

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 the Amalgamation of the Municipality and the Towns

BEFORE: Roland A. Deveau, Q.C., Vice-Chair
Murray E. Doehler, CPA, CA, P.Eng., Member
Roberta J. Clarke, Q.C., Member

COUNSEL: **MUNICIPALITY OF THE COUNTY OF PICTOU**
TOWN OF NEW GLASGOW
TOWN OF PICTOU
TOWN OF STELLARTON
Robert G. Grant, Q.C.
Jeff Waugh, LL.B.

PROVINCE OF NOVA SCOTIA
(Department of Municipal Affairs)
Kathleen E. Naylor, LL.B.

INTERVENORS: **TOWN OF WESTVILLE**
Dennis J. James, Q.C.
Sylvie Theriault, Articled Clerk

TOWN OF TRENTON
J. Gregory MacDonald, Q.C.

**NOVA SCOTIA GOVERNMENT AND GENERAL
EMPLOYEES UNION**
David J. Roberts, LL.B.

CANADIAN UNION OF PUBLIC EMPLOYEES, LOCAL 281
Betty Jean Sutherland, National Representative

ATLANTIC POLICE ASSOCIATION

David W. Fisher, LL.B., Chief Executive Officer
Leah J. Kutcher, LL.B.

BOARD COUNSEL: Richard J. Melanson, LL.B.

HEARING DATE: March 7-9, 2016

SUBMISSIONS: March 29, 2016

DECISION DATE: April 29, 2016

DECISION: Amalgamation would be in the best interests of the residents. Board will render a final Decision after the receipt of plebiscite results to be held on May 28, 2016.

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I INTRODUCTION

[1] The Municipality of the County of Pictou (“Municipality”) and the Towns of New Glasgow, Pictou and Stellarton (“Towns”), (collectively the “Applicants”), filed an application under s. 358 of the *Municipal Government Act*, S.N.S. 1998, c. 18 (“Act” or “MGA”) with the Nova Scotia Utility and Review Board (“Board”) on August 31, 2015 for a Preliminary Order for the amalgamation of the Municipality and the Towns (“Application”).

[2] The Board held a Hearing for a Preliminary Order at the Pictou County Wellness Centre, Stellarton, Nova Scotia, on October 6, 2015, to determine, among other matters, who should be granted formal standing as a party, which studies should be prepared with respect to the Application, and to schedule the hearing on the merits.

[3] The Board issued a Preliminary Order on October 9, 2015, directing, among other items, the nature of the evidence to be filed by the parties and the studies to be prepared by the Applicants in advance of the hearing on the merits, as well as setting down the timeline leading to the hearing on the merits, including dates for the filing of evidence and the issuance of Information Requests (“IRs”).

[4] Formal standing in this proceeding was granted by the Board to the Town of Trenton, the Town of Westville, the Minister of Municipal Affairs (“Minister”), the Atlantic Police Association, the Canadian Union of Public Employees, Local 281 (“CUPE”), and the Nova Scotia Government and General Employees Union (“NSGEU”).

[5] The filing of evidence and studies by the parties, as well as the filing of responses to IRs, was completed on March 2, 2016. The evidence included a five year financial forecast for the Applicants if amalgamation did not occur and a five year financial

projection for the proposed amalgamated municipality (also referred to as “New Municipality” or “NM”).

[6] The Applicants and the Province executed a Letter of Intent (also “LOI”) on February 5, 2016, which was filed with the Board on the same date. In effect, the parties reached agreement on the central issue that amalgamation should occur. Further, these parties agreed on a number of other issues arising from the amalgamation, notably financial matters. The Letter of Intent is attached to this Decision as Schedule “A”.

[7] The Board held the hearing on the merits of the Application at the Holiday Inn Express Conference Centre in Stellarton, Nova Scotia, from March 7 to 9, 2016, and heard witnesses on behalf of the Applicants and the Province. Evening sessions were also held on March 7th at the same location and at the Scotsburn Fire Hall on March 8th for presentations from the public.

[8] The Applicants were represented throughout the hearings by Robert G. Grant, Q.C., and Jeff Waugh, LL.B. The Town of Trenton was represented by its solicitor, J. Gregory MacDonald, Q.C., while Dennis J. James, Q.C., and Sylvie Theriault, Articled Clerk, acted for the Town of Westville. Kathleen E. Naylor, LL.B., acted on behalf of the Minister. The Atlantic Police Association was represented by its CEO, David W. Fisher, LL.B., and Leah J. Kutcher, LL.B; the NSGEU by its solicitor, David J. Roberts, LL.B; and CUPE by Betty Jean Sutherland, its National Representative. Board counsel, Richard J. Melanson, LL.B., was also present throughout the hearing.

II MEMORANDUM OF UNDERSTANDING

[9] The basis for this Application was the subject of agreement amongst the Applicants, who executed a Memorandum of Understanding (“MOU”) on municipal reform dated November 10, 2014. It was later amended on July 27, 2015, to authorize the filing of a conditional voluntary application with the Board. The MOU includes three overarching principles: representation by population, the application of usage-based costs, and evidence-based decisions.

[10] In their MOU, the Applicants agreed on six preconditions upon which to base their Application: no material changes in property tax burdens and service levels; the equitable repayment of debt associated with the Albion Business Park; the maintenance of debt and deficits as a financial burden of the applicable former municipality (subject to the Albion Business Park precondition); the maintenance and use of pre-existing reserves for the benefit of the corresponding municipal unit; and the development of a fair and equitable five-year infrastructure and related financing plan. The evidence and financial projections filed in this proceeding complied with these preconditions.

[11] The Application itself is a voluntary request to the Board by the Applicant Towns and Municipality, and is conditional upon the fact that, in their view, the aforementioned preconditions can be satisfactorily met. Further, the Applicants have agreed that this Application is conditional on the outcome of public consultation, including the holding of a plebiscite. It is their joint understanding, depending on the outcome of the public consultation and plebiscite, or their capacity to satisfy the MOU preconditions,

that any one of them may withdraw from the Application before the Board renders its final decision.

[12] On behalf of the Applicants, the Application process and the preparation of the evidence and financial projections was managed by the MOU Steering Committee, which included representatives from each of the Applicants.

III EVIDENCE

[13] The Applicants filed evidence in this matter, including on various aspects of the Application such as the financial impact of amalgamation, infrastructure, governance and a number of inter-municipal or shared services agreements between some or all of the respective Applicants, Trenton and Westville.

[14] As noted above, the Letter of Intent was filed by the Minister on behalf of the signatories.

[15] Board Counsel retained Levy Casey Carter MacLean, Chartered Accountants (“Levy Casey”), to conduct an independent evaluation of the parties’ financial projections related to the amalgamation and to assess the impact of the Letter of Intent. Its report, which expressed no opinion on the desirability of the amalgamation, was filed on February 19, 2016.

[16] The Applicants presented a witness panel at the hearing on the merits to respond to questions from the Board and Intervenors. The witness panel was comprised of: Scott Conrod, CAO, Town of Pictou; Heather Murphy, Accountant, MacDonald & Murphy Inc. Chartered Accountants; Earl MacKenzie, Town Engineer, Town of New

Glasgow; Brian Cullen, CAO, Municipality of the County of Pictou; and Lisa MacDonald, CAO, Town of New Glasgow.

[17] Board Counsel called Greg Strange, CA, and David McKenna, CA, both of Levy Casey, to testify at the hearing. Both Mr. Strange and Mr. McKenna were qualified to testify as experts to provide opinion evidence to the Board on matters of accounting and audit, including municipal accounting and auditing.

IV EVENING SESSIONS AND LETTERS OF COMMENT

[18] As noted earlier in this Decision, the Board conducted two sessions for presentations from members of the public.

[19] The first session was held in the main hearing location at the Holiday Inn Express Conference Centre on Monday evening, March 7th, with the second session held the following evening on March 8th at the Scotsburn Fire Hall.

[20] Both of these sessions attracted significant interest from the public. These locations were chosen in consultation with the Applicants, but unfortunately they were not capable of comfortably accommodating all who wished to attend, with many standing through the sessions. Those wishing to speak were asked to register in advance, with 26 persons registering to speak on Monday evening and 13 registering to speak Tuesday evening (one person cancelled). As a result, the high attendance could not have been reasonably foreseen. Nevertheless, the Board apologizes for the inconvenience caused to residents. In order to ensure that anyone who was unable to attend can be aware of the presentations made at the evening sessions, the Board has posted the transcripts of these sessions on its website.

[21] It should be noted the Board had originally booked the Pictou County Wellness Centre for the main hearing, but was advised some time after that the Centre had already been booked by another group. As a result, the Holiday Inn Express Conference Centre was suggested.

[22] All the persons who registered to speak did, indeed, attend the sessions and were able to make their presentations. Opinion was divided among the speakers between those in support of amalgamation and those against. On Monday evening, 15 of the 26 persons who spoke were against amalgamation, while 11 supported the application. On Tuesday evening, eight of the 12 persons supported amalgamation, while four were opposed.

[23] With respect to the 23 letters of comment, almost 75% were opposed to amalgamation, but many acknowledged they wanted more information respecting the potential benefits and disadvantages, or were disappointed with the consultation process conducted by the Applicants. Several indicated they were opposed because the Towns of Westville and Trenton were not part of the Application. Some of the letters of comment were provided by persons who also made presentations at the evening sessions.

[24] All those who made presentations or filed letters were passionate in their views, regardless of their opinion on the issue.

[25] Those members of the public speaking against amalgamation were generally fearful that amalgamation would not yield the efficiencies that were projected by the MOU Steering Committee. Several pointed to the amalgamations in Halifax Regional Municipality or Cape Breton Regional Municipality as support for their view. They submitted that tax rates would increase for residents in the rural parts of the County,

many of whom they said were seniors on fixed incomes. They also feared municipal services to the rural communities would suffer, including road maintenance.

[26] Many who opposed amalgamation were disappointed with the public consultation conducted by the Applicants in advance of this proceeding. They indicated that the public sessions were information sessions rather than meaningful consultation opportunities for the public.

[27] Further, a number of opponents to the Application suggested that there should be a binding plebiscite on the issue of amalgamation. Several indicated that the plebiscite should have been held even before all of the studies were conducted.

[28] Finally, a number of those who were opposed to amalgamation were skeptical of the \$27 million committed by the Province under the Letter of Intent. Some compared it to “blackmail”, suggesting that over time the benefits of the advanced funding would soon wear off and the municipal units would be left to their declining population and decreasing tax base to meet the fiscal challenges, without the assistance of the Province.

[29] Many of those speaking in support of amalgamation referred to their frustration experienced with the current governance model. Many were business persons or people who had worked on regional agencies or community organizations. They referred to the overlap, duplication, inconsistency, tension, conflict, and the “laborious inefficiency” of having to deal with the different municipal governments in Pictou County, whether the four municipal units involved in this Application, or all six units in Pictou County.

[30] The proponents of amalgamation referred to the difficulty of attracting new businesses to the region. The Board heard more than one example of persons involved in economic development who were thwarted in their attempts to bring new businesses to Pictou County after the potential enterprises realized the practical challenges of dealing with numerous municipal governments. Even for existing businesses, the duplication and inconsistency of dealing with several different planning, permitting or taxation regimes is frustrating and discouraging to many entrepreneurs and developers.

V WHAT TEST SHOULD THE BOARD APPLY IN ASSESSING THE AMALGAMATION?

[31] While the Board has considered numerous annexation matters and town dissolution requests, it has seldom received amalgamation applications. However, the Board did conduct an extensive proceeding respecting an application to amalgamate the Town and the Municipality of Antigonish: the Preliminary Decision, 2005 NSUARB 12, affirmed on appeal, 2006 NSCA 29; and the Final Decision, 2006 NSUARB 112. The jurisdiction of the Board in assessing an amalgamation application is defined by s. 363(1) of the *MGA*:

Order for amalgamation or annexation

363 (1) After the application has been heard, the Board may, if satisfied that the order is in the best interests of the inhabitants of the area, taking into account the financial and social implications of the order applied for, order an amalgamation or annexation upon such terms as it considers advisable. [Emphasis added]

[32] Thus, under s. 363(1) of the *MGA*, the Board must consider and weigh both the financial and social implications of this application. This requires a review of the numerous issues raised in evidence during the hearing, which the Board will canvass, in turn.

VI WHAT ARE THE FINANCIAL IMPLICATIONS OF AMALGAMATION?

[33] Before embarking on its review of the financial implications of amalgamation, the Board considers it useful to outline the context and framework of the analysis that has been undertaken on financial matters related to this Application. Both the Applicants and the Board Counsel's consultants undertook their review on the basis of estimates of the resulting global net expenditures arising under amalgamation. In other words, neither the Applicants nor the Board Counsel consultants, nor the Board in this Decision, have tried to predict actual tax or area rates resulting from amalgamation. However, observations are made about how certain actions may affect the direction future rates may take. In particular, some actions may reduce the pressure, or need, to increase future tax rates.

[34] In this exercise, the approach taken has been similar to that taken in other municipal reorganization proceedings considered by the Board. In *Antigonish*, the Board described the basis for this approach:

Adopting the Board's approach in its decision respecting an *Application by Certain Ratepayers of the Municipality of the District of Chester*, [2002] NSUARB No. 36 (see paragraph 192 in that decision), it did not attempt to speculate whether residents of the resulting municipal units (i.e., whether that be in the case of annexation or amalgamation) may or may not choose to increase, or, for that matter, decrease, service levels, and if so, in what categories and to which degree. Such decisions, in the Board's view, are the sole prerogative and privilege of the residents of the affected municipal unit. If it is the desire of residents to increase the level of service in any particular category (e.g., planning, policing or solid waste collection), accompanied by the resulting increased cost, that is their decision alone, as expressed through their democratically elected council. In the final analysis, it is the collective will of the electors that must decide what level of service they wish to achieve and are prepared to pay for.

[*Antigonish* Decision, 2005 NSUARB 12, para. 374]

[35] The Board sees no reason to depart from this straightforward approach in the present matter.

[36] Further, in order to provide the full context for the Board's discussion on the financial implications of amalgamation, as was noted earlier in this Decision, a number of the MOU preconditions were to take into account financial matters, including, but not limited to, that: there should be no material changes in property tax burdens; the equitable repayment of debt associated with the Albion Business Park; the maintenance of debt and deficits as a financial burden of the applicable former municipality (subject to the Albion Business Park precondition); the maintenance and use of pre-existing reserves for the benefit of the corresponding municipal unit; and the development of a fair and equitable five-year infrastructure and related financing plan.

(1) Preparation of the Projections

[37] The MOU Steering Committee took responsibility to prepare financial projections for the Municipality and the three Towns separately and for an amalgamated unit. In particular, these projections were prepared, and reviewed, as explained in response to an IR, as follows:

Scott Conrod, CPA, CMA either directly prepared Exhibit P-29 or had portions of the report prepared under his instruction. Grant Thornton LLP was engaged to map the individual chart of accounts for each of the Applicants to the provincially prescribed Financial Information Return format and to assemble and link to relevant inflationary factors applicable to each Applicant's Operating Fund. Scott Conrod and Town of Pictou staff established capital fund and reserve fund schedules and assembled existing information related to tangible capital assets, long-term debt and reserves provided by the Applicants. The senior financial managers for each of the Applicants reviewed and confirmed the data and reasonableness of the assumptions assembled within the Status Quo financial projections. Scott Conrod and Town of Pictou staff assembled information (projected outcomes) related to select financial ratios (use of the Provincial Financial Condition Index measurements). Heather Murphy, CPA, CA, a partner in MacDonald & Murphy Inc., Chartered Accountants – the registered Municipal Auditing firm having completed prior year audits in the Towns of Stellarton and New Glasgow and the Municipality of the County of Pictou – was engaged to aggregate the Status Quo models into projected financial statements for the New Municipality. Additionally, Ms. Murphy worked collaboratively with Scott Conrod to incorporate changes to long-term debt, reserves and tangible capital assets specific to the New Municipality.

[Exhibit P-53, IR-4, p. 3]

[38] When asked if these projections were viewed by an external accountant the response was:

Kevin MacDonald, CPA, CA, a partner in MacDonald & Murphy Inc., Chartered Accountants, was engaged to review the Status Quo and New Municipality projections. There was no specific assurance engagement nor was any report issued by Mr. MacDonald.

[Exhibit P-53, IR-5, p. 4]

[39] The Applicant panel believe the projections are sound because they have intimate knowledge of the operations of the Municipality and the three Towns and that they had judiciously used independent professionals to review parts of what they had prepared. To have an external review of the complete projections would have required them giving that information to an external person who would then restate what had already been done.

[40] The Board's consultant, Levy Casey, when asked about the lack of third party review of the projections, stated:

Mr. McKenna: No. I mean, I think it's a valid question. It's one that we brought up in our report as well. You know, you always like to see kind of third-party confirmation of the numbers that have been presented. One of the reasons we asked for more detailed information, as far as looking at their Excel spreadsheets and that sort of thing, as opposed to just PDFs, was to kind of assess maybe the quality of how the projections were done. And the Excel ones, which are in the exhibits, you know, we were quite comfortable with how they were done as far as from a financial expertise point of view. There was lots of assumptions put in there, they appear to be well thought out, they appeared to address a lot of the things they were saying in the various exhibits. So I think by going through that process we had a bit more comfort with the numbers, even though they hadn't been maybe externally reviewed.

Ms. Clarke: So can the Board take some comfort, then, from your review, from your examination of the strengths and weaknesses that you identified in your evaluation of the assumptions as a kind of a third-party review, in a sense?

Mr. McKenna: Sure. I mean, we went through the spreadsheets in quite some detail to make sure everything linked together appropriately and, you know, that the various funding that was going into it was verifiable.

[Transcript, pp. 417-419]

Findings

[41] The Board accepts the projections that have been prepared by the MOU Steering Committee as being appropriate for the financial analysis of the amalgamation. The Board finds comfort in the expertise and knowledge brought to the development of the projections by the preparers, along with the judicious use of professionals.

(2) Assumptions Used in the Projections and Conclusions

[42] The starting point for the preparation of the projections was the 2015-16 budgets of the Municipality and the individual Towns. As explained by Mr. Conrod:

... In our estimation we looked at, or we thought that the budget year would actually be more -- would be a better proxy to use, because it would be closer to actual. There may have been differences. So what we -- what we used was the actual statement of estimates that are filed with the Province. So -- and again, when we were speaking with our municipal councils it was the numbers that they had approved as part of the base for that first year.

[ibid, p. 382]

[43] He further elaborated:

Similarly, on the finance side we took all of our -- and some of them were very robust -- charts of accounts and had to what we refer to as map those back to the financial information return chart of accounts so that we could then add up the four columns to get to the total. Because the rows were all significantly different in how things were being reported. So that type of approach took a degree of time to assemble. We have a history among the Applicants of working in a good, collegial environment. ...

