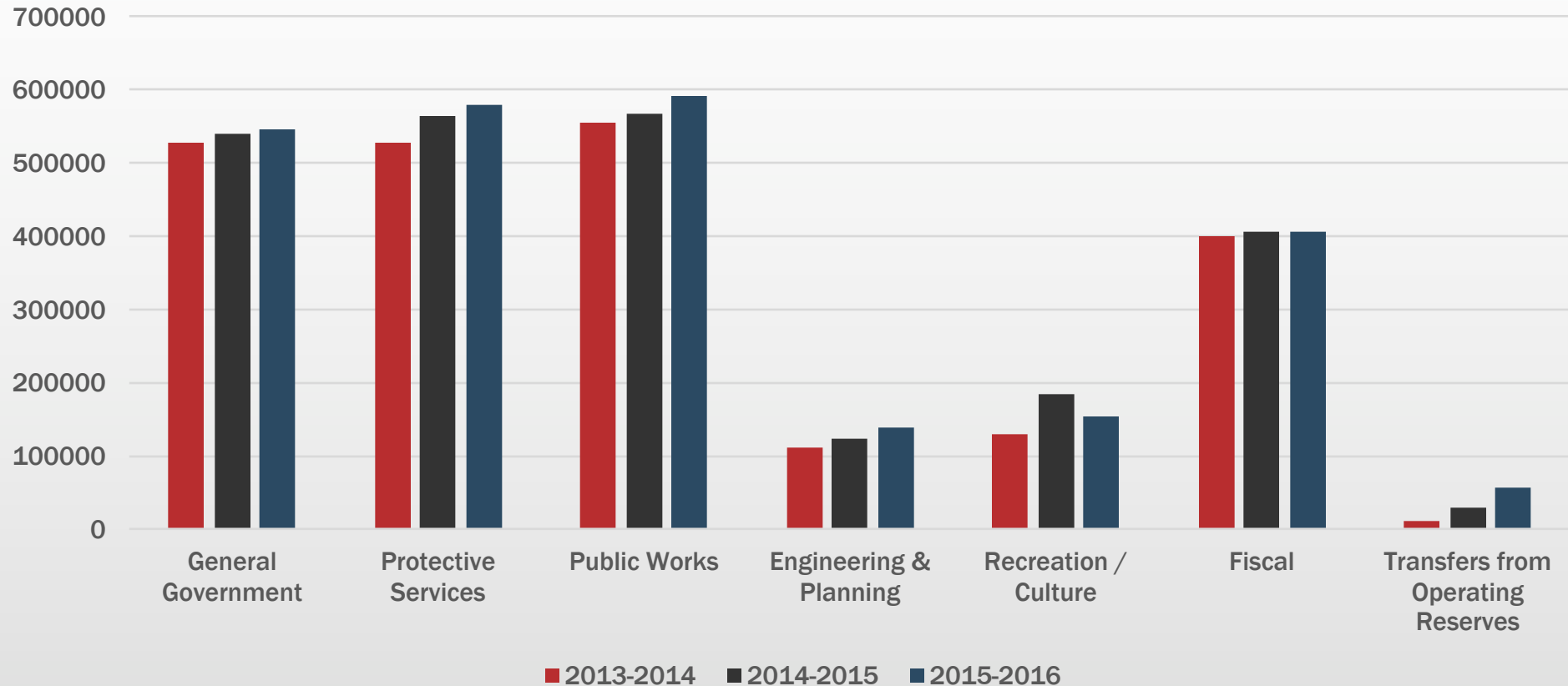
Parrsboro's Assessment Revenue Trends

4-Year Assessment Changes in Parrsboro

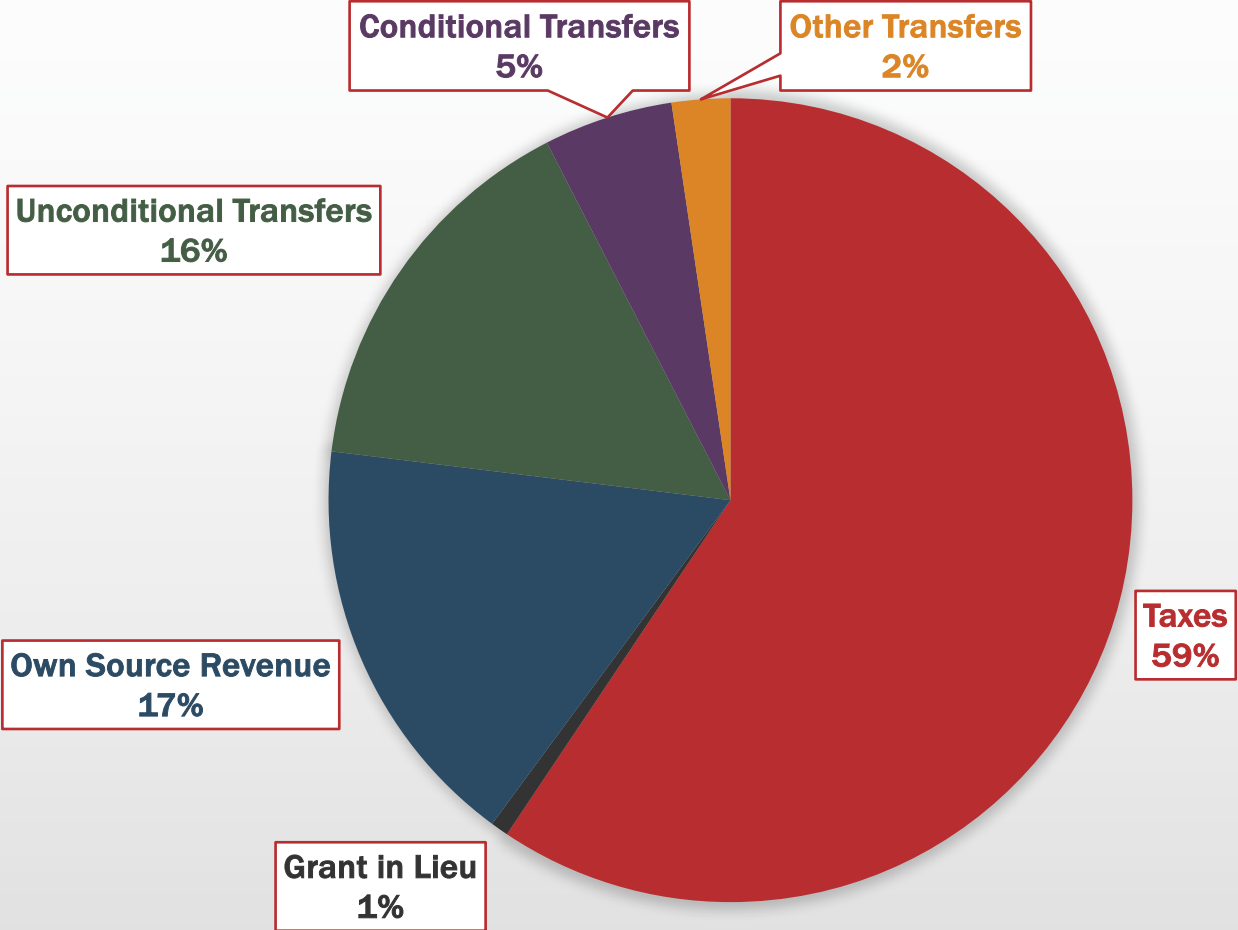