[ibid, pp. 352-353]

[44] This then became the “status quo” model for the Municipality and the Towns as projected on an individual basis. This was done because:

The status quo largely became the model for the new municipality, and we engaged Heather Murphy here from MacDonald Murphy Inc. to help us with that endeavour. When we had the entire project from the financial perspective put together, we did engage Kevin MacDonald of MacDonald and Murphy to not -- as I believe I've indicated in one of the responses of the IR, it wasn't in a sort of official review engagement type of capacity, but he did go through the assumptions and the formats and provided suggestions to myself that we, you know, in turn dealt with.

[ibid, p. 354]

[45] The assumptions used in the development of the status quo projections from the Municipality and the three Towns took into account an increase in the assessments based on historical trends, and a consumer price index increase for operating expenses. The capital and finance assumptions were based upon the known or planned expenditures as had been identified by the individual units in their capital investment plans that had been submitted to the Province.

[46] Levy Casey had the following comments about the assumptions used in these projections:

Throughout our analysis on these projections we have reviewed the assumptions used in both the status quo and amalgamated models. We have not found any major assumptions that deviated across models and the rationale was clearly laid out for why certain assumptions were used. In instances where assumptions deviated from historical trends there were notes included with the support that explained why the assumption deviated from historical trends.

Overall, we feel this is one of the greatest strengths of these projections as it shows that effort and due diligence was used in their preparation. While we do point out a few assumptions in the next section of our analysis, we feel these projections are a reasonable approximation of what the NM could look like if the Board were to approve the application.
[Emphasis added]

[Exhibit P-37, p. 24]

[47] The MOU Steering Committee, in the preparation of these projections, was focused on the expenditure side and not the revenues. In essence, they started with the expenditures and calculated the revenue required in order to balance the budget. They said this more closely reflects how Councils determine tax rates. As has been explained in the Application, this was to satisfy a precondition in the MOU that tax rates will be maintained as close as possible to present rates. As explained by Levy Casey this is different than what has been used for dissolution applications. As they explained:

... In those [dissolution] applications, tax rates were assumed to remain the same as were currently set by the Applicants and, in combination with other assumptions used, there would either be a surplus or a deficit. ...

[Exhibit P-38, p. 8]

and

Mr. Strange: So we were mostly trying to point out that tax revenues were calculated differently in these projections than in the other applications. For example, in those applications the current tax rate was used and it was used for every year in the projection period. In these projections, they've calculated the tax rate to be whatever it needs to be to cover all expenditures and debt servicing and transfers.

[Transcript, p. 423]

[48] Levy Casey used the revenue position to estimate what the tax rates would be over the projected period for the Municipality and the three Towns under the status quo. The table presenting these estimates is as follows:

Table A					
Projected Status Quo Property Tax Rates					
(Per \$100 Assessed Value)					
	2015/16	2016/17	2017/18	2018/19	2019/20
<u>Residential</u>					
Pictou	1.63	1.66	1.67	1.63	1.64
New Glasgow	1.82	1.81	1.81	1.82	1.84
Stellarton	1.82	1.82	1.82	1.82	1.82
County	0.81	0.81	0.82	0.82	0.81
<u>Commercial</u>					
Pictou	4.33	4.42	4.45	4.34	4.35
New Glasgow	4.39	4.36	4.38	4.40	4.45
Stellarton	4.15	4.15	4.16	4.16	4.15
County	1.82	1.82	1.84	1.86	1.82

[Exhibit P-37, p. 9]

[49] As can be seen from the above table, the tax rates increase and decrease over the period of time for the status quo, depending on the level of expenditures that occur in that particular year. This is particularly true for the Town of Pictou. As explained by Levy Casey, this is not normally how a Town and/or Municipality would set its tax rates. In general, however, the tax rates, even though they fluctuate, at the end of five years are close to the starting point. How an individual Council would actually deal with this fluctuation in tax rates is not a point upon which the Board can or will offer an opinion. Needless to say, it can be reasonably deduced from the above information that the status

quo is a good starting point to determine the financial benefits, if any, of amalgamation. It also demonstrates that one of the key financial tenets of the MOU has been met.

[50] In preparing the amalgamated projected financial statements, the MOU Steering Committee started with these status quo projected statements and then made adjustments for ongoing potential savings as dictated by the Grant Thornton Report on Staffing Levels, as well as for a reduction in elected officials. The amalgamated projections also included the financial terms as expressed in the Letter of Intent.

[51] The key financial savings anticipated for the amalgamation are outlined in the Supplement to Schedules F, G and H in Exhibit P-32. This Supplement shows a savings of approximately \$1 million per year for the next five years under amalgamation. However, this total amount includes the Letter of Intent funding for operating expenses and some one-time adjustments that could be made, whether amalgamation occurs or not. As confirmed at the hearing:

Mr. Doehler: But my look at it is about five or \$600,000 a year you're going to save, and the LOI is taking care of transitions costs. Of course, the LOI is coming in. So what you're getting is a five or \$600,000 saving per year, plus the LOI capital coming in that you may not have, if I understand.

Is that a fair statement?

Mr. Conrod: To a degree, I would say, yes, it is.

[Transcript, p. 128]

[52] On an overall budget of the New Municipality, the amount of projected savings is relatively small. But as explained by Mr. Conrod:

I'm sure there -- you know, there's probably others in various exhibits, but from the governance perspective, it's -- it's a consolidation of 31 to 11, so typical group dynamics and leadership, it should be significantly easier to develop consensus in a smaller group and develop a business plan for five years that's achievable.

We also think that, given the signalling on equalization, that that's a benefit that we solidify that now because that, in effect, in our mind, will be -- it's probable that the status quo is going to lose revenue when equalization is pulled back through reorganization from the Province.

[ibid, pp. 129-130]

[53] There is a possibility that upward pressure will be put on expenditures to ensure a level service delivery across the New Municipality which may be different from that which existed before. This has been considered by the MOU Steering Committee.

As explained by Mr. Conrod:

Well, you know, thinking ahead about how the new council may address that type of issue, we did signal in one of the exhibits that there would be the concept of having pools of employment, so there may be a specialized pool, for example, environmental services that focuses on accreditation. They need to have ticketed operators, Nova Scotia Environment licensed operators, so there'd be specialized efforts in some areas that will -- would translate into an increase in service.

There's also the concept of then having dedicated pools, and one of them may be of a more of a general pool that supplements one of these specialized pools, depending on the season.

So again, that would -- I think would tie back to Lisa's [MacDonald] efficiency comment, that -- so we'd have specialization, better service and be more efficient by working with the bargaining agents and having a more efficient collective agreement structure.

[Transcript, pp. 126-127]

[54] Projections are an attempt to predict or prepare for the future. As such, they are restricted by the ability of the human mind to accurately predict what may or may not happen. As was stated by Elmer MacKay, a former federal Cabinet Minister and Member of Parliament for the area, in the Monday evening session:

So I think we'd better be careful the way that we engage future taxpayer liabilities because I don't believe that we're all going to receive any particular tax benefits out of this proposal. In fact, I believe the contrary will occur.

[Transcript, p. 249]

But I came in here a skeptic and I'm going out a skeptic. But I do wish everyone the best, and if it's in the best interests of the county and of the people of Pictou County you can count me among the forefront of those who support this change.

[ibid, p. 251]

Findings

[55] The Board finds that the projections were developed using reasonable assumptions. As they are predictions of the future, which can vary, at times significantly, from projected financial results, projected savings may not occur. The projected savings are relatively small when compared to the overall revenue of the New Municipality. As such, the Board finds that the financial savings are not significant to the overall financial health of the New Municipality. This is not to say that the savings may not be realized. It is merely that this cannot be considered, on its own, as a determinant factor on whether the amalgamation of the Municipality and the Towns is in the best interests of the residents.

[56] However, the Board also accepts the testimony of the Applicants that the MOU Steering Committee was conservative in making its financial assumptions. Accordingly, it is reasonable to conclude that, through good management and favourable economic conditions, greater savings could be achieved.

[57] Moreover, a potential annual savings of between \$500,000 to \$600,000 under amalgamation (excluding the impact of the Letter of Intent) should also be considered in the context of the need to address significant infrastructure requirements. Compared to the status quo, a savings of over \$500,000 per year could provide a material contribution towards the capital required for the needed infrastructure. Under the status quo, such an amount would have to be raised from other sources.

(3) Impact of the Letter of Intent

Operations

[58] In the Letter of Intent the Province has agreed to maintain a stable equalization funding for the next five years, based on that which is now being received by the combined units in the current year. A total of \$11,861,200 for equalization will be paid over five years (\$2,372,240 per year). It has also agreed to provide pre- and post-transitional funding totaling \$2.2 million, some of which is being spread over five years. The Province has also agreed to provide \$1.206 million, over five years, for road maintenance.

[59] Some may not see the agreement to maintain the equalization funding at the same level as “new money”. In a letter of comment, John Baker said he believes that the amalgamation should be done as a “class 1 municipality” (i.e., a regional municipality under the *Municipal Government Act* of all six Pictou County municipal units). If it had done so, he stated that the region would have qualified for greater equalization funding.

[60] The MOU Steering Committee had looked at the various options upon which to pursue the amalgamation. The option to become a regional municipality was seen as being more complex and might actually incur greater costs. For instance, it was noted that there would be an increase of 15% over the amount presently paid for policing by the RCMP for a class 1 municipality. In any event, the Towns of Trenton and Westville have not joined in the Application so a regional municipality of all municipal units in the County is not possible in this instance.

[61] Mr. Baker also raised the concern in his letter that the guarantee for equalization funding was only for five years and that it could become zero in year six. Mr. Conrod addressed equalization funding as follows:

Mr. Conrod: ...In my opinion, Mr. Baker is wrong in his assertion about equalization.

The first point of that equalization it's been frozen for a number of years. So there wouldn't be a gain because the program is frozen in its side -- in its size and its allocations to the units.

Mr. Melanson: Perhaps just on that point, so you're saying there's an envelope of money for equalization that's presently frozen; is that correct?

Mr. Conrod: Correct.

Mr. Melanson: And the allocation of that money presently is frozen as is.

Mr. Conrod: Correct.

Mr. Melanson: So if you became a regional municipality today, what's your view and what would happen to equalization payments today?

Mr. Conrod: Well, under the Letter of Intent, we've negotiated a freeze in equalization levels.

Mr. Melanson: Right. But without the Letter of Intent, if you had ---

Mr. Conrod: Without the Letter of Intent, there's been strong signalling from the Province notifying a change in writing from the Minister, also in negotiations back and forth between the Department of Municipal Affairs and the Union of Nova Scotia Municipalities. It's a fairly generally understood notion among my municipal colleagues that equalization is going to change in the fairly near future. So we would anticipate, or we were anticipating based on our discussions with the Province, that under status quo we would lose equalization funding.

Mr. Melanson: Okay.

Mr. Conrod: So we would not maintain that level of equalization going forward.

Mr. Melanson: Under status quo.

Mr. Conrod: Under status quo.

Mr. Melanson: Right. And do you have any understanding about what would happen to funding if it became a regional municipality under Part 17 [sic]?

Mr. Conrod: My understanding based on discussions with Municipal Affairs is that the department is conscious that there's no -- let's phrase it as incentives or disincentives to amalgamating or forming regional government through funding programs. So for example...

The Chair: Sorry; incentive or decentive?

Mr. Conrod: Both.

So you couldn't -- I'm struggling for a term here. You couldn't game the system by saying you are a regional government to hope to pick up larger amount of equalization; that they were sensitive to that type of issue.

Similarly, if you were to consolidate that that wouldn't detract from the amount of equalization funding that you received. [Emphasis added]

[Transcript, pp. 48-50]

[62] The transitional funding (both pre- and post-) is to reimburse the Municipality and the three Towns before amalgamation and then the New Municipality for one-time costs incurred in the process. This would include covering such costs as the engagement of outside professionals for the Application and the preparation of studies and, in the event of amalgamation, severance pay for those employees who are considered to be redundant. Levy Casey noted that the projections for the New Municipality show the revenues coming in year one and two to offset these one-time expenses, but in reality the revenue is received over five years. This is essentially a timing difference for cash flow and as stated by Levy Casey:

This issue is mitigated because the funding is only meant to offset actual post-amalgamation costs incurred. In other words, the intent of this funding is to reduce or eliminate the costs of amalgamation so that there is effectively no impact on the finances of the NM.

[Exhibit P-37, p. 20]

[63] The new revenue to be provided by the Province, which would not happen if amalgamation did not occur, is \$1.206 million for road maintenance. This amount will be available to the new Council to determine how it should be spent throughout the New Municipality.

Capital Funding

[64] The Province is providing \$12,454,334 in additional capital funding for the New Municipality. Of the total, \$3,483,334 is to be used for water treatment and will not impact tax rates. It will, however, have a positive impact on the water rates paid by utility customers.

[65] The amount of capital funding that will positively affect taxpayers has been earmarked for roads (\$4,487,000) and for all other projects identified in the Capital Investment Plan (\$4,484,000). This funding has been provided in such a way that none of it is intended to impact the ability of the New Municipality to also obtain funding from other government sources.

[66] The Application stated:

Generally, the Applicant Towns' FCIs indicate investments are lagging with respect to infrastructure and other Tangible Capital Assets (TCAs). The municipal engineers indicate that the amount of deferred maintenance is also increasing. These two points could well have significant financial and operational consequences for future years.

[Exhibit P-29, p. 2]

[67] The Letter of Intent funding goes a long way to helping the New Municipality address this infrastructure deficit.

[68] If the status quo is maintained, there is concern that the amount of deferred maintenance would continue and increase. The present infrastructure deficit, along with the need to attend to deferred maintenance would put upward pressure on future tax rates. When asked, Mr. Conrod replied:

I think my general observation is I expect that councils, as indicated just a short time ago, don't like to increase tax. So I would expect that the tax burden would be -- they would try to hold that. But at the same time, the issue of deferred maintenance will go on, they become worse.

Similarly, some of the projects, as indicated yesterday, that have been on the books since 2008 and '09 would continue still to be on the books. So that would be the issue that is -- and my explanation it's compounding the problem down the road.

[Transcript, pp. 393-394]

[69] With the use of the Letter of Intent funding for infrastructure, which would not be available if the units did not amalgamate, the idea is to bring all the units to a common level, in such a way, as stated by Mr. Conrod, that is not "really burdening excessively the property tax payer" [Transcript, p. 130]. As he further explained:

There are a number of these projects that have been around for a few years, and so this would give us the financial financing plan to address those larger scale projects.

Duplication eliminated. You're correct in, I think, your numbers of -- you know, of the -- but we expect that there's going to be efficiencies that we identify going forward from -- especially when you talk to other jurisdictions that have gone through this that things that aren't immediately apparent become apparent after one to two years of operation, different ways of doing things better.

And the point that you were just making, I would say, is one of the larger improvements that we actually elevate the service and have a consistent service and elevate service that's across the jurisdiction of the new municipality...

[Transcript, p. 131]

[70] As well, by attending to the deferred maintenance items and replacing some of the infrastructure, the future upward pressure on tax rates would reduce. As described by Mr. Conrod upon questioning by the Board:

The Chair: So, I mean, I don't think anybody in the room would believe you if you said tax rates are going to go down. So I don't think -- you probably don't want to go there either. It's probably not realistic to say that. But, obviously, in the short term, you've got infrastructure spending that you feel it's advantageous to do it now as opposed to later, is that right?

Mr. Conrod: Yes. Yeah, I believe that we did echo the exact or very similar language to the -- your consultant's report here in terms of the three options that we did see going forward.

The Chair: Right. Okay, and then ---

Mr. Conrod: And that's been reserves, or advancing TCAs, or a modest task -- tax increase.

The Chair: Yeah.

Mr. Conrod: Decrease. A decrease.

The Chair: Yeah. And where you went, obviously, one of the major ones was the infrastructure spending?

Mr. Conrod: Yes.

The Chair: Am I right -- I don't recall, I think I read this, was it -- I think, Levy Casey noted that your projections didn't necessarily have, or account for, a reduction in maintenance spending later on; is that correct? I might be mistaken there.

Mr. Conrod: That's correct.

The Chair: Yeah.

Mr. Conrod: I believe that's correct. If it -- it's certainly been raised by the -- by certain member -- our meetings with stakeholders.

The Chair: Okay. Then why ---

Mr. Conrod: That's true.

The Chair: Then why didn't you go there? Because that -- obviously you've got newer infrastructure, the expenses for maintenance will be lower.

Mr. Conrod: We've kind of -- our philosophy was to follow the conservatism principle going forward. There's certainly been other discussions; for example, we all have independent audit bills now. So, you know, there would be some efficiencies there when we have one audit. So there's a variety of different -- consumables would be another one, as I mentioned; things like the power and consumption within wastewater plants, and conveyance systems, and whatnot. We thought that a more realistic approach was to employ that conservatism principle.

[Transcript, pp. 378-380]

[71] Comments were also made by the Applicants that many of the large infrastructure projects have not been able to proceed because of the competing interests amongst the three Towns and the Municipality for provincial and federal funding. Once the New Municipality is in existence, the new Council would determine the priority for these larger infrastructure projects and have a better chance of getting funding such that they can proceed. As Mr. Conrod said:

... The municipalities, the Applicants, from our perspective, are -- tried to put together a prioritized five-year capital plan that eliminates this internal competition; doesn't matter where the old boundaries are, you're picking the most important projects.

[Transcript, p. 53]

(4) Board's findings on the financial implications

[72] The Board finds that the Letter of Intent's operational funding makes the new municipality "whole" in such a way that the one-time costs incurred in the process of amalgamation will not be a burden to the ratepayers of the New Municipality. The security of the equalization payments, which will not decrease over the next five years, is also positive for the residents of the New Municipality. As was expressed in the evidence, this does not restrict the New Municipality from pursuing other avenues if there is a chance

that the payments may increase. In other words, there is no downside risk to this, but a potential upside benefit. Also, the new additional funding for road maintenance is a benefit for all residents of the New Municipality.

[73] The Letter of Intent represents a financial benefit of over \$27 million to the residents of the Applicant municipal units. Even assuming that the Province's equalization program remains unchanged, the Letter of Intent still provides almost \$16 million in operational, capital and transitional funding that would not be available to the Applicants in the absence of amalgamation.

[74] The Board finds the infrastructure funding being provided by the Letter of Intent assists the New Municipality in proceeding with the projects that have been deferred for a long time. Again, this reduces the immediate need for increased taxes, with potential to reduce the pressure on future years' increases. This reduction in pressure will be achieved through the ability to attend to long standing infrastructure deficits and deferred maintenance and bring the services to a common level throughout the New Municipality.

[75] From both an operational and capital viewpoint, the Letter of Intent is a positive financial contribution to the residents of the New Municipality, now and in the immediate future.

[76] Taking into account all of the evidence, the Board concludes that, based on the financial implications, it would be in "the best interests of the inhabitants of the area" for the Board to order amalgamation.

VII WHAT ARE THE SOCIAL IMPLICATIONS OF AMALGAMATION?