Parrsboro's Expenditure Trends

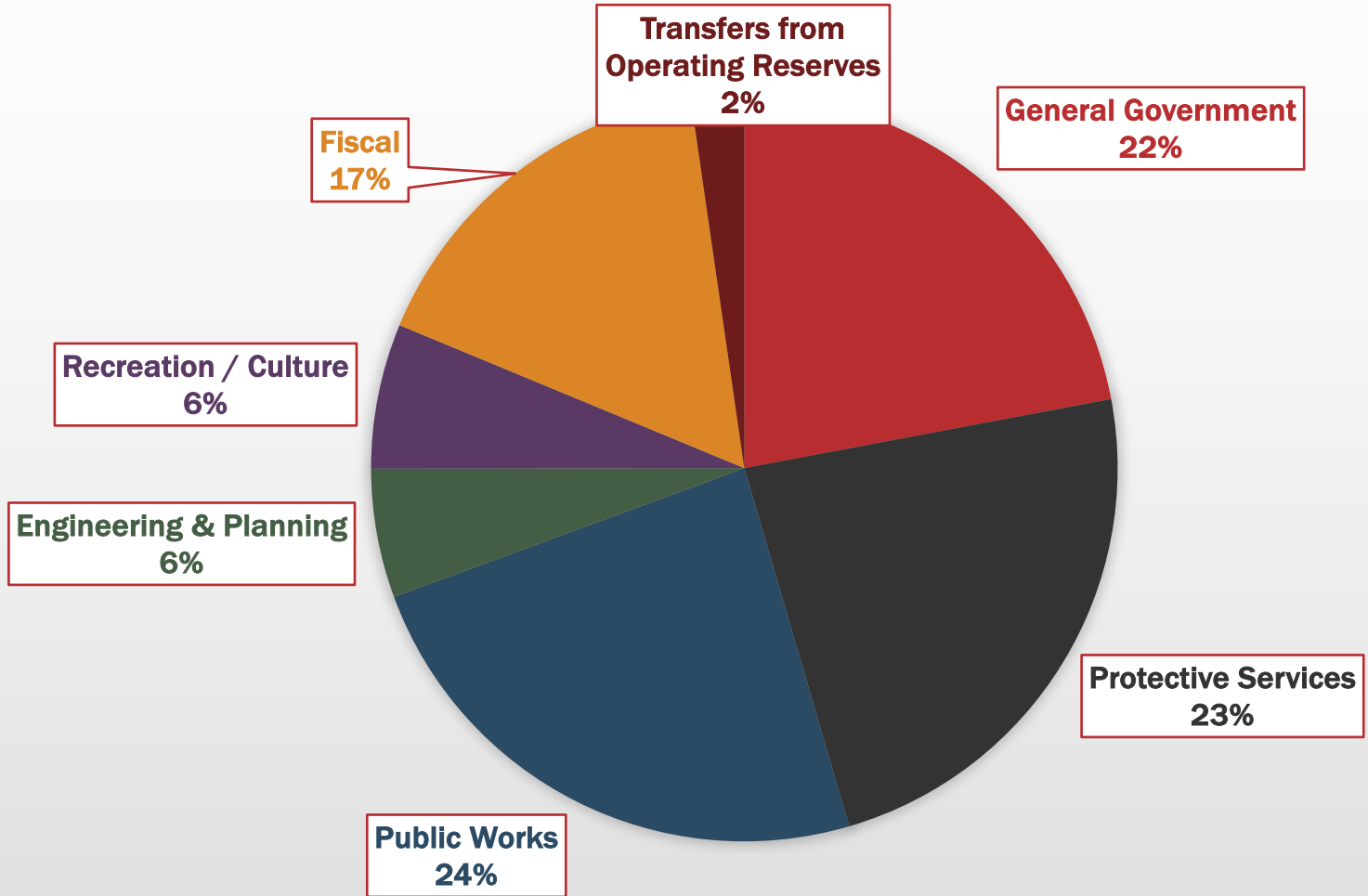
3-Year Budgeted Expenditure Trends 2013-2014 to 2015-2016


