[77] As noted in s. 363(1) of the *MGA*, the Board must take into consideration "the financial and social implications of the order applied for". Thus, in addition to a review of the financial implications, the Board must also consider the social or non-financial implications arising from the Application. The Board will now canvass the social factors identified during the hearing.

(1) Municipal governance and administration

[78] Under amalgamation, the Applicants propose to reduce the number of elected representatives for the area from the current 31 to 11, comprised of 10 councillors and a mayor. In addition to the cost savings described above, the Applicants submit that the smaller municipal council and streamlined administration will result in a more efficient governance structure. In their Post-Hearing Submissions, counsel for the Applicants outlined the potential benefits:

61. The primary non-financial benefit is to adopt a single unified vision for Pictou County. An amalgamated structure will help establish a true community vision and will provide a better opportunity for economic development to flourish. Currently, any regional vision or economic development action plan has been fragmented due to being interpreted differently by the six municipal councils and inevitably the vision has not been able to advance or be mobilized into meaningful action.
62. Amalgamation will enable efficient and effective regional decision making on behalf of 86% of the overall population in Pictou County and 92% of the overall tax assessment base in the region. This will improve the quality and timeliness of decision making related to important and critical matters facing Pictou County in the future. The new structure will shift the emphasis away from controlling conflict to achieving cooperation. With the current structure, the municipalities tend to be reactive as opposed to proactive in advancing the opportunities and tackling the challenges facing Pictou County.
63. An amalgamated structure will allow the new municipality to work towards the equity and stability in the commercial and residential tax rates. The current structure of six different commercial and residential tax rates does not position Pictou County for economic growth.

64. Pictou County would benefit from an amalgamated structure as it would eliminate the current municipal boundaries and create a larger geographic region. There are currently six different tax structures for residential and commercial as well as six different sets of bylaws. The elimination of boundaries would allow the Amalgamated Municipality to market the region as a whole for business investment and attraction.
65. Several of the public speakers noted that the residents of the Participating Municipal Units do work together in many respects and that amalgamation represents the governance of Pictou County "catching up" to this reality. The public speakers in favour of amalgamation succinctly expressed their views that amalgamation will reduce the duplicative and disjointed approval process that has made it difficult to attract business investment and employment to the area.

[Applicants' Post-Hearing Submissions, paras. 61-65]

[79] As described later in this Decision in the sections dealing with "regional community of interest" and "public opinion", some members of the public who made presentations during the evening sessions described similar benefits from amalgamation.

[80] Also, counsel for the Applicants outlined the Applicants' intention to develop an Asset Management Plan following amalgamation in order to more efficiently manage its assets to support service delivery to the residents:

113. Under amalgamation, it is expected that assets will be managed using a consolidated, systematic approach. Service delivery will be customer focused.
114. Currently, the Participating Municipal Units have varying degrees of practices and policies surrounding the planning and management of public infrastructure related directly to the levels of service provided to area residents.
- ...
116. The Participating Municipal Units use a range of measures and indicators to evaluate asset performance, identify trends, and benchmark operations. These measures tend to be inward facing and focus on physical properties, and technical and operational characteristics. While they provide good insight into asset health and operational efficiency, they make it difficult to evaluate and report on the quality and effectiveness of service being delivered to the public, or on the affordability of service.
117. Under an Amalgamated Municipality, asset management should shift to adopt a service-focused view of its infrastructure and investments. By adopting customer-centric level-of-service framework, measures and targets, and weighing investment based on service impact and risk, the Amalgamated Municipality will establish a clear relationship between infrastructure investment and service outcomes.

[Applicants' Post-Hearing Submissions, paras. 113-117]

[81] Counsel noted that this would support the MOU precondition which provided that service levels would not decrease following amalgamation.

Findings

[82] The Board accepts the evidence of the Applicants that amalgamation would result in a more efficient and effective municipal governance model. Compared to the status quo of four different municipal governance structures (each with their own different and sometimes conflicting interests), the New Municipality would be better served by a more focused municipal governance structure to address the residents' needs. As noted by counsel for the Applicants, and by a number of the public speakers in the evening sessions, decision making by the smaller municipal council would naturally lead to more cooperation by the municipal stakeholders, rather than conflict as has occurred under the status quo.

[83] Further, governance by one municipal council rather than four different councils would also accommodate a more regional approach to decision making, which should help foster economic development and growth. Again, the status quo governance model has often frustrated attempts at business development as the four individual municipal units have competed with each other for growth. As the Board heard at the hearing, this often led to business prospects deciding to go elsewhere instead of starting a business in Pictou County and dealing with several different municipal planning or administrative regimes.

[84] Finally, amalgamation would allow the New Municipality to develop an Asset Management Plan to more efficiently manage its assets in order to maintain service levels

to its residents, something that will be increasingly difficult for four separate municipal units to do with their aging infrastructure.

[85] Taking all of the above into account, the Board concludes that amalgamation would have a significant positive impact on the municipal governance and administration of the area, and would be in the best interests of the residents.

(2) Infrastructure priorities

[86] The Applicants indicated that one of the primary benefits of amalgamation is that the region will be able to more effectively assign appropriate priority to its infrastructure planning and spending.

[87] As noted earlier in this Preliminary Decision, the Applicants stated that many large infrastructure projects have not been able to proceed because of the competing interests amongst the three Applicant Towns (indeed all five area Towns) and the Municipality for provincial and federal funding. They submitted that, as an amalgamated unit, the new Council would determine the priority for these larger infrastructure projects and have a better chance of getting funding, so that the projects can move forward.

[88] In their Post-Hearing Submissions, legal counsel for the Applicants stated:

38. The [Province's] Financial Condition Index for the [Applicants] indicates that capital investments in infrastructure and Tangible Capital Assets have been lagging. There are also several large scale infrastructure projects that remain outstanding. The Amalgamated Municipality will have the ability to fund capital investments of \$69.2 million to address core municipal infrastructure deficiencies.
39. Currently, infrastructure projects amongst the Applicants are not advanced in any prioritized fashion as a result of a lack of a coordinated approach. There are a number of longstanding infrastructure projects dating back to 2008-2009. There has been a lack of prioritization of these projects through a regional lens and no hierarchy has been established to determine their importance on a regional level. The lack of coordination compounds the growing concern associated with deferred maintenance and escalating project costs when the start dates are delayed.

40. The Amalgamated Municipality will have a prioritized five-year Capital Investment Plan with financing shared among the Applicants, the Letter of Intent Funds, as well as monies made available through the Build Canada Fund.
41. The capital investment will reduce the burden on property tax rates while addressing deferred maintenance and the condition of assets equitably by not burdening all property tax payers for infrastructure upgrades and installations not servicing all constituents of the New Municipality.
42. Amalgamation would put an end to competition amongst the [Applicants] for national infrastructure funds and will allow for the presentation of a single prioritized plan to be presented to external funding bodies. The Applicants submit that this will enable the Amalgamated Municipality to obtain more external infrastructure funding than the [Applicants] would be able to obtain acting independently.
43. Amalgamation will support the advancement of regional asset planning. The Applicants submit that Pictou County will benefit from a regional asset map and plan for the delivery of services to citizens as a whole, not as individual communities as it is neither affordable for residents nor sustainable in the long term as the population continues to decrease. Pictou County has significant assets but currently struggles to advance and promote local assets due to the lack of cooperation among the [Applicants].

[Applicants' Post-Hearing Submissions, paras. 38-43]

[89] During the Monday evening session, Jack Kyte, Executive Director of the Pictou County Chamber of Commerce, which supports amalgamation, noted:

Six small municipal units competing for infrastructure funds, as we do now, means that important infrastructure work often gets set aside. The sewer upgrades needed in MacLellan's Brook, for -- is a good example, as are some of the needs in Pictou town, which now has limited resources.

[Transcript, p. 177]

[90] At the Scotsburn evening session, Richard Gammon, of Toney River, said:

...we now approach both provincial and federal governments for special project support funding, as six different units within the county and individually compete for a limited pot of money. We're unable to clearly set priorities for the entire county where there's funding needed to best service all citizens alike.

[Transcript, p. 456]

Findings

[91] The Board accepts the evidence of the Applicants, and numerous members of the public who spoke in the evening sessions, that a number of important infrastructure

projects in the area have not been able to proceed because of competing or conflicting demands for government funding by the region's Towns and Municipality. As a result, the infrastructure has developed in a less efficient way, or sometimes not at all.

[92] The above finding is not to criticize any past decisions taken by the individual Towns or the Municipality respecting infrastructure projects or requests to fund them. The Board recognizes that those decisions were, undoubtedly, reasonable and prudent in the circumstances. The Board's conclusion is simply based on the inherent disadvantages of several relatively small adjoining municipal units attempting to provide infrastructure to their respective residents with scarce sources of funds.

[93] The Board observes that this challenge is one that the opponents of amalgamation did not address. In general terms, some of them suggested the municipal units should re-engage and work together, but the Board found no comfort that the future would be any different under the status quo in terms of addressing important infrastructure needs for the region.

[94] On the basis of the evidence, the Board finds that amalgamation would help ensure that priority infrastructure projects would have a better chance to be identified, and to succeed. Further, the higher priority assigned to such infrastructure projects by a larger amalgamated municipality should, in most cases, advance more efficient infrastructure systems and attract greater attention from provincial or federal funding sources.

[95] Ultimately, the ability of a larger municipal unit to assign greater priority to regional infrastructure, typically of the type which would require other funding sources,

will result in more effective and cost efficient infrastructure. This result will be in the best interests of residents of the area.

[96] Taking into account all of the above, the Board concludes that amalgamation would have a positive impact on the planning and funding of municipal infrastructure serving the residents of the Applicant municipal units.

(3) Municipal planning

[97] The issue of municipal planning under amalgamation is also an issue that the Board will address.

[98] Currently, each of the Applicant municipal units has a different land use planning regime. The Municipality's land use controls are limited to wind energy and requirements in its subdivision by-law. Clearly, the Applicant Towns have more robust municipal planning strategies and land use by-laws, which reflect the urban character of the Towns. However, as noted, the Towns presently have different policies, permitted uses and zone requirements, etc.

[99] It should be noted as well that the Towns of Trenton and Westville, although not Applicants in the present proceeding, also have their own respective, and different, municipal planning strategies and land use by-laws.

[100] As noted in the Application, in 2014 the five Pictou County Towns took "significant steps" under ss. 215 and 216 of the *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 ultimate goal is to have common land-related controls and regulations across similar zones in the region.

[101] The problems caused by having different planning regimes across the County, particularly in the five Towns, were raised several times throughout the hearing. Many business owners speaking at the evening sessions expressed frustration at having to deal with different planning staff and different policies or by-laws across the region. There were also accounts of potential businesses being discouraged by the multiplicity of planning regimes in the area. This ultimately led to those potential businesses abandoning Pictou County as a place to do business and going elsewhere.

[102] Harry Munro, a lawyer and local business owner, stated during the Monday evening session:

...Business hates uncertainty.

If we expect a business to invest millions of dollars here in Pictou County, they need to be convinced that we have the very best in municipal government, and not a patchwork of bureaucracy, bylaws and tax rates.

[Transcript, pp. 161-162]

[103] Diane Cameron, a Chartered Professional Accountant from New Glasgow, spoke during the Tuesday evening session:

We need to be attractive to individuals and businesses. Amalgamation is just governance catching up. We need to be one in spirit and in form. I believe the form of government is important. The form needs to be simple.

Amalgamation will reduce the noise in our back shop so that we can focus on attracting and retaining individuals and businesses. We can be innovative and easy to deal with. We can be engaging.

We need to eliminate the current municipal unit borders and be one. A simpler structure will attract employers and investment from both private and government sectors.

A friend told me of his experience in courting a company that was considered relocating to Pictou County. The company knew the cost of living was far more reasonable in Pictou County than in an alternate location, but the issues in dealing with six municipal units not having a consolidated government shop, squabbling over county borders, unfortunately, trumped the cost of living, and that company set up shop elsewhere.

Those were jobs we needed in this county; jobs we don't have because the complexity and competitive nature of our current system scared that company off.

[Transcript, pp. 440-441]

[104] Mr. Kyte, Executive Director of the Pictou County Chamber of Commerce, stated:

We believe, too, that the faster decision-making, the coordination of bylaws and red tape reduction will help make our businesses and local governance more efficient. Overall, the county will become more attractive for business investment, for retention of existing businesses and our youth, and for growth in the future.

[Transcript, p. 177]

[105] At the evening session, Mr. Gammon, of Toney River, stated:

... the six municipal units have been working on a mutual set of bylaws related to zoning, building permits, et cetera. That's been going on for over two years, and there are still two units who have not yet signed final approval. This case demonstrates agreement times are very, very long.

[Transcript, p. 455]

[106] However, despite significant effort, the move to more uniform and consistent municipal planning strategies and land use by-laws is still not completed. From its review of the evidence, the Board considers that this has been difficult to achieve, given there are five different Town Councils that must proceed through each of their own processes for approval of the new planning documents. It is evident to the Board that this task would have occurred much more efficiently and in a more timely manner under one combined governance structure.

Findings

[107] It is noted that, in the interim, amalgamation will not have any impact on the current planning policies and by-laws in effect in different parts of the County represented by the Applicant municipal units. Under s. 366(1) of the *MGA*, those policies and by-laws will continue to apply until, or if, new planning strategies and by-laws are adopted:

Policies and by-laws continue in force

366(1) When municipalities are amalgamated, the policies and by-laws in effect in each continue in force in the area of each former municipality [including former towns] until repealed by the council.

[108] However, the Board finds that amalgamation would have a very positive impact on the residents of the area, with benefits starting relatively soon after amalgamation. First, having one municipal council for the affected area would help advance the current initiative respecting the adoption of a common municipal planning strategy and land use by-law. This could now occur in the area of the four Applicant municipal units without the need to wait for the agreement of Westville and Trenton. If they were to agree, the larger coverage area of the planning documents would be even more beneficial.

[109] Second, the benefits of dealing with a single department to obtain planning approvals and permits would be significant for local property owners, developers, and potential new enterprises. This would provide more certainty for businesses in the region, and provide a more streamlined administrative process for both the municipal unit and its residents.

[110] As a result, it is the Board's opinion that amalgamation would have a very positive impact on municipal planning in the area, which would serve as a benefit for the residents and assist in economic development.

[111] Finally, the Board wishes to address one point which was raised by numerous speakers in the evening sessions. There were concerns that amalgamation would cause the urban planning policies and by-laws to be imposed in the rural parts of the current Municipality of the County of Pictou. This potential result is not supported by the evidence.

[112] It is noted that the current initiative to adopt a common Intermunicipal Planning Strategy, Secondary Planning Strategies, and a uniform Land Use By-Law, is generally restricted to the urban areas of the County represented by the current Towns. There is no reason to conclude that this would change under amalgamation to extend to the rural areas. Further, as noted above, under s. 366(1) of the *MGA*, the current policies and land use by-laws in effect for the rural County will continue to apply until new planning strategies and by-laws are adopted, if changes are made at all. Any such change would require the full consultation process that the present Municipality of the County would have to follow under the *MGA* if changes were considered. Based on the evidence, there did not appear to be any pressing need for the change of planning strategies or by-laws in the rural part of the County.

(4) Policing services

[113] Currently, there are different policing arrangements in each of the four Applicant municipal units, including shared services agreements with Trenton and Westville, who are not Applicants.

[114] The Town of Pictou and the Municipality are both serviced by RCMP. The Town has a direct municipal contract with the federal government, while the Municipality participates in a provincial policing agreement administered by the Province. These contracts have differing attributes, including different cost sharing ratios with the Province. The Town of Pictou is required to supply a building and a municipal support position. Its contract provides RCMP enforcement of certain Municipal By-Laws. The current operating profile for the western portion of Pictou County has RCMP officers being

stationed out of the Town of Pictou detachment. Seven of these officers are assigned to the Town of Pictou, while seven are assigned to the Municipality.

[115] New Glasgow and Stellarton are served by municipal policing services. Moreover, the New Glasgow Regional Police Service currently provides policing services to the Town of Trenton, while the Town of Stellarton purchases Chief of Police services from the Town of Westville.

[116] The MOU calls for the continuation of the existing policing services within each of the respective areas in the amalgamated unit. Separate area rates are included for each service within the projected financial statements of the proposed New Municipality. The continuation of status quo policing services and cost recovery models are being requested for a transitional period of up to five years from the effective date of amalgamation. The Applicants submit that the purpose of the transition period is to allow time for the New Municipality to properly study and plan for the effective and efficient transition of the amalgamation of municipal policing. The MOU contemplates a review of these operational and contractual arrangements with the objective of recommending either a status quo or change in approach.

[117] Under the *Police Act*, S.N.S. 2004, c. 31, the Minister of Justice reviews policing services in all of the Province's municipal units. In a letter dated August 27, 2015 (Exhibit P-9), the Honourable Diana Whalen, the Attorney General and Minister of Justice for the Province, approved, on a conditional basis, the proposed policing arrangements during the five year transition period:

Should the NSUARB approve the proposed amalgamation, it should be understood that [the amalgamated unit] would be required to develop and implement a revised policing governance model under the new structure; Municipal Board(s) of Police Commissioners would be required as per subsection 44(1) of the Police Act to provide oversight to the municipal police agencies; and an RCMP Police Advisory Board would be required to

provide oversight to the RCMP component in accordance with subsection 57(1) of the *Police Act*.

Subject to a decision and order of the NSUARB, the maintenance of current municipal policing arrangements and the implementation of an approved governance structure, I am prepared to authorize the requested five-year transition period pursuant to my authority under section 5(1) of the *Act*. The deemed dissolution date with respect to municipal policing may occur at any point between April 1, 2017 and March 31, 2021, provided that approval of an amalgamation policing agreement is first obtained from my office. This approval is required in accordance with subsections 36(6) and 85(1) of the *Police Act*, ...

[Exhibit P-9, p. 1]

[118] In a letter dated March 1, 2016 [Exhibit P-68], the Minister confirmed that she would be prepared to approve the policing arrangements based on a transition period starting as early as November 1, 2016, the proposed amalgamation date.

Findings

[119] Taking into account all of the evidence before it, the Board is satisfied that the policing arrangements which have been concluded are satisfactory, as confirmed by the Minister of Justice.

[120] As noted in the evidence, the MOU contemplates the continuation of municipal policing services or RCMP policing services in each of the municipal units presently served by those police forces. Separate area rates will apply to each respective unit. As described above, the continuation of the status quo services and cost recovery models are being requested for a transitional period of up to five years from the effective date of amalgamation.

[121] Mr. Cullen confirmed during the hearing that, if amalgamation is approved, a study will be conducted during the five year transition period to review policing services. As noted, the MOU contemplates this review of the policing operational and contractual arrangements.

[122] Thus, it is clear that amalgamating the Applicants into one New Municipality will have no impact, during the transition period, on policing services in each of the respective Applicants.

[123] The impact of amalgamation over the longer term will depend on the study and its recommendations. The study will either determine whether a change in policing services would be beneficial, or if maintaining the status quo would be preferred. In either case, the Board concludes there would be no negative social implications upon the residents of the area. However, depending on the study results, there may be positive implications for the residents over the long term, if better policing arrangements are recommended under the amalgamated model.