Parrsboro's Revenue Sources 2015-2016


















Parrsboro's Expenditure Sources 2015-2016


















Financial Condition Index (FCI) Scores 2011-2014

Revenue Dimension							
	2011/12		2012/13		2013/14		Threshold
	Score	Average	Score	Average	Score	Average	
Reliance on Government Transfers	 24.9%	11.0%	 23.4%	10.5%	 21.3%	9.9%	Below 15%
Uncollected Taxes	 1.7%	9.7%	 3.8%	9.6%	 2.7%	9.1%	Below 10%
3 Year change in Tax Base	 11.5%	5.4%	 11.8%	7.2%	 16.3%	7.3%	2012 > 8.37% 2013 > 6.20% 2014 > 4.44% (see note 1)
Commercial Property Assessment	 12.6%	23.1%	 11.6%	22.2%	 11.1%	21.6%	Above 20%
Reliance on Single Business/Institution	 1.8%	7.2%	 1.7%	6.2%	 1.6%	5.9%	Below 10%

Financial Condition Index (FCI) Scores 2011-2014

Budget Dimension							
	2011/12		2012/13		2013/14		Threshold
	Score	Average	Score	Average	Score	Average	
Residential Tax Effort	 2.7%	3.3%	 2.9%	3.7%	 3.2%	3.9%	Below 4%
Deficits in the Last 5 Years	 0.0	1	 0.0	0.7	 0.0	0.5	Below 1
Budgeted Expenditures Accuracy	 8.8%	3.8%	 8.5%	4.1%	 1.8%	3.9%	Between -5% and +5%
Liquidity	 1.0	1.5	 1.0	1.6	 1.0	1.4	Above 1
Operating Reserves	 21.8%	8.0%	 25.9%	15.8%	 25.4%	14.6%	2012 > 5% 2013 & 2014 > 10% (see note 2)

Financial Condition Index (FCI) Scores 2011-2014

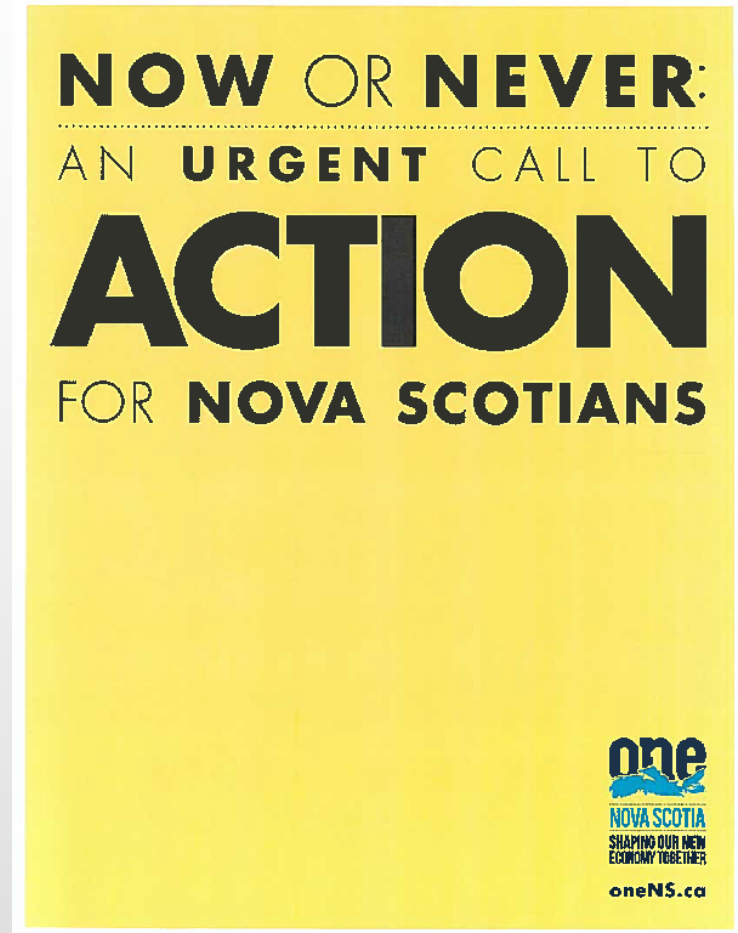
Debt and Capital Dimension							
	2011/12		2012/13		2013/14		Threshold
	Score	Average	Score	Average	Score	Average	
Debt Service	 0.0%	7.4%	 0.0%	7.8%	 0.0%	7.9%	Below 15%
Outstanding Debt	 0.0%	1.3%	 0.0%	1.3%	 0.0%	1.3%	Below 3.5%
Undepreciated Assets	 58.3%	58.6%	 56.1%	57.7%	 53.0%	56.4%	Above 60%
5 year Capital Purchases	 194.3%	211.6%	 140.7%	196.0%	 174.9%	181.5%	Above 100%
5 Year Contributions to Capital Reserve	 7.0%	8.2%	 7.4%	11.0%	 7.9%	14.6%	Above 10%