(5) Fire services

[124] An important service for residents of any municipality or town is fire protection. Presently, there are 18 rural fire departments situate within the Municipality of the County of Pictou and separate fire departments in each of the Applicant Towns. There are differing operating profiles between the rural and Town departments.

[125] The MOU calls for a status quo with respect to fire services in each of the Applicant municipal units, with cost recovery being by area rates to each of the departmental service areas.

Findings

[126] The Applicants propose that the delivery of fire services in each of the municipal units remain as the status quo. There was no evidence whatsoever at the hearing that would suggest otherwise. With respect to fire services, the Board is satisfied

that there will be no impact on the residents from amalgamation, if it is approved by the Board.

(6) Water utilities

[127] The Application stated:

The Applicants are respectively requesting for the NSUARB to Order the transfer of the water-related assets and liabilities to the amalgamated municipality and allow the new municipality time to consider and possibly file a plan to amalgamate the Utility operations at a later date.

[Exhibit P-1, p. 91]

[128] Each of the Applicant municipal units own and operate separate water utilities, with significant differences in operating profiles, and with each of the four utilities requiring capital upgrades. The Applicant utilities currently share some overhead costs, such as salaries, wages and other administrative costs with their respective municipal owners, based upon varying practices.

[129] The Letter of Intent identified water treatment funding which is contingent upon the completion of a water utility study. Mr. Conrod noted that it is his understanding the study would involve two separate components. One would involve the completion of a water utility infrastructure master plan. He further confirmed that part of the plan is to complete a traditional rate model analysis of amalgamating the utilities, which would include identifying how to treat certain fixed overheads and how to allocate these overheads to different user groups. He added that the proposed model of amalgamation of the four units would be applied to the amalgamation of their owned water utilities.

Findings

[130] The Board views the Applicants' consideration of a plan to amalgamate its current water utilities as a positive initiative, and encourages such action. This study is contemplated in the Letter of Intent. Such a result would have positive implications for the residents of the area, who would benefit from better governance of the combined utility, more efficient use of human resources and capital, as well as the ability to attract and engage more specialized personnel. If it is decided to pursue such amalgamation of the water utilities, the Board will consider it when such an application is filed.

(7) Solid waste collection and wastewater treatment

[131] Important service issues for the residents of the area are solid waste collection and disposal, as well as wastewater treatment. These services are currently handled through the Pictou County Shared Services Authority ("PCSSA"). The PCSSA is owned by all six Pictou County municipalities and operates solid waste and wastewater treatment services.

[132] The two main facilities managed by the PCSSA relate to the Mount Williams facility for solid waste, and the East River Environmental Control Centre, which treats wastewater. These operations are described in greater detail later in this Preliminary Decision.

[133] In the event of amalgamation, the Applicants do not foresee any anticipated change in service levels for either solid waste or wastewater treatment. Those services will continue to be provided by the Shared Services Authority.

Findings

[134] The Board is satisfied that there would be no impact from amalgamation upon solid waste services or wastewater treatment. These will continue to be provided by the Shared Services Authority and are unaffected by the potential amalgamation.

[135] The only issue that could arise from the amalgamation is the impact of that upon the Towns of Westville and Trenton, particularly in the approval of operating and capital budgets and the impact on Westville and Trenton if they were to leave the PCSSA. Those issues are addressed later in this Preliminary Decision and have no impact whatsoever on the residents of the Applicant Municipality or Towns. In this respect, the Board notes that the Towns of Trenton and Westville represent only about 14% of the funding for the Shared Services Authority.

(8) Regional community of interest

[136] One matter that was quite clear during the evening sessions is that most, if not all, speakers, regardless of their opinion on amalgamation, described the strong community of interest which exists among the residents of Pictou County. Regardless of the municipal unit they came from, they often spoke of a strong affinity for Pictou County. Simply put, when describing themselves to outsiders, the residents generally identify themselves as being from Pictou County, rather than from any of the individual municipal units.

[137] Even some of the presenters who opposed amalgamation indicated that they were against it because, in their view, it was not justified or warranted for the County as a whole, rather than being a bad idea for their own municipal unit. Elmer MacKay indicated that the process was not supported by a “majority of Pictonians”. Patty Lloyd

opposed amalgamation as being a “poor idea for Pictou County”. Chester Dewar, the Councillor for District #12 in the Municipality, commented that “Pictou County has been a success since 1879”.

[138] Those supporting amalgamation were unequivocal in their view that residents needed a regional approach with a unified voice.

[139] In fairness, a handful of public speakers at the Scotsburn Fire Hall evening session feared the impact of amalgamation on rural Pictou County. This issue is addressed elsewhere in this Decision, but it did not represent the majority view at the evening sessions, nor does the Board consider that this concern is warranted.

[140] Those supporting amalgamation gave various examples of instances where the lack of cooperation among, or the conflict between, the existing municipal units frustrated or thwarted the advancement of positive results for the residents of the region. But they also highlighted the strong benefits of working as one region having a common purpose and goals.

[141] Diane Cameron, from New Glasgow, stated:

Having one Pictou County Council in October will give us that long overdue united voice, one voice at the provincial table, one voice in going after what we want, one voice making us attractive inside and outside Pictou County. Together, we are so much stronger.

...

We are smart people. We love our communities. We were born entrepreneurial. We attract innovators, but we need to retain, engage, and empower individuals and business alike.

We need to make it simple to live and work here. Amalgamation is too logical to ignore. Amalgamation is Pictou County governance catching up to Pictou County spirit. The status quo is not an option.

[Transcript, pp. 441-444]

[142] Terry Curley, a former New Glasgow councillor, indicated:

As a former Councillor, I can attest to how frustrating and difficult and, at times, embarrassing it was to get anything done when we needed support of the provincial and

federal government, or when we were trying to attract businesses to Pictou County, all because 52 elected officials couldn't agree. Wouldn't that have been a lot easier with 11?

...

We need one voice, not six. However, we have some great synergy in Pictou County, like the new schools, the new track, the Wellness Centre. And the one that comes to mind tonight is the farmers' market.

[Transcript, pp. 499-500]

[143] Joel Cock, a pharmacist from Durham, and a member of Pulse Pictou County, said:

While being away for five years for my education, I always spoke positively about my hometown and, for me, that hometown was always Pictou County as one. It made it easier for people to know where I was from, and it was natural for me to consider it all my home.

We all utilize different regions of the county on a daily basis such as living in Durham, working in Pictou, and shopping in New Glasgow or Stellarton. Pictou County offers so much to us that we need to start listening to the facts about its future.

As a young professional with years of work ahead, working for a small business in a small town, the importance of growth and sustainability cannot be over-stated, and it needs to be the focus for our county moving forward.

...

As a graduate of Northumberland Regional High School, I went through a school system that also saw unification in a similar way. It was built on the facts of a declining population and the principles of being able to provide proper funding while improving our infrastructure, the same benefits we see outlined by the MOU.

It brought together three very proud, independent communities and united them as one. This union was necessary, and provided a brighter future for our students, while giving facilities that act as centrepieces in our community.

As a young man planning his life here, I would only hope we see this unification as a way to brighten the future of our county. I know from firsthand experience you don't have to lose your hometown pride when brought together, but you are stronger when united with those who share the same goals.

[Transcript, pp. 504-509]

[144] Travis Gunn, of Scotsburn, travels to work in Dartmouth, but is significantly involved in the local community and sees the benefits of amalgamation for recreation and non-profit groups:

...I've been very active in volunteering in Pictou County at the board level. I've been chair of soccer clubs, President of Chad Transit, served two terms on the Board of Pictou County Health Authority. Through this experience, to say it is a struggle to get by from all municipal units on initiatives that service large groups of Pictou County residents would be a gross

understatement. I have been and I have seen others experience significant frustration when appealing to six different units to get support. Some ask, "Why bother?" and pass on Board leadership opportunities.

...

Our sports and recreation groups are moving towards being Pictou County entities. With a county population in decline, participants and volunteer numbers are also stretched thin. While the financial implications of this decision for residents on the bottom line of the final entity are important, we cannot ignore what is the best situation to run our communities in terms of the nonprofit groups, sport and recreation groups. [Emphasis added]

[Transcript, pp. 494-496]

[145] In terms of the existing regional scope of community recreational organizations, these views were echoed by Patrick Carty, a retired school teacher, who has been a volunteer in sport and recreation for the past 30 years, both in school and in the community. He is involved with the YMCA Board and the Pictou County Recreation Athletic Society. With respect to the Society, he stated during the Scotsburn evening session:

... And we have -- our mandate was to build a first-class athletics facility, and it's located on Auburn Avenue in Stellarton.

And in doing so, we provided recreational facilities and we considered it a regional asset. And in having a regional facility, it's -- we spent a lot of time dealing with all six municipal units to gain funding, and it was -- for the first four years before construction happened, there was a lot of going to different meetings, pleading our case why it's such a good thing and for having a big track and field facility, not a lot of people knew about it, and still there's a lot of people in Pictou County that don't know about it. But the people who do, considered it a regional asset.

...

And I thank you for this opportunity to speak today, and I -- for the kids that I'm involved with and for the other volunteer organizations, it would be really a nice thing to be able to go to one unit to show what we're doing and not have to duplicate it six times, five other times. And I think that this has a real good chance of happening if you consider what will be best for our kids.

[Transcript, pp. 512-515]

[146] Harry Munro stated at the evening session:

...When the whole of Pictou County pulls together, the results are wonderful. We do great things.

[Transcript, p. 158]

[147] Finally, Murray Hill, former Chair of the Pictou County Health Authority and of the Pictou Regional Development Agency, and volunteer for the Pictou County Wellness Centre, described the problems with the current municipal structure and the benefits of moving forward with one regional vision:

...I am among those who believe that our best days here in Pictou County lie ahead of us, not behind us in our past. It's time for us to look to the future.

I want this region to collectively enter our future with a single voice and a single vision and to make the most of the limited resources we have available to us. I believe the real question before us relates to what is the most efficient and most appropriate mechanism of governance to jointly achieve the goals we aspire to for the subsequent generations who want to call this region home. Of the options before us, I believe that only amalgamation achieves that goal. [Emphasis added]

[Transcript, p. 223-224]

Findings

[148] Based on the Board's review of the evidence, particularly the comments of the residents themselves, it is clear that there is a very strong regional community of interest in Pictou County. The Board is also satisfied that this strong community of interest is consistent with a regional approach to governance that is offered under the amalgamation option.

[149] Further, as noted above, an amalgamated municipality would encourage a regional approach to issues, consistent with the perspective which is already being taken by community groups, recreational organizations, business associations and development agencies.

[150] As noted later in this Decision, Dr. Amanda Hill stated that many existing groups and initiatives already take a regional or "County" perspective, and amalgamation is "just the governance structure catching up".

[151] Taking into account that amalgamation would help promote a strong regional community of interest, the Board finds that approval of amalgamation would be a positive social implication for the residents of Pictou County.

(9) Public opinion

[152] The Board is mindful that another social factor that the Board should take into account in assessing the Application is the issue of public opinion respecting the proposed amalgamation. The measure of public support or opposition to a change in the area's municipal government is a matter upon which the Board should place appropriate weight. In the *Antigonish* Decision, the Board stated:

Public Opinion

The Board considers public opinion to be a factor which it may take into account in assessing the applications. While the *Municipal Government Act* directs the Board to ultimately determine what is in the best interests of the inhabitants of an area, the extent of public support for a proposed change in municipal structure can have important social implications for the community. The Board is mindful that a change in municipal structure may significantly impact the residents of an area. The existence of public support, or the lack of support, for a proposed change can either help or hinder the new municipal government structure.

[*Antigonish* Decision, 2005 NSUARB 12, para. 330]

[153] As noted earlier in this Decision, the Board received comments from the public in two evening sessions and in letters of comments filed in this proceeding. These comments were divided between those supporting amalgamation and others wishing to retain the status quo. Having carefully reviewed all the comments, the Board concludes that the comments of those in support of amalgamation were more persuasive than those wanting the status quo. The members of the public desiring amalgamation articulated an optimistic perspective with a clear vision of what amalgamation would mean for the future of the area, while those speaking against typically spoke about their fear of the future and

their view that the current problems with the status quo model could be addressed differently, or that there were no problems with the status quo.

[154] A number of the concerns about amalgamation, and its effect on rural Pictou County, were outlined by Councillor Chester Dewar at the Scotsburn evening session:

... And I'm here to speak against amalgamation. Bigger doesn't always mean better, with the experience I have.

And they'll say, "Well, what experience does he have?" Well, anyway, I have a lot of experience.

But anyway, people that I've been friends with for a good many years in Upper Stewiacke, Dean, Eastville, Sheet Harbour, they say it's the worst thing that ever happened to them. HRM is only interested in the city and the surrounding areas, not the real rural communities.

In Pictou County a few years ago, we were told that if we had new super schools and a new Wellness Centre, the people would come to Pictou County. I guess they must have went right on by, but they didn't go to Cape Breton.

The same sadness happened in rural Cape Breton as well, in CBRM as in HRM.

...

Now, amalgamation of School Boards came as a great cost to the County of Pictou back in the early eighties. In the seventies -- you're saying, "Oh, well, you're going back 40 years."

Well, I worked at that job 40 -- 37, 38 years ago, so I have a little experience, and that's why I wanted to talk about some of these things.

Pictou County had new schools, good bus garages, buses -- new buses in each east and west, and \$2 million in the bank. Then we joined -- in the eighties, we joined Pictou District School Board.

Then, in 1996, Pictou joined Pictou, Colchester, Cumberland, and East Hants. And so now that's CCRSB.

And I'm sure if it had have been a different situation -- and I know it's a hurting point with a lot of people, me included. Where's the school in River John now?

The most important question is, where's the school? Where did they send the children? Completely out of the community.

So that's just some little examples of that. When you get too big, you lose the control.

Now, if I gave out liquor or money on election day -- now, which has never happened with Chester Dewar, but in the past, in Nova Scotia, it might have, right? -- I would likely land up in jail. But the Province and the feds can give 22 million out for a Wellness Centre, the Province can offer 27 million for amalgamation to help sway some of the people with a take it or lose it attitude. Where's the justice there?

...

But anyway, it's ironic tonight that we're here in the Village of Scotsburn. Scotsburn was likely the busiest village in Pictou County not very long ago. They had sawmills, two garages, a feed mill, ice cream. They had the butter. They had everything. They had a hardware store.

When I was young, or younger, you loved to come to Scotsburn. You had the feed made at the feed mill. If it was summertime, you went and got an ice cream. If it had been colder weather, fall or winter, you went across to the canteen. You had your supper.

Like, Scotsburn was the place to come when I -- and what really, really bothers me, once Scotsburn went down, so did the majority of the rural farmers in Pictou County. The -- once they wanted to get bigger, that was the end of it. And there I go again, bigger.

Everybody wants to be bigger. Well, what a shame. Nearly all the small farmers were put out of business, and now we almost have a ghost town.

I know that if we could go back and -- we wouldn't be having this meeting tonight because some of the founding members of that co-op, we wouldn't be able to get out of the building even talking about what might be taking place here.

It's just a shame that some people have to think everything's got to be bigger.

Anyway, the whole process, in some ways, has been flawed, as far as I can see. And they'll say, "Well, Chester had his mind made up right from the first. He wasn't for amalgamation."

Well, I've been talking to people and looking at it and seeing what has been happening for a good many years in other places. But I think the plebiscite should have been or maybe could have been first, but I know there's all the rules that we have to go through, et cetera, et cetera. But there's too many grey and black areas that need much more discussion.

Too much information, too short a time to digest.

....

But anyway, there's a lot of things that I thought needed more time, and that would be agriculture, forestry, taxation, boundaries, streets, fire departments, infrastructure, public works. And the thing that I really worry the most about, it'd be like council grants, community grants, municipal service grants to help everybody in the municipality survive.

And we don't only give to the county. We give to every person that has people in the county in those different places, right? Like, if they're in Westville, Trenton, Pictou, New Glasgow, they all send the letters and we do everything we can do to comply with them.

And like it's -- I don't know. They say they always go to the ones with the deepest pockets. Well, I guess we must be the deepest pockets because I'll ask, "Well, what did you get from another municipality?" "They told us to come see you."

Okay. So just think about it, folks.

...

But I want you to remember this evening that Pictou County hasn't been -- has been a success story since 1879. And why do we want to fix something that hasn't been broken?

[Transcript, pp. 483-490]

[155] However, the Board noted that, with few exceptions, the Application was supported by all the younger members of the public who spoke, as well as most representatives of the business community who expressed their view. This was also noted by counsel for the Applicants:

It is noteworthy that almost all of the business people and younger persons who spoke at the evening sessions held by the Board spoke in favour of amalgamation. The attraction and expansion of business and enhancing the demographic of Pictou County represent the most important challenges faced by the region in remaining sustainable.

[Applicants' Closing Submission, para. 78]

[156] The Board heard very compelling arguments in favour of amalgamation by members of Pulse Pictou County, an organization which attracts hundreds of young adults between the ages of 20 to 40 to its events and on social media. Its goal is to attract and retain young people in Pictou County. Its mission focuses on four main pillars, including social events; economic and professional development; community development; and sports and wellness. Dr. Amanda Hill, one of its members, explained the group's reasons in support of amalgamation:

... We want to see Pictou County thrive. We want to be able to stay and live and work here. To our generation, working together is a no-brainer, and there's no question that Pictou County is at our best when we work together.

So many initiatives are currently countywide; this is just the governance structure catching up. Government funding will aid with lessening the tax burden of this transition, with minimal impact to our tax rates while increasing services and infrastructure. Even though it is what the projections show, this is not necessarily about saving money; it's about more efficient use of our money regionally, consolidating our resources, and having one voice representing Pictou County.

We have the potential to be one of the strongest places in the Maritimes. We need to be competitive as a region, and unifying will allow us to be a more attractive destination for people and for business. It will make our bylaws and taxes more consistent; allow one voice to represent us provincially; share a unified regional strategy, and lessen the competition between our units that has driven new business opportunities away in the past.

To paraphrase the Now or Never Ivany Report, we have to stop thinking about our individual piece of the pie and make a bigger pie for everyone. We should recognize our county's assets and realize that with each success all of Pictou County benefits.

Many of us travel through the whole county each week as we live, work, shop, and play in various different municipal units. We truly are residents of one Pictou County. This will not affect our identity and our individual communities will still exist. Although when most of us travel outside of the area we proudly identify as being from Pictou County, this unification should instill a whole new sense of pride in us as one Pictou County, being leaders and making history to better our community.

This is a chance for Pictou County to demonstrate it is ready to move forward, and it's a sign to the younger generations that we can advance and be progressive. I know there are many in our age group who are watching the outcome of this to determine if Pictou County is somewhere where they wish to stay to grow their career and their family, watching to see if this community wants to help itself improve, and fear the impending decline should this not pass.

...

If the status quo remains, it's certain that the towns will be dissolving and we'll be forced into this same arrangement in the perhaps not-so-distant future. It's a grim reality that other rural Nova Scotia communities have been facing. This is an opportunity for us to be proactive, to establish the kind of union we want as a county on our own terms. Now is the time.

If we decide to ignore this opportunity for improvement, we are choosing to forgo a united vision, infrastructure improvements, and growth and evolution.

Albertan MLA, Doug Griffith, wrote the book, *Thirteen Ways to Kill Your Community*. I want to share the title of a few of chapters, which, should the MOU not come to fruition, we are choosing:

To Kill Your Community, Chapter 1, Don't Have Quality Water; Chapter 2, Don't Attract Business. To Kill Your Community, Chapter 3, Ignore Your Youth; 4, Deceive Yourself about Your Real Needs; 7, Don't Cooperate; 8, Live in the Past; 10, Reject Everything New. To Kill Your Community, Chapter 12, Become Complacent; and 13, Don't Accept Responsibility When You Run Your Community into the Ground.

As mentioned, we are fighting many challenges right now and in the coming years: Declining population and tax base; aging demographics; tough economic times nationally. Urbanization is happening globally, and this unification will put us in a better position moving forward.

This will not solve all of the problems. Yes, change is difficult, and yes, there will be growing pains. However, as one Pictou County we will be stronger, both on the inside and on the outside.

Pulse Pictou County supports this unification and hopes that we see these four, and eventually all six, municipal units join together in the near future. We need to celebrate the potential of our region, move forward, and be far more positive in our outlook. [Emphasis added]

[Transcript, pp. 287-292]

[157] Lynn MacLean, a retired school administrator and now a full time teacher, as well as a lifelong resident of Lyons Brook, supports amalgamation and regional government (whether or not Westville or Trenton choose to be part of the Application).

She outlined her reasons at the Scotsburn evening session:

... It is the best decision for Pictou County from an economic, a financial, and a futures perspective.

One of the greatest challenges we face is a declining and aging population. We do not have the number of children that we used to have here.

About 20 years ago, we had approximately 10,000 students attending schools in Pictou County. Today, that number is below 6,000.

The decision to replace the six small high schools, which you've heard here tonight, into two new high schools was a wise and a visionary decision. Some of those high schools were struggling, and the rest of us were beginning to struggle to offer programs that would meet the needs of our students in the 21st century.

Today, those students are now offered programs and services that would not have been available in those small high schools.

The students also see themselves as part of a larger community, a one community, and they create friendships and relationships far from their own locale.

If we apply the schools' examples to the municipal units in the county, then I think the same advantages can apply.

Well, let's think about our community. Who's there?

When people move in, what is their age? Are they working, or are they retired?

I think you will find that there are more people who are retired than working. And a community, regardless of its size, needs a balance. It needs retired individuals who provide that experience and skills, and people with families who are working. At the rate Pictou County is going, we will become a senior citizens county with very few available to fill the jobs and to pay the taxes.

So how do we attract more people to our area and to encourage our young people to stay?

And one of those ways is to have a government that speaks with one voice. A regional government is able to attract and encourage business and industry. One regional government can offer a choice of locations from which business or industry can operate, as well as offering a fair commercial rate which then is shared throughout the municipal unit so that all benefit, not just one small unit.

Currently, the towns and county compete against each other for potential industries and businesses. In years gone by, that may have worked. But the world has become much smaller, and far more competitive. We live in a global community where businesses and

industries have many locations from which to choose, and we need to put forward the best plan for the whole county, not for just one unit. One regional government, one voice makes sense.

Financially, in an area with less than 40,000 people, there will be savings in the administrative structure of a regional government whereby governments with the same responsibilities can be combined. The provincial government has also indicated to the municipal units that the equalization payments currently received are going to change, and maybe as early as the 2016 budget.

To me, that translates into money that the county and the towns receives from the provincial government will no doubt be reduced, and therefore, each unit will have less money to do what is necessary.

By having the provincial government guaranteeing that the equalization payments will not change for five years allows the regional government to become firmly established and able to plan accordingly.

The other money the provincial government promised allows infrastructure work to be completed and eliminates that expense from the new short-term regional government. This is a win/win for everybody.

So what is the vision for all of Pictou County?

Currently, each municipal unit establish a plan for their own area, and though the units have worked together in the past it has not always been smooth, nor have they always been on the same page, as we have heard here tonight.

The Ivany Report states that reforming the structure of municipal government is an essential step in improving our economy. One regional government will have a focus on growing all of Pictou County, economically and financially.

This is our opportunity to head in a new direction. We're not being told to do this. We can direct our future. And after 50 years of discussing regional government, now is the time to choose what is right for our future and our children's future. It is time to say yes to regional government.

[Transcript, pp. 517-521]

[158] Further, Dr. John Hamm, a former Premier of Nova Scotia, highlighted various reasons for amalgamation. His thoughtful presentation addressed both the pitfalls of retaining the status quo and the benefits of amalgamating the municipal units:

... thank you to the MOU committee for providing a properly researched choice to Pictonians on a question that has been around for over 100 years.

The MOU provides information on which to make a decision. Endless process is a tool for those who want nothing to change.

Page 50 of the Ivany Report speaks to reform of municipal government and regional service structures. For Pictou County, the MOU is exactly this, what Ivany recommends.

The MOU addresses Ivany's seven primary objectives for restructuring, and these objectives can only be met with a one Pictou County approach. It is unrealistic to expect six governments to achieve what is needed, and the Ivany Report does not endorse the status quo.

I have lived in Pictou County all my life, a choice which I have never regretted. It is comforting, as a local, to see that those on both sides of this question of unification declare that they are driven by love of place and satisfaction with life here. This is part of the reason that, when we are away, Pictonians identify as being from Pictou County. No other residents in Nova Scotia self-identify in this fashion.

To those outside our county, we are known for entrepreneurship, industrial history, economic diversification and inefficiency. This place has the greatest economic diversification outside of HRM, anchored by Sobeys, Michelin, and Northern Pulp.

These comments are made on a background of population decline; 50,350 in 1981 to 45,643 in 2011, and even more marked decline in school children and working adults. What needs more discussion is our assessment base is shrinking, which means, with the current governance, our taxes are going to go up unless we reverse the decline in the assessment base.

Our taxes with the current governance are going to go up with the decline in the assessment base.

All this is accompanied by, or perhaps caused by, a precipitous loss of employers in recent times; Convergys, Passenger Tire Manufacturers -- Manufacturing, DSME, Nova Forge, Maritime Steel, all part of a lengthening list resulting in unacceptable unemployment, that falling assessment base, and lack of opportunity for our young people.

Many who are interested in this governance issue are motivated by how best to deal with these stark realities to preserve this place that we love.

There is a growing realization that it will not be a case of some of our six municipalities thriving as others fail. The reality is, in our county, we are inextricably connected. Either all will thrive, or all will continue to decline. It will, I repeat, not that some will prosper as others continue to weaken.

The MOU committee has been thorough to this point in its work. As a taxpayer, I am reassured by the five preconditions and the three overarching principles of the MOU, with oversight by the UARB.

The saving in operating costs of one million per year, well researched, and a governance savings with one Mayor and 10 councillors of \$200,000 a year with a five-year reserve of \$5.5 million are as well researched as any municipal finance projections that I have seen.

The investment by the provincial government for infrastructure money as well as transition costs cannot be ignored. This is a strong provincial commitment, and the timing is excellent, as our infrastructure dollars can be levered with federal programs into a much bigger number, a number difficult to calculate, but it will be bigger and it will be real.

There is no reasonable expectation that failure to amalgamate will result in a similar offer to the status quo by a cash-strapped provincial government. The provincial government has presented a timely opportunity, and we would be foolish to ignore it.

With six governments attempting to provide governance for 45,000 people, consensus is difficult to obtain. There are so many examples: The Pictou County Planning Commission, the governance study re amalgamation. The list is endless.

With our municipal governments cost sharing for issues like the Aberdeen Hospital or proper prioritization of infrastructure projects and the need for regulatory simplification, requirement for convenient services and promoting growth in private sector assessment, the advantage of one focus is obvious.

Our county currently lacks overall vision, commitment, and direction to deal with the challenges ahead. Effective regional development is almost non-existent.

Outside of HRM, we have the greatest potential if right things are done. The old style has brought us to where we are. Tinkering and continuing the status quo will ... produce the same results.

Let us not give up a good start towards a growing, stable Pictou County by abandoning the best choice we have to turn things around.

I spoke recently with community leaders in Queen's County who, not long after their voluntary amalgamation, lost their cornerstone industry, their paper mill. The question I asked was, "As an amalgamated unit, how are you able to deal with this economic catastrophe?" All said, "The amalgamated approach has enabled us to deal more effectively with what has happened."

It works there; it will work here.

The focus, cohesiveness, and direction needed for Pictou County to face a problematic future will not come with six independent governments. One Pictou County will provide an efficient platform from which we will be better able to compete and provide a proper prioritization for the spending of taxpayer dollars.

All this bodes well for a real shot at becoming the most successful area in Nova Scotia outside of HRM.

Harmonized regional development will serve us well. We must not let indecision and endless process lead us to mediocrity.

[Transcript, pp. 225-230]

Findings

[159] In the end, considering the comments of the public in their entirety, the Board considers that those members of the public supporting amalgamation expressed more compelling reasons for their position than those wanting to retain the status quo.

[160] Nevertheless, in their Application, the Applicants included a request for a plebiscite. In the circumstances, the Board finds that it is appropriate to direct the holding

of a plebiscite. According to a timeline established in consultation with all parties to this hearing, the plebiscite will be held on Saturday, May 28, 2016, as described more fully later in this Preliminary Decision.

(10) Board's findings on the social implications

[161] As noted earlier in this Decision, the Board must take into consideration the social implications of amalgamation.

[162] Based on its review of the evidence, the Board finds that amalgamation would result in significant positive social implications for the residents of the area. These factors include more efficient and effective municipal governance and administration, improved infrastructure planning and prioritization, more efficient municipal planning and development (especially in the urban areas of the Applicants), and a municipal structure that is more consistent with the regional community of interest in Pictou County. Moreover, while the Board finds that in the short term there will be no impact on the delivery of fire services, police services, solid waste collection, water utility services, and wastewater treatment, it is reasonable to expect that there is a greater probability over the longer term that the delivery of such municipal services may become more efficient compared to the status quo.

[163] Taking into account all of the evidence, the Board concludes that, based on the social implications, it would be in "the best interests of the inhabitants of the area" to order an amalgamation.

VIII ANALYSIS AND FINDINGS

(1) Is amalgamation in the best interests of the inhabitants of the area?

[164] As noted above, the Board must consider the application on the basis of "the best interests of the inhabitants of the area, taking into consideration the financial and social implications" of amalgamation, as outlined in s. 363(1) of the *MGA*. This is clearly a very broad test, which requires the Board to consider and weigh a wide variety of factors which were raised in the evidence filed with the Board, and discussed during the hearing, including the comments of the public.

[165] Based on the Board's review of the evidence, it accepts the Applicants' evidence that amalgamation could result in total annual financial savings for the New Municipality of at least \$500,000 over each of the first five years of amalgamation. From its review of the evidence, the Board also accepts the Applicants' view that this is a conservative estimate. It is reasonable to conclude that, through good management and favourable economic conditions, greater savings could be achieved. Further, over the longer term, the Board is satisfied from the evidence that further financial savings could result from efficiencies related to the delivery of policing services, water utility services, and other municipal services. Amalgamation would also allow the New Municipality to benefit from funding of over \$27 million from the Province through the Letter of Intent, a significant part of it designated for infrastructure projects which would not otherwise be able to be financed by the existing Applicant Towns and Municipality. The Letter of Intent also guarantees the payment of equalization in the amount of \$2,372,240 annually over the next five years, despite the Province's ongoing review of this program.

[166] Moreover, the Board finds, on the balance of probabilities, that retaining the status quo would more likely than not result in increased property taxes because of the deferred maintenance, infrastructure deficit, declining population and decreasing tax base.

[167] The Board has also considered the social implications of amalgamation. On the basis of the evidence presented in this matter, the Board finds, as noted earlier in this Decision, that amalgamation would result in significant positive social implications for the residents of the area, including more efficient and effective municipal governance and administration, improved infrastructure planning and prioritization, more efficient municipal planning and development (especially in the urban areas of the Applicants), and a municipal structure that is more consistent with the regional community of interest in Pictou County. The Board also finds that over the longer term it is reasonable to expect that the delivery of municipal services like policing, water utility services, and other services, may be more efficient when compared to the status quo.

[168] The Board concludes that there are both financial and social benefits that may result from amalgamation. Having reviewed all of the evidence to date, and subject to the Board's review of the plebiscite results, the Board's preliminary opinion is that amalgamation would be in the best interests of the inhabitants of the area.

[169] If amalgamation occurs, some of the issues canvassed during the hearing specifically require findings of the Board under the legislation. These issues, and others, are canvassed below, in turn.

(2) Proposed Municipal Council

[170] The Board must also address how amalgamation will affect the governance of the new amalgamated municipality (i.e., the number of councillors and polling districts on Municipal Council, and the boundaries of the polling districts).

[171] The provisions of the *MGA* dealing with the configuration of polling districts following amalgamation are as follows:

Order for amalgamation or annexation

363(2) The order of the Board for an amalgamation or an annexation shall

...

(b) make provision for any necessary revision of polling districts;

(c) make provision for any election that the Board considers necessary including setting the dates for nomination day and ordinary polling day for the election and providing for returning officers and the conduct of the election;

...

(e) provide for any other matter that is necessary or desirable to effect the amalgamation or annexation; and

(f) from time to time make such determinations, issue such orders and directions and do, or cause to be done, all such other matters and things as, in the opinion of the Board, are necessary or incidental to the annexation or amalgamation.

Powers of Board

368 (1) Upon application, the Board may, by order

(a) divide or redivide a municipality into polling districts;

(b) amend the boundaries of any polling district;

(c) dissolve polling districts;

(d) determine that a town be divided into polling districts or cease to be divided into polling districts;

(e) determine the number of councillors for a municipality; and

(f) determine the date upon which the order takes effect.

...

(3) The Board may make an order granting the whole or part of an application, and may grant such further or other relief as the Board considers proper.

(4) In determining the number and boundaries of polling districts the Board shall consider number of electors, relative parity of voting power, population density, community of interest and geographic size.

[172] The existing municipal units, together, are represented by four different municipal or town councils, which total 31 elected representatives. The Applicants

requested that the combined amalgamated municipality, if approved by the Board, be represented by one municipal council with 10 councillors, and a mayor elected at large.

[173] In its Preliminary Order, the Board directed that a study on governance issues be conducted with respect to this proceeding.

[174] In the spring of 2015, the MOU Steering Committee retained Grant Thornton LLP to conduct a Governance Size Study to determine the optimal size of a new council, as well as to make recommendations for salary and benefits to be afforded to the new council. In its report filed as Exhibit P-2, Grant Thornton recommended that the council for the amalgamated unit should consist of 10 councillors, as well as one mayor, elected at large. In a subsequent report filed by the MOU Steering Committee (Governance Report), and following public consultation conducted by municipal staff, the Steering Committee proposed boundary lines for the 10 proposed polling districts (Exhibit P-13).

Findings

[175] Should the Board ultimately approve the amalgamation, it will be necessary for the Board to determine the size of municipal council, the boundaries of the polling districts, and whether council's leadership should be in the form of a mayor or warden.

[176] In the event of amalgamation, the Applicants have proposed that there be a municipal council of 10 councillors, as well as a mayor elected at large. They have also proposed boundaries for the 10 polling districts.

[177] The Applicants carried out its governance review in two stages. The first stage involved a Governance Size Study by Grant Thornton LLP to determine the optimal size of a new council, as well as to make recommendations for salary and benefits to be afforded to the new council (Exhibit P-2). This was followed by the second phase leading,

after public consultation, to the preparation of a Governance Report by the MOU Steering Committee which set out proposed boundary lines for the polling districts (Exhibit P-13).

[178] Section 368(4) of the *Act* sets out the criteria for the Board to consider as follows:

368(4) In determining the number and boundaries of polling districts the Board shall consider number of electors, relative parity of voting power, population density, community of interest and geographic size.

[179] In its previous municipal boundary decisions, the Board has provided specific guidance to municipalities with respect to applications for setting the size of municipal councils and the boundaries of polling districts:

VIII GUIDANCE FOR FUTURE APPLICATIONS

[106] The Board feels that it would be useful to provide some guidance to HRM and other municipalities with respect to future applications pursuant to ss. 368 and 369 of the *Act*...

A. Number of Councillors and Polling Districts

[107] It is the Board's view that the logical starting point under the *Act* is for Council to determine the desired number of councillors. Questions related to the distribution of polling districts should be addressed in a second stage.

[108] Determining the size of Council involves the consideration of the desired style of Council, the governance structure of Council, and a determination of an effective and efficient number of councillors.

[109] The style of government is a question which should not be decided by Council until adequate public consultation has occurred respecting the expectation of constituents.

[110] However, the size of Council and its governance structure is a matter to be determined by Council in an informed debate after further consultation. On this issue it would be helpful to consult senior staff and perhaps experts in the field.

[111] Once the total number of councillors and polling districts is determined, the task becomes one of distributing the polling districts to satisfy the objectives listed in s. 368(4) of the *Act*.

[*Re Halifax Regional Municipality*, 2004 NSUARB 11, paras. 106-111]

[180] In 2004, the Board determined that the target variance for relative parity of voting power shall be $\pm 10\%$ from the average number of electors per polling district: see *Re Halifax Regional Municipality*, *supra*. Any variance in excess of $\pm 10\%$ must be justified in writing. The larger the proposed variance, the greater the burden on the municipal unit to justify the higher variance from the average number of electors.

[181] While the Board will permit variances up to $\pm 25\%$, the outer limits of this range should only apply in exceptional cases, where the affected municipality provides detailed written reasons showing that population density, community of interest or geographic size clearly justify the necessity of an increased variance within a polling district. In most cases, however, the Board expects municipalities to meet a target variance of the number of electors in each polling district which is within a $\pm 10\%$ range of the average.

[182] In the present Application, nine of the proposed 10 polling districts fall within the $\pm 10\%$ standard for voter parity applied by the Board, with just one minor exception in the proposed District #7 having a 10.19% variance. In the Board's view, this substantially complies with its guidelines on voter parity, with the variance being just 10 electors from being within the accepted margin. Moreover, based on its review of the Governance Report, the Board finds that the proposed 10 polling districts are consistent with generally accepted communities of interest in the area comprised by the four Applicant municipal units. The respective communities of interest were thoroughly canvassed in the Governance Report.

[183] During the evening sessions, with only one exception, those who commented on the issue of the proposed municipal council expressed no concerns about its size, or about the proposed polling district boundaries.