OneNS Report

- **GOAL 18: REFORM OF MUNICIPAL GOVERNMENT AND REGIONAL SERVICE STRUCTURES**

Prime objectives for restructuring should include:

- Greater service efficiency and improved “value for money” for taxpayers
- Greater engagement of communities with regard to economic development planning and business
- Reductions in regulatory burden



Town of Parrsboro

CURRENT SHARED SERVICE AGREEMENTS

Current Shared Service Agreements

Town of Amherst

- Building, Fire Inspection and Planning Services, \$40,000 annually

Cumberland County

Fire Services \$50,000 annually

Recreation Programming, \$5,000 annually

Partnerships

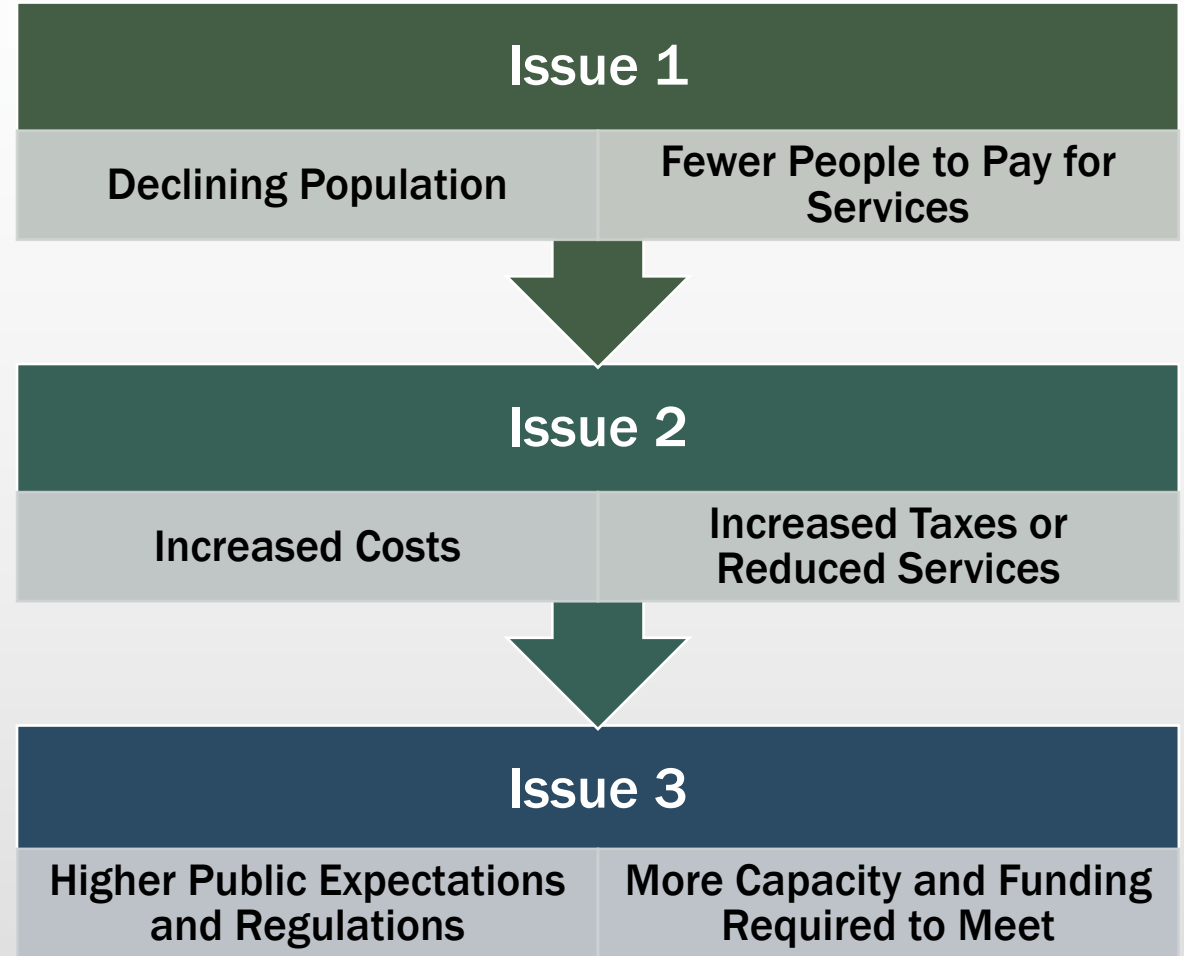
- Cumberland Energy Authority
- Cumberland Joint Services Management Authority
- Emergency Management (EMO)
- RCMP Detachment