[184] The Board received only one comment from the public about the proposed municipal council structure. Gary Stewart of Stellarton suggested that residents of Stellarton were unfairly represented on the proposed new council as compared to residents of New Glasgow. Based on the Board's review, this concern is not supported

by the evidence. As described above, the proposed boundaries of the polling districts comply both with the Board's accepted standards on voter parity and with the communities of interest generally known within the area. In the Board's opinion, on this issue, the Applicants have clearly respected the applicable overarching principle of the MOU, that of representation by population.

[185] The next issue relates to the question of a mayor or warden.

[186] The parties supported the Board's authority to make the requested order under ss. 363(2)(e) and (f) of the *MGA*, which confer upon the Board broad powers to provide for any other matter that is necessary or desirable to effect the amalgamation, or to issue such orders and directions, or cause to be done, all such other matters and things as, in the opinion of the Board, are necessary or incidental to the amalgamation.

[187] The Board accepts the reasons advanced by the Applicants that the New Municipality adopt a mayoral style of governance rather than a warden. On this point, the Board received no evidence to the contrary.

[188] Accordingly, if amalgamation is ultimately approved by the Board, it is satisfied that the new municipal council should be comprised of 10 councillors and polling districts, and that the proposed polling district boundaries should be approved. Moreover, the Board is satisfied that the mayoral model would be in the best interests of the residents.

[189] Given the significant change in the municipal governance model if amalgamation occurs, the Board considers, however, that it would be prudent to review the number of councillors and the polling district boundaries before the regularly scheduled municipal election to be held in October 2020. Accordingly, if amalgamation

is approved, the Board would direct the New Municipality to conduct another study regarding the fairness and reasonableness of the number of councillors and polling district boundaries following the October 2016 municipal election. The study would be filed with the Board no later than February 28, 2018. This would allow for the matter to be dealt with by the Board before the next regular municipal election in October 2020.

[190] Finally, with respect to its consultation respecting municipal governance, the Board commends the MOU Steering Committee for providing the public with an effective opportunity to provide their views. The public consultation process was open and transparent, supported by background material prepared by expert consultants, and the public were afforded the opportunity to canvass the issues at several public sessions held throughout the Applicant municipal units. The Steering Committee also presented its results to the business community at a breakfast session of the Pictou County Chamber of Commerce attended by representatives of more than 100 businesses. The materials were also available on its municipal website.

(3) Effective date of amalgamation and transition

[191] If amalgamation is approved by the Board, the Applicants have requested that the effective date of amalgamation be November 1, 2016.

[192] In this instance, the proposed effective date raises two transitional issues which the Board must address. First, the Board must address the timeline leading into the regularly scheduled municipal elections to be held in October 2016, including the transition from the existing councils in each of the Applicant municipal units to the new municipal council for the New Municipality. Second, towns and municipalities in the

Province operate on a fiscal year period ending March 31st of each year. As a result, an effective date of November 1st will mean that there would be a transition period (or “stub period”) for seven months where the individual municipal units will begin their normal budgeting cycle, but they will then merge or amalgamate into one municipal unit for the final five months of the 2016-17 fiscal year.

Findings

[193] On the first issue, the Board is satisfied that the municipal council for the New Municipality, if approved by the Board, can be elected as part of the regularly scheduled municipal elections to be held in October 2016.

[194] On the second issue regarding the “stub period”, the Board asked the parties to provide their comments on the transitional aspects of the “stub period” if amalgamation was ordered by the Board. In reference, the Board identified the Canso and Hantsport dissolution process, where transitional provisions related to a similar “stub period” were included in those Dissolution Orders.

[195] Section 363 of the *Municipal Government Act* confers upon the Board the power to make such orders or directions that are required to give effect to the amalgamation. This authority extends to directions related to the transitional matters.

The *MGA* provides:

Order for amalgamation or annexation

...

363(2) The order of the Board for an amalgamation or an annexation shall

...

(e) provide for any other matter that is necessary or desirable to effect the amalgamation or annexation; and

(f) from time to time make such determinations, issue such orders and directions and do, or cause to be done, all such other matters and things as, in the opinion of the Board, are necessary or incidental to the annexation or amalgamation.

[196] In the event amalgamation is ordered by the Board, it is proposed that the outgoing Councils of the Applicants would pass 12 month budgets for the 2016-17 fiscal year based on the status quo projections for each unit, and issue tax bills accordingly.

[197] The Applicants submitted to the Board that the transition from the existing municipal units to the New Municipality, on November 1, 2016, would be by way of a Transition Manager and an Interim CAO:

89. The Applicants propose that, in the event amalgamation is ordered by the Board, the Order include a provision that enables the MOU Steering Committee, in consultation with the Province, to appoint a Transition Manager to oversee the administrative requirements of the transition process.
90. The Transition Manager would report and be accountable to the MOU Steering Committee which shall include the Deputy Minister of Municipal Affairs or his designated representative.
91. The Transition Manager would have the authority, subject to the approval of the Steering Committee, to:
 - design and implement the new administrative structure, including the appointment of the interim CAO; ...
- ...
94. The Interim CAO will also have all powers provided to Chief Administrative Officers under section 31 of the *MGA*.

[Applicants' Post-Hearing Submissions, paras. 89-94]

[198] The CAO is also proposed to have the authority to hire municipal staff as is the required and normal practice under the *MGA* for all CAOs in the Province and to administer the combined 2016-17 budget approved by the existing Councils for the first transitional fiscal year.

[199] It is also proposed that the powers of the Transition Manager and the Interim CAO would be expressly limited to the financial commitments made in the approved 2016-17 budget.

[200] Based on the submissions received from counsel for the Applicants, the Board is satisfied that they have considered the various transitional issues. If the Board ultimately orders amalgamation, it will canvass with the Applicants an efficient transition to the New Municipality in accordance with its authority under s. 363(2) of the *MGA*.

(4) Plebiscite

[201] As noted earlier in this Decision, in their Application, the Applicants included a request for a plebiscite. The basis of this request was that the residents of the affected municipal units would have the benefit of reviewing the Board's Preliminary Decision and the various studies prepared by the Applicants before expressing their views in the plebiscite.

Findings

[202] Based on the submissions of the parties, the Board included the conduct of a plebiscite in the timeline of this proceeding. In accordance with that timeline, the Board directs that a plebiscite be held on Saturday, May 28, 2016.

[203] The Board also directs that the plebiscite question shall be as follows:

Do you favour the amalgamation of the Municipality of the County of Pictou and the Towns of New Glasgow, Pictou and Stellarton into one municipal unit?

[204] There shall be two possible answers to the plebiscite question: "Yes" or "No".

[205] The Board observes that the form of this question mirrors the wording of the plebiscite question ordered by the Board in the *Antigonish* amalgamation matter.

[206] The Applicants have agreed to conduct the plebiscite, concurrently, in each of their respective municipal units, in accordance with the provisions of the *Municipal Elections Act*, R.S.N.S. 1989, c. 300. The Board so directs. The plebiscite results shall be forwarded to the Board as soon as possible after it is conducted.

[207] The Board considers that the holding of a plebiscite will provide the public with an opportunity to indicate their informed choice on the amalgamation question. In the Board's view, the timing of the plebiscite is appropriate, to be held as it will after the March 7th to March 9th hearing held in Pictou County, as well as following the release of this Board Preliminary Decision, and subsequent to the public sessions to be held by the Applicants. The members of the public will have had the benefit of reviewing the Board's independent assessment of the Application before exercising their vote.

[208] The Board wishes to address an issue raised by the public during the hearing. A number of persons at the evening sessions suggested that the results of the plebiscite should be binding.

[209] While the Board will carefully weigh the results of the plebiscite, the provisions of the *MGA* do not permit the results of the plebiscite to be binding on the Board. The plebiscite may comprise important "other evidence" which the Board can consider pursuant to s. 362(1)(d) of the *Act*. However, it would be wrong, as a matter of law, for the Board to consider the results of the plebiscite to be binding. It has a broad jurisdiction under the *Act* to weigh all of the evidence and, under s. 363(1) of the *Act*, to determine what "is in the best interests of the inhabitants of the area, taking into account the financial and social implications" of amalgamation.

[210] The Board reviewed the issue of public opinion in its prior Decisions respecting the Antigonish amalgamation and the Chester town incorporation applications:

[429] In short, the *Act* confers upon the Nova Scotia Utility and Review Board the sole responsibility and authority for making decisions with respect to applications for annexation or amalgamation. Nevertheless, while the Board, alone, has ultimate authority with respect to such applications, the legislation requires the Board to exercise this authority only after it has held public hearings which involve not only presentation of evidence and arguments by the parties, but broader public consultation, allowing members of the public, in addition to the parties, to present their views.

...

[442] [The Board] directs the taking of a plebiscite, which will give the Board an indication of the degree of public support for amalgamation. Moreover, the Board considers that the electors in the plebiscite will have the benefit of having reviewed the information in this preliminary decision prior to voting, an opportunity not enjoyed by those responding to the poll. The results of such a plebiscite will assist the Board in reaching its ultimate conclusion in this matter, following its review of the totality of the evidence (including the plebiscite results and all the other evidence tendered at the hearing).

[*Antigonish* Decision, 2005 NSUARB 12, paras. 429 and 442]

[211] Thus, subject to reviewing and weighing the results of the plebiscite, the Board concludes that those in support of amalgamation have expressed more compelling reasons to approve the Application. While there were opposing views on the issue, the public's comments in support would, everything else being equal, lead the Board to conclude that amalgamation would be a positive social implication for the area.

(5) Public Consultation

[212] As described earlier in this Decision, several presenters at the evening sessions who opposed amalgamation expressed concerns about the public consultation conducted by the Applicants to date. In their view, there had been no meaningful consultation of the public leading up to this proceeding.

[213] A number of speakers at the evening sessions also suggested that the MOU Steering Committee was unable to provide any great detail about the financial implications of amalgamation until early February 2016. The Applicants' witnesses noted

that many financial matters would have been unclear until the details of the Letter of Intent with the Province were finalized.

[214] This point was squarely addressed by the Applicants' witness panel at the hearing. They indicated that immediately following the hearing, and leading to the holding of the plebiscite, the MOU Steering Committee is planning to conduct comprehensive information sessions with the public to explain the elements of amalgamation. These will occur both before and after release of this Preliminary Decision.

[215] In her testimony, Lisa MacDonald, CAO for New Glasgow and a member of the MOU Steering Committee, described what was planned to inform the public and the reason this part of the process was delayed:

MS. MacDONALD: Now that the evidence has been produced with respect to what the new municipality would look like from a financial perspective, capital, et cetera, and human resource aspect, the commitment of the Steering Committee is to go and inform and educate what that evidence has shown. And there are approximately 22 communities that will have one of those information sessions take place.

We have been meeting with groups such as -- we held a Chamber of Commerce business breakfast last week, but if there's additional communities that identify that they would like to have one of the information sessions, then we would certainly be doing that.

We're also looking at open houses where -- give the citizens an opportunity to come and have one-on-one discussions through a set period of time in various locations of the county.
...

THE CHAIR: ...On that, is that contemplated that that would occur after the Board's decision, or before?

MS. MacDONALD: Actually, it'll be happening quite quickly. It will be probably before the Board's decision.

We'll be taking the evidence that has been produced and submitted to the Board and not waiting for the actual decision, but taking the approach of providing this information directly to the citizens. And really, that information wasn't fully compiled till February the 5th [the execution of the Letter of Intent with the Province].

And also, an important commitment that was made to citizens is that we would be able to articulate the tax burden that they have today and what that tax burden would be proposed in the new municipality.

And that's important information that we heard through our consultation sessions, so we've really learned from the consultations that were undertaken specifically on the governance

and boundaries piece to ensure that public input was sought when the boundaries were designed and making sure that the representation met the needs of the citizens.

So there were active consultations undertaken as well as we did quite a number of information sessions just about the process, of the MOU process.

What we found through both the information sessions on the MOU process and the consultation on the boundaries and governance piece is that people were really looking for the whole picture. And we really weren't in a position to do that, and we are now in the position to do that. And that is the commitment, to bring that information forth to the citizens.

MR. MELANSON: And when you say you weren't in a position to do that earlier, am I right in saying you had to have all the financial information compiled before you could present it to people in a cogent way?

MS. MacDONALD: That's correct.

[Transcript, pp. 91-94]

[216] The Board considers that the holding of information sessions by the Applicants is important to help inform the residents about the issues involved in the proposed amalgamation.

[217] As noted above, the holding of the plebiscite on May 28, 2016, following the hearing and the release of this Preliminary Decision, will allow all residents to obtain the most recent information about the proposed amalgamation before casting their vote in the plebiscite.

[218] In their written submissions following the hearing, counsel for the Applicants described a comprehensive strategy for public consultation, which is attached to this Decision as Schedule "B".

[219] According to the Consultation Plan, information will be circulated by mail-out materials to households; on the www.onepictoucounty.ca website; through Facebook and Twitter; via community and workplace newsletters; and through targeted stakeholder presentations (e.g., Pictou County Chamber of Commerce; Fire Chiefs Association; Nova Scotia Community College Staff and students; the Pictou County Council of Seniors;

United Way; YMCA; and others). Moreover, 18 Community Information Sessions are scheduled throughout the County between March 29th to May 12th, 2016.

Findings

[220] The Board is satisfied that the Consultation Plan follows through on the Applicants' commitment to inform the residents about the proposed amalgamation.

[221] The Board directs the Applicants to file a report after the Consultation Plan is completed, outlining approximate attendance and issues that may have been identified.

(6) Pictou County Shared Services Agreement

[222] An issue canvassed at the hearing was the impact of the proposed amalgamation on the Pictou County Shared Services Authority. The PCSSA is owned by all six Pictou County municipalities and operates solid waste, wastewater and emergency preparedness divisions on behalf of its constituent municipal units. The PCSSA was formed through an Intermunicipal Services Agreement ("ISA") executed effective April 1, 2010, among the municipal units under s. 60 of the *MGA*.

[223] More specifically, the Towns of Trenton and Westville intervened in this proceeding to confirm the impact of the amalgamation of the four Applicant units upon the governance of the PCSSA.

[224] For greater context, the operations comprised by each of these shared service areas are described in turn.

[225] The PCSSA relates to the two main elements of the Solid Waste Management System ("SWMS"), and the East River Environmental Control Centre ("ERECC"), which handles wastewater.

[226] Mr. Cullen described the SWMS as consisting of the Mount Williams facility, a former landfill site, which currently is a transfer station which handles both solid waste, taken to Guysborough for final disposal, and recyclables, which are transported to Colchester for recycling. The site also includes a customer drop-off centre and a compost facility, as well as an administration building. He noted that the main entrance to the facility includes a scale, which weighs everything entering and leaving the area, with the individual municipal units billed based upon the measured weight from their respective curbside collection.

[227] Ms. MacDonald provided an overview of the ERECC system, noting that a centralized treatment facility was built in the early 1970's, which was upgraded in the 1990's, providing a conventional biological level 2 treatment process, which she described as producing high quality secondary effluent, exceeding Canadian Council of Ministers of the Environment ("CCME") guidelines. She noted that currently the system consists of approximately 16 kilometres of gravity interceptor sewer mains, 17 pumping stations and six kilometres of pressure sewers. Mr. Conrod added that it is his understanding that the ERECC system is in fairly good condition.

[228] In response to the Board's inquiry as to how the municipal units are charged for the ERECC service, Ms. MacDonald explained that the municipalities were initially charged based upon uniform assessment, which is currently being moved towards a user pay structure, based upon flows using a phased-in approach. Currently there is an approximately 20/80 percent split between the uniform assessment calculation and historical flows, respectively, with the commitment to have new flow meters installed. Ms. MacDonald explained that the actual flow calculations are based upon a 2005 CBCL

engineering study, which will continue to be used until such time as the new flow meters are installed and any aging meters have been replaced. She added that as this study is 11 years old, the current calculation may not be accurate.

[229] The Applicants explained that in addition to the tonnage fees for SWMS services and fees related to volumetric flows or uniform assessment into the treatment plant for ERECC services, there is an accounting function that divides administrative costs, noting that as the Town of Pictou does not receive ERECC services, it is not allocated a share of ERECC's administrative costs under the ISA.

[230] Finally, the emergency preparedness component of the PCSSA involves the funding of a joint coordinator and related expenses on a per capita basis.

[231] The Applicants have requested an Order from the Board that there be no change to the current composition of the voting structure, and the elected members currently sitting on the Board of Directors of the PCSSA, resulting in four members from the amalgamated municipality, and a member from each of the Town of Westville and the Town of Trenton.

[232] The Applicants further noted that no changes are anticipated with respect to the service levels provided by the PCSSA in the event of amalgamation. This includes garbage collection and disposal, and wastewater and stormwater services.

[233] Based on the submissions of counsel for the Towns of Trenton and Westville, they expressed concerns related to three main areas: 1) governance of the PCSSA Board of Directors; 2) the impact upon operational aspects of the PCSSA, including operating and capital budget approval and expansion of services; and 3) the

impact upon Trenton and Westville of their withdrawal from the PCSSA, including any entitlement to the distribution of assets upon withdrawing from the PCSSA.

[234] The issues raised by the Towns of Trenton and Westville involve various articles in the ISA as follows:

5. GOVERNANCE STRUCTURE

(1) The Shared Services Authority shall be governed by a Board of Directors (hereinafter called “the Board”) consisting of the Mayors of each of the Towns of New Glasgow, Pictou, Stellarton, Trenton, and Westville and the Warden of the Municipality of Pictou County, as appointed by their respective Councils. In the event any Mayor is unwilling or unable to be so appointed, or is unable to act or to continue to act, then the affected Council shall forthwith appoint in place of such Mayor or Warden, its Deputy Mayor or Deputy Warden or such other elected member of Council as shall be determined by Resolution of that Council at its next regularly scheduled meeting following receipt of notice of such vacancy on the Board of Directors of Shared Services Authority.

10. FINANCIAL CONSIDERATIONS

...

(6) Following such consultation process, the Chief Operating Officer shall prepare a recommended budget for both operating and capital costs, allocating proposed revenues/assessments in accordance with the best available financial information, prepared in accordance with GAAP, FRAM and PSAB. Such budget shall include provisions for any necessary capital reserve fund, capital expenditures, operating reserve fund, facility/post reserve closure fund, and/or an equipment/depreciation reserve.

(7) The proposed budget from the Chief Operating Officer shall be approved or amended and approved by Special Resolution of the Board of Directors and shall contain an annual assessments for each Participating Municipal Unit.

12. FULL WITHDRAWAL FROM MEMBERSHIP

...

(3) Subject to the provisions of Article 12(2) and 2(5) a Municipality may unilaterally withdraw from the Shared Services Authority effective April 1st of any year, without the agreement of the remaining Participating Municipal Units but shall, before withdrawing, give the other Participating Municipal Units notice before March 31st of the preceding year.

(4) A Municipality that withdraws from the Shared Services Authority is not entitled to receive any assets of the Shared Services Authority without the unanimous agreement of the remaining Participating Municipal Units and shall be responsible for severance and any other costs imposed by its withdrawal, and for its share of any liabilities of Shared Services Authority existing at the time of its withdrawal. However, if the withdrawing Participating Municipal Unit is required to contribute to Capital Costs as elsewhere herein described, the Capital Costs shall be taken into consideration in settling the price of continued services delivery for required services to the withdrawing Municipal Unit.