Town of Parrsboro

CHALLENGES IN 2015 AND THE NEAR FUTURE

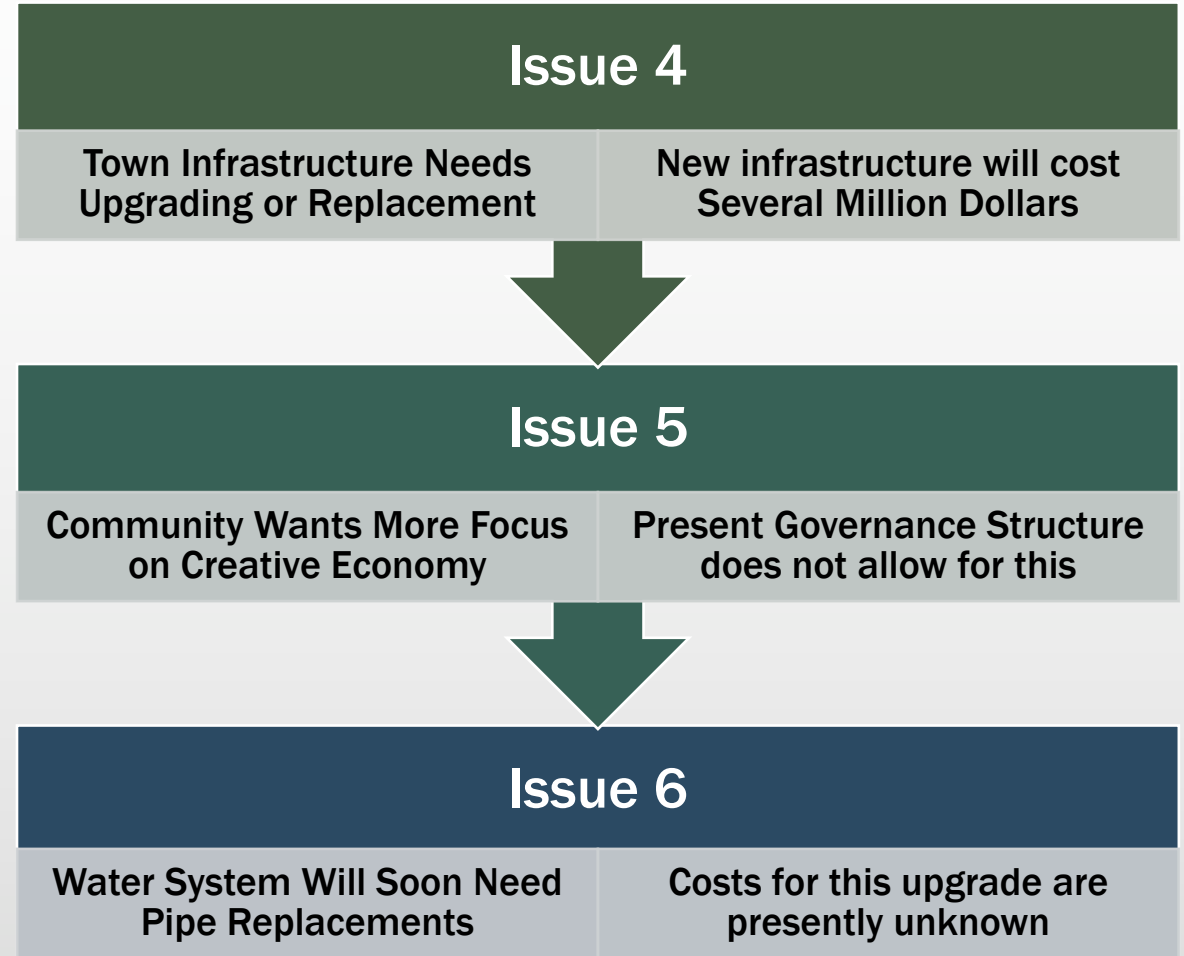
Future Challenges for Parrsboro

- Demographics are changing
- Community needs a Wastewater Treatment Facility to comply with federal law by 2020. Cost is estimated at \$5 million.
- Limited staffing in accounting, IT, and engineering creates challenges in a modern municipal environment; with increased reporting requirements, retirements and new facilities.