(5) Applying s. 253 of the Act, *mutatis mutandis*, where all remaining Participating Municipal Units, or all but one, have agreed to dissolve the Shared Services Authority, dissolution shall occur and such remaining municipal units shall, by agreement, provide for the distribution of the assets and liabilities of the Shared Services Authority amongst the

Participating Municipal Units upon its dissolution. Where all the Participating Municipal Units cannot agree on the distribution of the assets and liabilities of Shared Services Authority, one or more of them shall be entitled to make an application to the Supreme Court of Nova Scotia to determine an equitable distribution of such assets and liabilities.

(6) Subject to the Act, in the event of withdrawal from membership in Shared Services Authority, any Municipality that requires the continuing services of the Solid Waste Management facilities and/or Waste-water or Environmental Control facilities of the Shared Services Authority, shall be entitled to access such services upon a fee for service basis, as reasonably determined by the Board of Directors.

13. RIGHT TO ARBITRAL PROTECTION

(1) Where a dispute, except a decision to withdraw from the Authority cannot be resolved through discussion, negotiation or mediation, then either party to the dispute may refer such dispute to Arbitration by the giving of a written notice to the other party.

...

(3) The arbitrator or arbitrators, as the case may be, shall have all the powers given by the Commercial Arbitration Act (Nova Scotia) to arbitrators and may at any time and from time to time proceed in such manner as she, he or they think fit on such notice as she, he or they may deem reasonable and after notice in the absence of either party, the award and determination, of the arbitrator or a majority of the arbitrators shall be final and binding. Notwithstanding anything herein, the Participating Municipal Units reserve their rights under the Commercial Arbitration Act. The costs of any such arbitration shall be borne equally by the parties unless otherwise ordered by the arbitrator.

[235] In essence, the concerns of Trenton and Westville on PCSSA governance are that, in the event amalgamation is approved, four of the six Directors of the PCSSA will be replaced by four Directors from the new amalgamated municipal unit. They submitted that, currently, each of the six Directors represent a different municipal unit. If amalgamation occurs, four of the six could represent the same municipal unit and, whether on a per capita or funding percentage, the Towns of Trenton and Westville could be effectively out-voted on any issue, including Special Resolutions under the ISA which require a 75% approval margin, such as budget approvals. The Towns of Trenton and Westville represent only about 14% of the funding for the Shared Services Authority (i.e., Trenton at 6% and Westville at 8%).

[236] The Board questioned the Applicants at the hearing about the inclusion of Section 12 'Full Withdrawal from Membership' of the ISA, which states that if a municipal

unit withdraws from the PCSSA it is not entitled to receive any assets without the unanimous agreement of the remaining parties, and is responsible for the costs associated with withdrawal and the share of the liabilities. Mr. Cullen noted that the intent of the clause was to force the municipal units to work together.

[237] With respect to the issue of alternatives should Westville or Trenton withdraw from the PCSSA, Mr. Cullen commented on the SWMS service:

I mean, there is certainly a requirement under the *Environment Act* that it [be] disposed of at a legal site, so the Colchester would be the closest second generation.

[Transcript, p. 553]

[238] In terms of withdrawal from the ERECC, Mr. Conrod explained:

Really, at the end of the day, the effluent needs to be treated at an approved site. You can't discharge it. That would require some form of treatment, so options would be build your own treatment or...

[ibid, p. 562]

Submissions

[239] The Board received extensive evidence and oral submissions on the issue of the PCSSA on March 9, 2016, in addition to pre-filed evidence on the matter.

[240] The Board's powers in relation to boards or commissions, which includes the PCSSA, include the authority outlined in ss. 363(3) and 367(1)(c) of the *MGA*:

Order for amalgamation or annexation

...

363(3) An order of the Board may

(a) adjust assets and liabilities among those affected by the order as the Board considers fair;

(b) annex, amalgamate, continue or dissolve boards, commissions, villages and service commissions and allocate their assets as the Board considers fair;...

Effect of annexation or amalgamation

367 (1) Unless the Board otherwise orders

...

(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]

[241] Further, as noted earlier in this Decision, the Board has broad powers to do what is necessary to ensure the amalgamation is effectively carried out:

Order for amalgamation or annexation

...

363(2) The order of the Board for an amalgamation or an annexation shall

...

(e) provide for any other matter that is necessary or desirable to effect the amalgamation or annexation; and

(f) from time to time make such determinations, issue such orders and directions and do, or cause to be done, all such other matters and things as, in the opinion of the Board, are necessary or incidental to the annexation or amalgamation.

[242] In addition to the PCSSA, there are also other boards or commissions involving Trenton or Westville which may raise issues that are similar, but not as significant, as those involved in the shared services agreement. It was generally felt that if the PCSSA matters could be agreed upon by the parties, then they themselves could deal with the other entities. Failing agreement between the municipal units, the Board considers that it can determine any outstanding issues by reserving its jurisdiction to do so under ss. 363(2) and (3) of the MGA, should amalgamation be ordered to occur.

[243] On the issue of PCSSA Board representation and governance, counsel for the Applicants submitted that, by operation of law, s. 367(1)(c) provides that, after amalgamation, the New Municipality would be entitled to name the four directors to stand "in the place and stead" of the former Mayors and Warden of the Applicant Towns and Municipality. In his view, the effect of amalgamation would be to make the New Municipality the successor of the Applicants in every respect, with the ability to succeed each of the former units on the PCSSA Board.

[244] In response to suggestions from Westville or Trenton, which Mr. Grant interpreted as asking that the Board change the composition of the PCSSA Board, or to effectively provide Westville or Trenton with a veto respecting the budgeting process, Mr. Grant submitted that this would be contrary to the clear intention of s. 367(1)(c) of the *MGA* and, further, that it would result in an untenable and unfair situation where the New Municipality would be paying the overwhelming majority of the funding, but would have minority representation in the decision making of the PCSSA. Also, he asked the Board to defer to the provisions of the *MGA* on this point, cautioning that there is no need to rewrite or renegotiate the agreement as a result of amalgamation, or the other number of contracts that may be in place between the existing municipal units and which will continue with the amalgamated unit. He urged the Board to consider that this would set an unfortunate precedent. To do otherwise, he submitted, would open up an argument in all future amalgamation or dissolution proceedings that every contract should be renegotiated, even where the effect of the statute is clear on this issue.

[245] In the event of the withdrawal of Westville or Trenton from the PCSSA, if that were to occur in the future, or on the topic of other operational issues, Mr. Grant submitted:

My friend Mr. James on behalf of Westville, has proposed -- and this is in the exchange of correspondence under Exhibit P-41, Tab D, that any amendment to the PCSSA would require unanimity among the three municipal units; that attendance of each municipal unit would be necessary to establish a quorum; that adding additional services would require unanimous agreement of the three parties; and makes provision for changed arrangements on withdrawal.

The proposals that he makes would effectively, in our submission, allow a veto for either of the towns. And in our submission, that is not the way to run an entity such as this.

Gridlock is not a desirable outcome and I would submit that it's not a reasonable suggestion where his client only contributes in the range of 6 percent to the total financial cost of the operations.

The proposal about withdrawing from the unit from the services and how that should be addressed, I would submit with respect to the sewage treatment plant component, it's largely theoretical in the sense that they're going to have to find some way to treat their sewage.

There is provision in the agreement which allows for withdrawal from the operation, but then entitlement to access the services on a fee-for-service basis, so we're kind of back to the same location.

The submission that the provision in the agreement that does not allow the withdrawing party to receive assets as being punitive, I'd suggest is not an appropriate characterization.

The difficulty here is the assets have maybe a net book value, but their only real value is in their ability to provide services for the parties as a going concern. And the idea that one party could withdraw and then obtain their percentage share of the net book value is not a fair arrangement because what it would do would be to burden the remaining parties with the requirement to make a payout, which does not carry with it any opportunity to recover that value through providing services to another party or increasing capacity.

In connection with the solid waste facility, there are of course the legacy landfill liabilities and everyone shared in that.

Mr. Chair, I can't resist the opportunity to make the comment that if you're wondering why amalgamation is required for Pictou County, this dispute with respect to the continuation of the PCSSA and the right to appoint Directors is a classic vignette of the type of problems that Pictou County has faced.

Any change to any governance arrangement, any services arrangement will raise a concern on the part of one unit that it's going to be disadvantaged or it will be perceived as an opportunity to lever the change as an advantage to excel. [Emphasis added]

[Transcript, pp. 620-623]

[246] While legal counsel for Westville and Trenton differed in their submissions in some respects, they both expressed concerns about the disadvantaged position of their respective client Towns if amalgamation occurs and the New Municipality is permitted to appoint four new Directors to the six-member PCSSA Board.

[247] In a letter dated January 8, 2016, to counsel for the Applicants, Mr. James suggested the following amendments to the ISA on behalf of his client, the Town of Westville:

1. A board of 6 representatives with 4 from the amalgamated municipal unit and one each from Trenton and Westville;
2. An amendment that requires unanimity among the three municipal units for the adoption of the annual budget or any change to the annual budget;
3. An amendment that requires attendance of each municipal unit to establish quorum for a meeting;

4. An amendment to clarify that any additional service can only be added with the unanimous agreement of the three units and that any additional service which the [PCSSA] agrees to provide at the request of one of the municipalities shall not be a financial cost to the unit(s) which are not participating in the service. Specifically, the cost of the service shall be borne entirely by the recipient municipality, including any related administrative costs;
5. An amendment to clarify that should any municipality withdraw from any of the services, the terms of the withdrawal will be on the basis of a negotiated agreement between the three municipalities.
6. An amendment to clarify that any withdrawal from the authority will be on the basis of a negotiated agreement between the three municipalities.
7. An amendment to clarify that any dissolution of the services that Westville pays for will be on the basis of a negotiated agreement.

[Exhibit 41(d), p. 2]

[248] In a subsequent letter dated January 11, 2016, to counsel for the Applicants, on behalf of Trenton, Mr. MacDonald supported the above amendments and suggested another, being an amendment to require unanimous consent for any decision to discontinue a shared service.

[249] At the hearing, Mr. James modified Westville's position as outlined in the Town's Response to the Applicants' Information Requests (Exhibit P-42). The Town's request is now limited to an amendment requiring its consent for budgets of the PCSSA, as well as the relief from liabilities and the receipt of a fair share of the value of assets in the event Westville withdraws from the PCSSA.

[250] In his submission, Mr. James, counsel for Westville, acknowledged that, by operation by law, s. 367(1)(c) would entitle the New Municipality to appoint four replacement directors to the PCSSA Board. However, he asked the Board to introduce protective measures to the PCSSA arrangement to provide safeguards for Westville and Trenton. These recommended measures were as described above in Mr. Grant's comments. Mr. James submitted that there would be a "changed dynamic" on the PCSSA Board, as compared to the existing Shared Services Authority, because the New Municipality's four directors could vote as a block to push through any result they wished.

Under the present model, the six different directors represent six different interests so the block voting dynamic does not arise. In his view, the Board should address this unintended effect of the amalgamation.

[251] Mr. James submitted, as did Mr. MacDonald, counsel for Trenton, that the Board has the authority under s. 363(2)(f) and s. 363(3) to make remedial orders or directions with respect to the ISA.

[252] Mr. MacDonald referred the Board to the “enuring article” of the ISA, noting that it says: “The agreement enures to the benefit of and is binding upon the parties and their respective successors.” In his submission, the four Applicant municipal units, if amalgamated, would comprise one unit within the PCSSA and be entitled to one director on the PCSSA Board:

The submission of the Town of Trenton is the successor of the four Applicants is, if the Board orders it, one single municipal entity. It’s a body corporate, it has one entity, it’s one existence. It’s not a multiple-headed entity unless -- and that that’s logical, sequential, basic statutory interpretation, requires not much of a stretch.

So the main submission is -- on those two points is that it does not follow as a matter of operation of law that the constituent municipalities retain all of their aspects if they’re amalgamated into one; au contraire.

[Transcript, p. 698]

[253] Mr. MacDonald continued:

But the reality on the ground is that if the Applicants’ position is sustained, Trenton and Westville have no voice, and there’s no getting around it.

[Transcript, p. 701]

Findings

[254] The Board will address, in turn, the issues of PCSSA governance, the impact upon its operational aspects, and the potential withdrawal by Trenton or Westville (including entitlement to the distribution of assets).

[255] Applying a liberal and purposive approach to the interpretation of both the MGA and the ISA, the Board accepts the submission of Mr. Grant that, by operation of

law, the PCSSA Director positions for each of the Applicant municipal units should be filled by representatives of the amalgamated municipality. While the Board is mindful of the concerns expressed by the Towns of Trenton and Westville, it finds that, taking into account the entire context of the ISA, the reasonable interpretation of that agreement, and s. 367(1)(c) of the *MGA*, leads to the conclusion that the New Municipality should be entitled to four directorships on the PCSSA Board.

[256] On the operational aspects, as well as the potential impact following the withdrawal of either Trenton or Westville from the PCSSA, it is indisputable that following amalgamation the Towns of Trenton and Westville would be in a potentially disadvantaged position in the making of operational decisions (including the approval of operating and capital budgets), as well as in their entitlement to the distribution of assets (and the payment of liabilities) upon their withdrawal from the Authority.

[257] Notwithstanding these potential concerns, the Board notes from the evidence and submissions that the six municipal units have generally worked cooperatively in the operation of the PCSSA.

[258] Given the reasonably amicable relationship of the parties of the PCSSA to date, it may be premature to conclude that the concerns will be realized. Further, with respect to the possibility of withdrawal specifically, the Board concludes that eventuality may, indeed, be remote, given the lack of reasonable and practical alternatives available to Trenton and Westville, if they were to withdraw from this shared services arrangement.

[259] Moreover, in terms of the preparation of budgets, the Board observes that under the express terms of the ISA [i.e., article 10(6)], the Chief Operating Officer is required to prepare both operating and capital budgets “in accordance with the best

available financial information, prepared in accordance with GAAP, FRAM [the Financial Reporting and Accounting Manual published by the Province] and PSAB [the Public Sector Accounting Board Standards]”. The same principles apply to the provision of reserve funds, including capital and closure reserves. The Board accepts the evidence of the Applicants at the hearing that the preparation of budgets, in actual practice, comply with these standards.

[260] In any event, the Board concludes that there is a reasonable solution that may address the concerns without the need to make a finding at this point on the arguments made by the opposing parties. The Board notes that the services in question (i.e., solid waste collection and wastewater treatment), are similar in nature to utility-delivered services, wastewater treatment particularly so. The Board regulates utilities under the *Public Utilities Act*, R.S.N.S. 1989, c. 380, including the setting of rates and the consideration of complaints by ratepayers. Moreover, the Board has jurisdiction under s. 363(2)(f) of the *MGA* to “make such determinations, issue such orders and directions and do, or cause to be done, all such other matters and things as [in its opinion] are necessary or incidental” to the amalgamation.

[261] Therefore, if it ultimately approves the amalgamation, the Board will reserve its jurisdiction to resolve any dispute or issue arising among the parties with respect to the PCSSA. The parties may have recourse to the Board in the unlikely event of a conflict at any point in the future. On this point, the Board notes the submissions of the parties at the hearing that the Board was uniquely positioned to adjudicate issues under the Intermunicipal Services Agreement, given its experience in municipal and public utility mandates. They preferred the Board’s adjudication of the matters (albeit believing it

would be adjudicated now), rather than resorting to arbitration. The Board is prepared to carry out this role, subject to the parties waiving or disposing of arbitration and of the reference to the Supreme Court under article 12(5) of the ISA.

IX CONCLUSION

[262] As noted in this Decision, the Board's preliminary opinion is that amalgamation is in the best interests of the residents of the area comprised by the Applicant Municipality and Towns. Based on what the Board considers to be conservative estimates, there are modest financial savings under amalgamation of at least \$500,000 annually (even without the Letter of Intent). Further, the Letter of Intent negotiated between the Applicants and the Province provides significant financial benefits to the residents of the area, including almost \$16 million in operational, capital and transitional funding, and about an additional \$12 million to maintain equalization at current levels for the next five years. The total financial commitment of the Province under the Letter of Intent is over \$27 million.

[263] There are also significant non-financial or social benefits which could result as a result of amalgamation, including a more regional approach to decision making, which is generally consistent with Pictou County's "community of interest" shared by most residents who spoke in the evening sessions.

[264] Further, amalgamation would benefit the residents of the area by having a positive impact on the planning and funding of more efficient municipal infrastructure and a more consistent and streamlined municipal planning regime.

[265] In the end, the Board must make its final decision in this matter based upon the totality of the evidence presented at the hearing, including all of the filed documentation, the testimony of the witnesses and the presentations of the public at the evening sessions, and the results of the plebiscite to be held on Saturday, May 28, 2016.

[266] The Board has directed the Applicants to file the results of the public consultation which they are conducting with their residents. The Applicants have also been directed to file the plebiscite results when it is completed. Upon receipt of those filings, the Board will carefully consider the totality of the evidence, and determine, as it is required to do under s. 363(1) of the *Municipal Government Act*, whether amalgamation is in the best interests of the inhabitants of the area, taking into account the financial and social implications of the amalgamation. The Board will then render its Final Decision, and it reserves the jurisdiction to do so.

DATED at Halifax, Nova Scotia, this 29th day of April, 2016.



Roland A. Deveau



Murray E. Doehler



Roberta J. Clarke

SCHEDULE "A"

THIS LETTER OF INTENT made this 5th day of February, 2016,

BETWEEN:

HER MAJESTY THE QUEEN, in right of the Province of Nova Scotia, as represented by the Minister of the Department of Municipal Affairs (hereinafter referred to as the "Province");

and

MUNICIPALITY OF THE COUNTY OF PICTOU and the TOWNS OF NEW GLASGOW, PICTOU, and STELLARTON (hereinafter referred to as the "Municipalities").