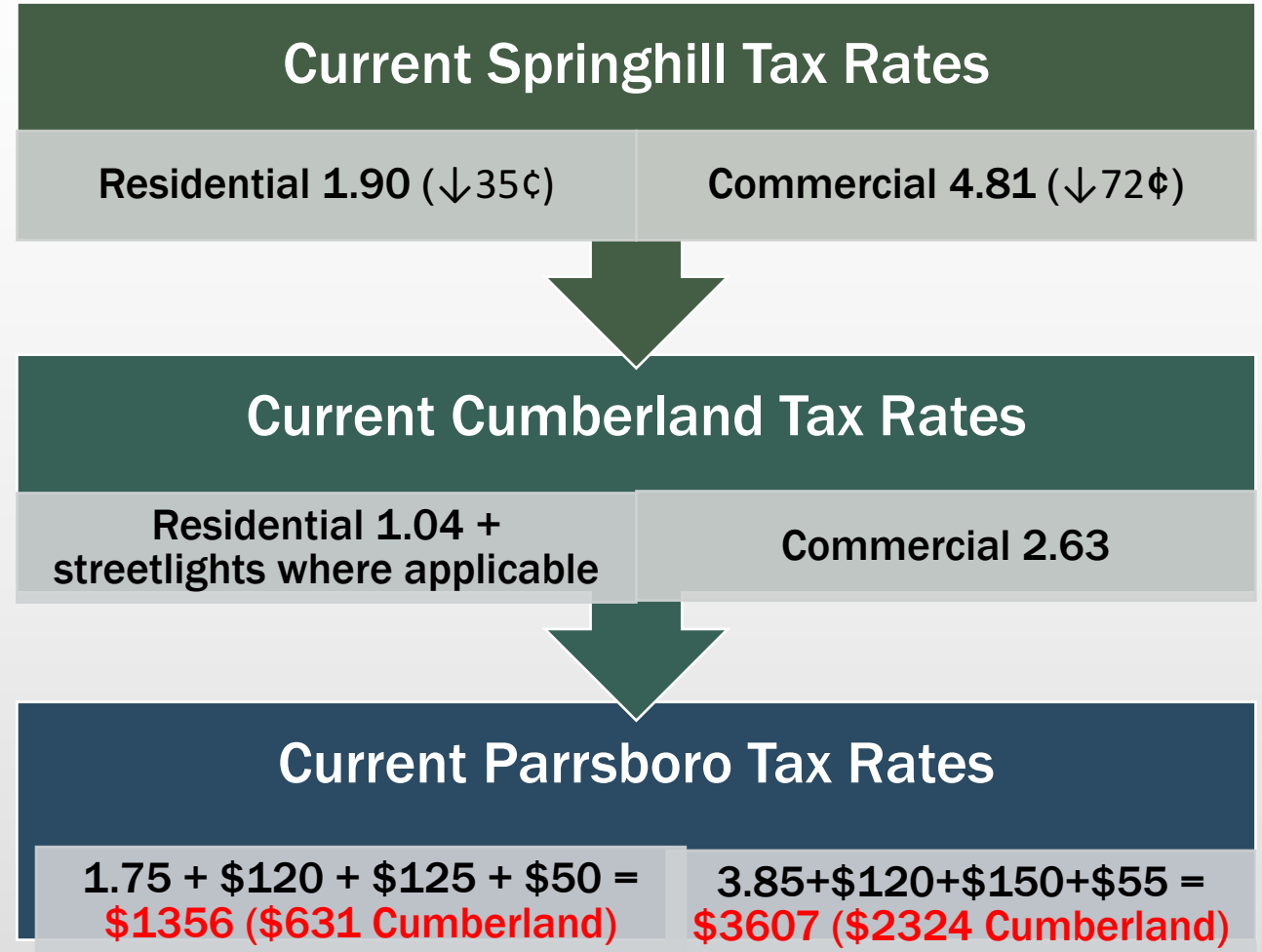
Future Challenges for Parrsboro (2)

- Town infrastructure is aging and will be in need of replacement in the near future.
- Town lacks the financial resources to develop and expand the creative aspects of the community: infrastructure and programs.



Future Challenges for Parrsboro (3)

- Tax Burden in Springhill is decreasing
- Tax Burden in Cumberland is stable
- Tax Burden in Parrsboro needs to increase to provide new or updated infrastructure
- Based on Parrsboro's current taxation.....comparative residential and commercial rates to Cumberland are **2.24** and **4.08** respectively
- **Average Res. Assessment \$60,601**
- **Average Comm. Assessment \$88,352**



Future Challenges for Parrsboro (4)

- Civic Facilities Need Upgrades
- New Wastewater System is Needed to meet Federal Regulations by 2020
- In need of a new recreation hall and electrical, presently only operating at a break-even basis



Town of Parrsboro

OPPORTUNITIES IN 2016 AND BEYOND

Existing Town of Parrsboro Facilities

- Public Works Garage
- Fire Hall & Community Centre
- Tennis Courts
- Don Yorke Ball Field
- Triassic Park Ball Field
- Former Scott Property Park
- Playground & Dog Park
- Gavin Park on Main Street
- Bandstand & Public Gardens
- Partridge Island Trail & Look-off
- Various Forest Land
- Town Hall
- Library
- Streets
- Sewers
- Water System / Reservoir

Town of Parrsboro Future Governance Options

- **Status Quo**
- **Increase Revenue with High Taxes or User Fees**
- **Decrease Expenditures with Less Infrastructure and Services**
- **More Shared Services**
- **Governance Change**
 - annex part of Cumberland
 - dissolve into Cumberland



Future Parrsboro Opportunities with Cumberland

- **Reduced operating costs**
- **Professional engineers, accountants, economic development**
- **Increased focus on cultural and economic development**
- **Future capital cost aversion**
- **Future infrastructure leadership and oversight**
- **Opportunity for reduced tax rates and enhanced programs and services**
- **Fairer user pay system for Parrsboro infrastructure**



Benefits to Cumberland

- **The People of Parrsboro are a Huge Asset**
- **Energy authority development (geothermal, wind and tidal)**
- **Municipal Assets**
 - water system, sewer system, cultural assets, community facilities
- **Economic Development Opportunities**
 - tidal power, serviced land, more competitive tax rates, tourism and cultural sector
- **Effectiveness and Efficiencies**
 - i.e. regional planning, one larger council, sharing staff resources
- **County-wide cultural and economic development plans and strategies**





Springhill Dissolution

Facts and Figures



Reduced Springhill Taxes:

Residential 2.25 to 1.90 (↓35¢)

Commercial 5.53 to 4.81 (↓72¢)

Solid Waste Charge Eliminated \$147

Springhill Dissolution

Facts and Figures



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**Community Identity is Strong, Big Change
in Attitude**

Springhill Dissolution Facts and Figures



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Geothermal Developments

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Better Communication with Public

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**Best is Yet to Come with Letter of Intent
Funding (\$5.5 million over 5 years)**

Springhill Dissolution

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Challenges Around Some Job Losses

Springhill Dissolution

Facts and Figures



Organizational Structure was Important

Springhill Dissolution
Facts and Figures



Organizational Structure was Important

Communication to Employees

Springhill Dissolution

Facts and Figures



Organizational Structure was Important

Communication to Employees

Fair Employment Conditions

Springhill Dissolution

Facts and Figures



Organizational Structure was Important

Communication to Employees

Fair Employment Conditions

Building Positive Union Relationships

Springhill Dissolution

Facts and Figures



Organizational Structure was Important

Communication to Employees

Fair Employment Conditions

Building Positive Union Relationships

**Revised Position Descriptions,
Performance Development Plans,
Compensation Review, Consolidating HR
Policies, Staff Engagement**

Springhill Dissolution Facts and Figures



Organizational Structure was Important

Communication to Employees

Fair Employment Conditions

Building Positive Union Relationships

**Revised Position Descriptions, Performance
Development Plans, Compensation Review,
Consolidating HR Policies, Staff Engagement**

**Forming Working Groups to Implement
Letter of Intent Initiatives, including
Councillors, Staff and a Citizen
Appointment**

Springhill Dissolution

Facts and Figures



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Creating a Municipal Culture and Identity

Springhill Dissolution

Facts and Figures





Perceived Challenges of Structural Change



Perceived Challenges of Structural Change

- **Fear of loss of community identity**



Perceived Challenges of Structural Change

- Fear of loss of community identity
- **Uncertainty around future service levels and infrastructure improvements**



Perceived Challenges of Structural Change

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- **What will the Tax Rates be in the future?**



Perceived Challenges of Structural Change

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- What will the Tax Rates be in the future?
- How will we be fairly represented on a much larger council?



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- **What will happen to the Town's staff and Town Hall?**



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- Uncertainty around future service levels and infrastructure improvements
- What will the Tax Rates be in the future?
- How will we be fairly represented on a much larger council?
- What will happen to the Town's staff and Town Hall?
- **Perceived loss of control over community**



Perceived Challenges of Structural Change

- Fear of loss of community identity
- Uncertainty around future service levels and infrastructure improvements
- What will the Tax Rates be in the future?
- How will we be fairly represented on a much larger council?
- What will happen to the Town's staff and Town Hall?
- Perceived loss of control over community
- **Longer time to get local decisions made**



Perceived Challenges of Structural Change

- Fear of loss of community identity
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- What will the Tax Rates be in the future?
- How will we be fairly represented on a much larger council?
- What will happen to the Town's staff and Town Hall?
- Perceived loss of control over community
- Longer time to get local decisions made
- **Weakening of local community support and volunteers**



Potential Benefits of Structural Change



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- Simplified planning and development rules.