WHEREAS on August 27, 2015, the Municipalities applied to the Nova Scotia Utility and Review Board (NSUARB) pursuant to Section 358 of the Municipal Government Act to amalgamate;

AND WHEREAS the Province of Nova Scotia is supportive of municipal governments that demonstrate leadership for long-term, transformational change, restructuring their governance arrangements to improve efficiency and effectiveness;

AND WHEREAS in the best interests of the Province and the Municipalities (hereinafter referred to as the "Parties") in moving the amalgamation process forward, the Parties have come to an agreement with respect to post-amalgamation financial matters prior to the hearing on the merits;

NOW THEREFORE in consideration of the mutual covenants and agreements contained in this Letter of Intent, the Parties agree as follows:

1.0 FUNDING ASSISTANCE

1.1 The Province will provide the following:

- (a) Equalization funding shall be paid to the Amalgamated Municipal Unit (i.e., the new municipality formed by combining the Municipalities as a result of the NSUARB order) over five (5) fiscal years (i.e. 2017/18 to 2021/22, inclusive). The amount of Equalization funding to be paid to the combined municipal unit shall be no less than the amounts received by the Municipalities in the 2016/17 fiscal year (the Municipality of the County of Pictou total equalization funding received in 2016/17: \$270,601, the Town of New Glasgow total equalization funding received in 2016/17: \$1,055,434 the Town of Pictou total equalization funding received in 2016/17: \$545,521, and the Town of Stellarton total equalization funding received in 2016/17: \$ 500,684.) The total amount to be paid over the next five (5) fiscal year period shall not be less than \$ 11,861,200 to be paid in amounts of \$2,372,240. At the expiry of this period, the equalization allocation for the Amalgamated Municipal Unit will revert to the applicable provincial formula in effect at that time.
- (b) Special capital funding of \$7,967,334 for infrastructure improvements within the Municipalities; \$3,483,334 of which is to be used for water treatment and \$4,484,000 of which is to be used for capital purposes as identified in the Capital Investment Plan as filed by the Applicants. Water treatment funding is contingent on the completion of a water utility study and will be paid to the Amalgamated Municipal Unit over five fiscal years beginning in 2018/19 (i.e., 2018/19 to 2022/23, inclusive). The remaining capital funding of \$4,484,000 will be paid to the Amalgamated Municipal Unit over five fiscal years beginning in 2017/18 (i.e. 2017/18 to 2021/22, inclusive). Funding can be used to secure additional financial assistance from other programs that are not already part of this Letter of Intent as outlined in the rules and criteria for each program. Moreover, this provision will not be interpreted, employed, or otherwise exploited, to preclude the Amalgamated Municipal Unit from applying for other funding for its own projects under these programs.

- (c) Roads funding of \$5,693,000; \$4,487,000 of which is to be used for capital investments and \$1,206,000 for operating. Operating funding will be paid in annual installments of \$241,200 over five (5) fiscal years beginning in 2017/18 (i.e. 2017/18 to 2021/22, inclusive). Capital funding will be paid in annual installments of \$897,400 per year over five (5) fiscal years beginning in 2018/19 (i.e., 2018/19 to 2022/23, inclusive).
- (d) Funding for post-transitional expenses according to criteria agreed to by the Province, and subject to provincial approval, of up to \$300,000 annually for a total provincial commitment by the Province over the next five (5) fiscal years (i.e. 2017/18 to 2021/22, inclusive) of \$1,500,000. This funding is for incremental amalgamation costs, subject to the reporting requirements outlined under section 5.0 of this Letter of Intent, and not to be used to replace normal operating expenses that would be incurred without amalgamation.
- (e) Work with other provincial government departments to request that no present funding programs available to the Municipalities (e.g., the MPAL program available through the Nova Scotia Department of Health and Wellness), are reduced below current funding levels for the next five (5) fiscal years, where any such reductions are based solely on the amalgamation of the Municipalities. This provision does not apply to program or funding changes that are made for reasons other than the amalgamation of the Municipalities.

1.2 The Municipalities acknowledge that \$100,000 has already been paid by the Province to the Municipalities in pre-amalgamation funding and up to an additional \$600,000 will be requisitioned by the Municipalities prior to October 31, 2016, as required.

2.0 OTHER ASSISTANCE

2.1 The Province will work cooperatively with the Municipalities to identify funding sources and programs that will assist the Municipalities with future program and infrastructure costs as the need arises and upon request of the Municipalities.

2.2 The Province recognizes that schools constructed prior to 1982 in the Municipalities may revert back to municipal ownership if deemed surplus by the Chignecto-Central Regional School Board. This may result in significant costs for the Amalgamated Municipal Unit. If this were to happen prior to March 31, 2022, the Province will work cooperatively with the Amalgamated Municipal Unit to identify funding sources for schools that are transferred back to the Amalgamated Municipal Unit.

2.3 The Province will work cooperatively with the Government of Canada to secure New Building Canada Fund infrastructure funding for the MacLellan's Brook sanitary project if it is identified as a municipal priority by the Council of the Amalgamated Municipal Unit. The Amalgamated Municipal Unit is responsible for the municipal contribution to the project as outlined in the rules and criteria for the program.

2.4 The Province will work with the Amalgamated Municipal Unit to address changes to legislation that may be required as a result of the amalgamation.

3.0 MUNICIPAL STREETS

3.1 The Amalgamated Municipal Unit will take over responsibility for all streets, roads, lanes, etc., within what will become the former Towns of New Glasgow, Pictou and Stellarton and those roads currently owned by the Municipality of the County of Pictou. In consideration of same, the Province shall provide the Municipalities with funding as outlined in Section 1.1(c).

4.0 SALE OF MUNICIPALLY-OWNED ASSETS

4.1 The Municipalities agree that the proceeds from the sale of any Tangible Capital Asset during the next five (5) years, owned by any of the Municipalities and exceeding \$ 100,000 in value, will be held in a special reserve and can be used only for purposes associated with the municipal unit that formerly owned the asset and its respective capital debts.

5.0 REPORTING REQUIREMENTS

5.1 The Amalgamated Municipal Unit will provide the following:

- (a) An overall budget detailing the manner in which funds disbursed pursuant to this Letter of Intent will be expended by the Amalgamated Municipal Unit.
- (b) For the first fiscal year following amalgamation, a quarterly forecast update including supporting invoices, detailing the manner in which funds disbursed pursuant to this Letter of Intent have been expended by the Amalgamated Municipal Unit. This forecast shall be made in a form mandated by the Province.
- (c) For each fiscal year thereafter, an annual forecast update including supporting invoices, detailing the manner in which funds disbursed pursuant to this Letter of Intent have been expended by the Amalgamated Municipal Unit. These reports will be provided within sixty (60) days of the end of each fiscal year, and shall be made in a form mandated by the Province.
- (d) Electronic copies of any and all of the following documents relating to expenditures made from funding disbursed pursuant to this Letter of Intent:
 - i. Requests for Proposals
 - ii. Applicants' submissions to Requests for Proposals
 - iii. Monthly bank reconciliations
 - iv. Any other records or reports relating to funding provided pursuant to this Letter of Intent as requested by the Province

5.2 The Amalgamated Municipal Unit will provide any records and reports requested by the Province pursuant to this Letter of Intent at the Province's request, and within thirty (30) days of any such request.

6.0 FISCAL AUDITING

6.1 The Province may, at the cost of the Province, conduct an audit with respect to the use of the funding received for the purposes of this Letter of Intent.

6.2 For the purposes of any audit undertaken by the Province, the Amalgamated Municipal Unit will provide, upon request and in a timely manner, to the Province or anyone acting on behalf of the Province:

- (a) All books, accounts, and financial records held by the Amalgamated Municipal Unit, or by third parties under a contract with the Amalgamated Municipal Unit, relating to this Letter of Intent and the use of funding pursuant to this Letter of Intent.
- (b) Such further information and/or clarification that the Province or anyone acting on behalf of the Province may request relating to this Letter of Intent or to the use of funds pursuant to this Letter of Intent.

6.3 The Amalgamated Municipal Unit shall, at all times, ensure that third parties are obligated to provide to the Province or its authorized representative the books, accounts, records, and other information that are in the third party's possession and that relate to this Letter of Intent or the use of funds pursuant to this Letter of Intent.

7.0 RESPONSIBILITIES OF THE AMALGAMATED MUNICIPAL UNIT

7.1 The Participating Municipal Unit will:

- (a) Work expeditiously and in good faith with all involved municipal units and the Province to implement the Order of the NSUARB amalgamating the Municipalities.

(b) Cooperate with the all involved municipal units and the Province to ensure that the best interests of the residents of the Municipalities are given equal and serious consideration in the delivery of municipal services.

7.2 The parties agree to expend the funding disbursed pursuant to this Letter of Intent directly and solely for the purposes outlined in this Letter of Intent, and may not use such funding for any other expenses, expenditures, or purpose whatsoever.

8.0 DEFAULT OF OBLIGATIONS

8.1 In the event that any funding provided pursuant to this Letter of Intent has been used for purposes other than those dictated hereunder, any and all funding provided pursuant hereto is subject to repayment by the Amalgamated Municipal Unit at the sole discretion and on such terms and conditions set by the Province, and any future funding dictated by the terms of this Letter of Intent may also be terminated by the Province at its sole discretion.

9.0 MISCELLANEOUS PROVISIONS

9.1 This Letter of Intent is not intended to create legally enforceable obligations under statute, common law, equity, or otherwise until an Order for Amalgamation incorporating this Letter of Intent is granted by the Board.

9.2 Other than specified within this Letter of Intent, the Province assumes no further financial responsibility for the amalgamation of the Municipalities.

9.3 The provisions of this agreement become effective only upon an order by the NSUARB to amalgamate the Municipalities within the twelve (12) months following the execution of this Letter of Intent. Should this period expire without the Municipalities amalgamating, this Letter of Intent will be null and void.

9.4 Should any of the Municipalities withdraw from the amalgamation application submitted to the NSUARB on August 27, 2015, they will be responsible for reimbursing the Province for their prorated share of any money expended pursuant to section 1.2 of this Letter of Intent.

10.0 NON-LIABILITY AND INDEMNITY

10.1 The Province shall not be liable for any claims, actions, suits, damages, costs or expenses arising from:

(a) Any injury, death, or damage to property resulting from or arising out of any act or omission of the Amalgamated Municipal Unit, their servants, agents, or contractors, in carrying out any work made possible through the funding provided for in this Letter of Intent.

(b) Any loans or any other contractual commitments entered into by the Amalgamated Municipal Unit with any other party or non-party in connection with work made possible through the funding provided for in this Letter of Intent.

10.2 The Amalgamated Municipal Unit agrees that they shall at all times indemnify and save harmless the Province, its Ministers, officers, employees, agents, or assigns from and against all claims, demands, losses, costs, damages, actions, suits or other proceedings of any kind based upon injury, including death, to any person, or damage to or loss of property, arising from any willful or negligent act, omission or delay on the part of the Amalgamated Municipal Unit, its servants, agents, or contractors, in carrying out any work made possible through the funding provided for in this Letter of Intent.

10.3 The Amalgamated Municipal Unit agrees that they have no authority to bind the Province to any other agreement and the Amalgamated Municipal Unit agrees that they will not hold themselves out as having any authority, express or implied, or on behalf of, the Province.

10.4 The Amalgamated Municipal Unit agrees that they have no authority to assign, transfer, or delegate to third parties, any of their obligations or responsibilities set out in this Letter of Intent unless approved by the Province.

11.0 NOTICE

11.1 All notices and communications pursuant to this Letter of Intent shall be deemed duly given upon being delivered by hand, or three (3) days after posting or sent by registered mail, to a Party at the following addresses:

For the Province:
Deputy Minister
Department of Municipal Affairs
Maritime Centre, 14 North
1505 Barrington Street
Halifax, NS B3J 2M4

For the Amalgamated Municipal Unit:
Chief Administrative Officer

12.0 ENTIRE AGREEMENT

12.1 This Letter of Intent constitutes the whole agreement between the Parties unless duly modified by the Parties by agreement in writing. Any representation or statement not expressly contained herein shall not be binding upon the Parties.

IN WITNESS WHEREOF the Parties hereto have executed this Letter of Intent at the Town of Pictou, in the County of Pictou, Province of Nova Scotia, Canada on this 5th day of February, 2016.

SIGNED, SEALED AND DELIVERED

HER MAJESTY THE QUEEN, in right of the
Province of Nova Scotia, as represented by the
Minister of Municipal Affairs



Witness



Honourable Zach Churchill



Witness



Warden
Municipality of the County of Pictou



Witness



Clerk
Municipality of the County of Pictou



Witness



Mayor
Town of New Glasgow



Witness



Clerk
Town of New Glasgow

Ben Burton
Witness

Ben Burton
Witness

Janise Taylor
Witness

Janise Taylor
Witness

Joseph J. Hawes
Mayor
Town of Pictou

[Signature]
Clerk
Town of Pictou

Joe Genrod
Mayor
Town of Stellarton

[Signature]
Clerk
Town of Stellarton

SCHEDULE "B"

2015

NSUARB- M07050

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

**Consultation Plan on Amalgamation
Submitted on behalf of the Applicants**

Lisa MacDonald
Chief Administrative Officer
Town of New Glasgow
Town of New Glasgow
111 Provost St, PO Box 7
New Glasgow, NS
B2H 5E1
Telephone: 902-755-8300
Fax: 902-755 0200

The Applicants submit the following plan regarding further public consultation on amalgamation on the basis of direction from the Board during the hearing on the merits to provide further information on the public consultation efforts leading up to the plebiscite. This consultation plan is submitted further to the post hearing submissions filed by the Applicant on March 18, 2016.

In the weeks leading up to the plebiscite the MOU Steering Committee will spearhead the following communication initiatives:

Facilitated Open Panel – Question & Answer Session

The MOU Steering Committee Chairperson, Warden Ron Baillie and MOU Project Manager, Scott Conrod will be panel guests for a facilitated Q&A session with the audience. This session will be convened in a central and accessible location.

Website: www.onepictoucounty.ca

The website is being revamped to provide a detailed overview of where we are today in the process. Currently the website is focused on the education on the MOU framework and the amalgamation study process. The revamped website will provide an overview of the upcoming information sessions, the evidence filed with the Board, an overview of the quick facts and public information as well as the contact information for the council members of the Participating Municipal Units that are actively involved in this process. The website also provides citizens an opportunity to submit questions electronically.

Special Presentation Session with Doug Griffiths

Doug Griffiths is the former Minister of Municipal Affairs from the Province of Alberta and he is the author of book titled, *Thirteen Ways to Kill Your Community* (referenced by Dr. Amanda Hill during the public speaker session on March 7, 2016). Mr. Griffiths spoke at the Georgetown Conference held in Prince Edward Island in 2013.¹ This special presentation will on April 25, 2016 with the location to be determined. The final details are being coordinated and will be made available as soon as possible.

¹ The Georgetown Conference Website describes the purpose of the Conference as follows: "Two years ago The Georgetown Conference was the catalyst for many Atlantic Canadian communities to jumpstart grassroot efforts at tackling the demographic and economic challenges impacting rural sustainability." See: <http://thegeorgetownconference.ca/why-georgetown/>

Facebook and Twitter

The Applicants have a Facebook Page and Twitter account for "One Pictou County". Both social media tools are being regularly updated with current facts regarding the Application. Any inquiries or questions posed through social media are being responded to directly. A collection of the issues/concerns being raised through these avenues are being recorded so the themes can be recorded.

Mail Drop to Households

The Applicants are developing specific mail-out materials for the residents within the Participating Municipal Units. Some of this information has already been disseminated through the water bills in the Town of New Glasgow and Town of Pictou.

Newsletters

The Applicants have been provided the opportunity to contribute to various community and workplace newsletters. Currently, an article is being developed for the Pioneer Publication which is distributed in the rural area of the west side of Pictou County: River John and area. Another article is being prepared for the Northern Pulp newsletter. The Applicants will continue to leverage these opportunities as presented.

Targeted Stakeholder Presentations

The Applicants have been in regular contact with the Pictou County Chamber of Commerce, Pictou County 2020 and the Pulse Pictou County organizations throughout the process. The Applicants submit that the stakeholder sessions offer valuable feedback related to the social and economic impacts for our region based on the proposed amalgamation. The following stakeholder presentations have been scheduled:

Pictou County Business Focus Group Discussion was held of February 25, 2016 at noon with ten business representatives from the manufacturing, exporting, retail, transportation and financing sectors within Pictou County.

Pictou County Chamber of Commerce – Business Breakfast was held on March 3, 2016 with over 80 people in attendance.

Pictou County Fire Chiefs Association – March 23rd at 8:00 p.m. at the Abercrombie Fire Hall.

North Nova Education Centre Staff – April 4th at 3:30 p.m. at the North Nova Education Centre.

NSCC Staff and Students – April 5th at 2:30 p.m. at the NSCC Gymnasium.

Pictou County Council of Seniors – April 6th at 2:00 p.m. at the New Glasgow Fire Hall.

Northumberland Education Centre Staff – April 11th at 3:30 p.m. at the Northumberland Education Centre.

CHAD Transit Association – April 12th at 5:30 p.m. at the YMCA Boardroom.

The Applicants are working to secure dates to make a presentation to the following entities:

- Pulse Pictou County
- The three MLAs of within Pictou County
- United Way of Pictou County
- Destination and Eastern Shore Northumberland Shore Tourism Association
- YMCA of Pictou County

Youth Engagement

The Applicants are working with Marram Consulting on the development of an intergeneration youth event. This event is in the preliminary stages of development and is intended to take place by the end of April, 2016.

Pulse Pictou County

The Applicants will be co-hosting a social event mixer to discuss the Application to amalgamate and what it means to the future of Pictou County. This event is in the preliminary stages of development and is intended to take place by the end of April, 2016.

Pictou County Chamber of Commerce

The Applicants will be co-hosting a Business Mixer event to discuss the Application and what it means to the future of Pictou County. This event is in the preliminary stages of development and is intended to take place by the end of April, 2016.

Community Information Sessions

The Applicants will be hosting Community Information Sessions on the voluntary amalgamation application and the evidence submitted to the Board. All of the sessions will be advertised in the newspaper and social media outlets. These sessions will also provide the public with an opportunity to ask questions. The following information sessions have been confirmed:

DATE	LOCATION
Tuesday, March 29th at 6:30 p.m. -	Ward 1 Community Centre – New Glasgow
Tuesday, March 29th at 7:00 p.m. -	Eureka Fire Hall (Eureka/Hopewell)
Wednesday, March 30th at 7:00 p.m. -	Caribou Fire Hall
Thursday, April 7th at 6:30 p.m. -	Lismore Community Centre (Merigomish/Lismore)
Thursday, April 7 th , 2015 at 6:30 pm -	Abercrombie
Monday, April 11th at 7:00 p.m. -	Scotsburn Fire Hall (Lyons Brook/Scotsburn)
Tuesday, April 12th at 7:00 p.m. -	Thorburn Fire Hall
Wednesday, April 13th at 6:30 p.m. - River)	River John Hub Community Centre (River John/Toney
Thursday, April 14th at 6:30 p.m. -	Kenzieville Community Centre
Thursday, April 14th at 6:30 p.m. -	Stellarton
Wednesday, April 20th at 6:30 p.m. -	deCoste Centre, Pictou
Thursday, April 21st at 6:30 p.m. -	Linacy
Thursday, April 28th at 6:30 p.m. -	Little Harbour Community Centre
Tuesday, May 3rd at 6:30 p.m. -	Pictou Landing Fire Hall
Tuesday, May 10th at 6:30 p.m. -	Westside Community Centre – New Glasgow
Wednesday, May 11th at 7:00 p.m. -	Northumberland Education School (Alma/Greenhill)

Thursday, May 12th at 6:30 p.m. - Northend Recreation Centre – New Glasgow

We await confirmation for a session in Blue Mountain/Garden of Eden.