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- Enhanced Service Centre to residents of Parrsboro and County



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- **Increased human resource capacity**



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- **Partner in a large economic development strategy**



Potential Benefits of Structural Change

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- **More efficient delivery of programs, services and infrastructure**



Potential Benefits of Structural Change

- Simplified planning and development rules.
- Enhanced Service Centre to residents of Parrsboro and County
- Increased human resource capacity
- Partner in a large economic development strategy
- More efficient delivery of programs, services and infrastructure
- **Less legal, administration, auditor, and shared service costs**



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- **Significantly larger pool of cash and borrowing capacity for infrastructure projects**



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- **Those that use a service or infrastructure, more fairly pay for it**



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- Significantly larger pool of cash and borrowing capacity for infrastructure projects
- Those that use a service or infrastructure, more fairly pay for it
- **Stronger voice for area with provincial and federal governments**



**How Would a
Governance Change
Process Work?**

Step 1

- Council consults with its residents about possible structural change.
- After consultation, Council publicly debates and positively votes on a motion to apply to the Nova Scotia Utility & Review Board (NSUARB) for structural change, and sends a letter to the NSUARB to this effect.



**How Would a
Governance Change
Process Work?**

Step 2

- Town works with Department of Municipal Affairs to prepare their formal application.
- While this is being prepared, Town and County discuss the appointment of a Transition Coordinator and Transition Manager for the process.
- Simultaneously, Town and County each appointment two council representatives to a Transition Committee to oversee the process and implementation.



**How Would a
Governance Change
Process Work?**

Step 3

- Transition Committee prepares budget for submission to Department of Municipal Affairs for funding.
- Transition Committee hire legal council to prepare for NSUARB Preliminary Hearing in Parrsboro where residents and groups can provide input.
- Transition Manager or CAO facilitates financial statement preparation with Town and Auditor.



**How Would a
Governance Change
Process Work?**

Step 4

- After Preliminary Hearing, Transition Committee prepares NSUARB required reports including:
 - 5 year financial projections alone and combined
 - Infrastructure study
 - Roads study
 - Equalization study
 - Deed Transfer Tax study
 - Social Impact study
 - Governance study
 - Policing study
 - Water Utility study (governance vs. rates)
 - Human Resources study
 - Reason for the Application report
- Preliminary Hearing decisions for Canso, Bridgetown, Hantsport and Springhill are on NSUARB website.



**How Would a
Governance Change
Process Work?**

Step 5

- While studies are being prepared, those with formal standing can ask questions of Town and County through the NSUARB Information Request (IR) process.
- Additionally, the Transition Committee will conduct public consultation and engagement sessions during this time.



**How Would a
Governance Change
Process Work?**

Step 6

- All of the required financial and expert studies are then filed with the NSUARB and made available to the public.
- The NSUARB then has its own staff review the documents and hire its own financial consultant to examine all of the reports.
- This leads to more IR's from the NSUARB and Intervenors.



**How Would a
Governance Change
Process Work?**

Step 7

- After the reports are all submitted to the NSUARB and made public, the Transition Committee usually holds more public consultation with all of the experts that prepared the reports to answer questions regarding the details of the reports.



**How Would a
Governance Change
Process Work?**

Step 8

- The Town, County and Province negotiate a Letter of Intent which sets out the funding provided by the Province over the next five years to assist with critical infrastructure improvements and work that is incremental to structural change.
- This Letter of Intent is filed with the NSUARB as evidence at the formal Hearing on the Merits.
- All information is available on the NSUARB's website at www.nsuarb.novascotia.ca



**How Would a
Governance Change
Process Work?**

Step 9

- Next is the Hearing on the Merits which is the formal hearing where testimony is given and witnesses cross-examined by Intervenor and the NSUARB.
- This Hearing can go over several days and includes an evening component for public comments in person. Comments can also be given in writing to the NSUARB at any time during the process.
- This hearing takes place in Parrsboro.



**How Would a
Governance Change
Process Work?**

Step 10

- Between 30 and 60 days after the Hearing on the Merits, the NSUARB releases its Tentative Preliminary Decision. The Intervenors have the ability to provide input into specific details of the decision or to correct errors.
- This Preliminary Decision may request a submission from all parties to the application to submit recommendations for new electoral boundaries and the number of councillors.



**How Would a
Governance Change
Process Work?**

Step 11

- Shortly thereafter, the NSUARB releases its final decision or Order and the municipalities work diligently to implement the requirements prior to the date of structural change.



**How Would a
Governance Change
Process Work?**

NSUARB

- Independent, Third Party
- **Consider ALL Evidence and Submissions**
- Evidence and Fact Based
- **Transparent Process**
- Public Input



**How Would a
Governance Change
Process Work?**



Town of Parrsboro

**HOW DO YOU SEE OUR
COMMUNITY LOOKING IN
THE FUTURE?**



What would you continue to do the same?

What would you do differently?

What information do you need to make the best decision?

If you were on Council, what decision(s) would you make?

What issue is most important to you as a resident?



QUESTIONS?



**How Would a
Governance Change
Process Work?**