

FEASIBILITY REPORT

IN THE MATTER

**TO ESTABLISH
ONE LOCAL GOVERNMENT ADMINISTRATION**

FOR THE TOWNS OF

CATALINA, LITTLE CATALINA, PORT UNION AND MELROSE

July 11, 2002

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A. PURPOSE OF THE REPORT

As ordered by the Hon. Oliver Langdon, MHA, Minister of Municipal and Provincial Affairs, at the request of the towns of Catalina, Little Catalina, Port Union and Melrose, to undertake a feasibility study for the purpose of establishing one local government administration for the four communities. The study will assess the advantages and/or disadvantages of delivering municipal services to the four communities through the formation of one regional entity, versus four separate and distinct municipal structures.

B. EXISTING STRUCTURE

The four municipalities are located on Route 230 on the Trinity Bay side of the Bonavista Peninsula. The most southerly community is Melrose, followed by Port Union, Catalina and Little Catalina. Little Catalina and Catalina share a municipal boundary, as do Catalina and Port Union. Melrose and Port Union are in close proximity to each other, but do not share a common municipal boundary.

B1. TOWN OF CATALINA

Catalina was incorporated as a town in 1958. The town's population in 2001 was 995, which compares to a population in 1991 of 1,205. This represents a decrease during the ten (10) year period of 17.4%.

Approximately 93% of the residents of Catalina have water and sewer services. The town provides road maintenance, while garbage collection is provided via a joint contract arrangement with the town of Port Union.

Waste disposal is provided by means of a regional incinerator. This incinerator is shared by all four communities considered in this report.

Fire protection service is provided from the Fire Department situated in Catalina. This Fire Department also provides fire protection to Port Union and Melrose.

The town employs a Town Clerk and three (3) maintenance staff, and has fifteen (15) kilometres of municipal roads.

Catalina does not have a Municipal Plan.

B2. TOWN OF LITTLE CATALINA

Little Catalina was incorporated in 1965. The population in 2001 was 528, compared to a population in 1991 of 710. This represents a decrease in the ten (10) year period of 25.6%.

Approximately 87% of Little Catalina has water and sewer services.

Road maintenance and garbage collection is contracted out by the town, with the town's garbage being disposed of in the regional incinerator as previously indicated.

Fire protection service is provided by the town's own Volunteer Fire Department.

Little Catalina employs a Town Clerk on a reduced basis, and one (1) part-time maintenance worker. The town has 5.3 kilometres of local, unpaved road.

Little Catalina has a Municipal Plan.

B3. TOWN OF PORT UNION

Port Union was incorporated as a town in 1961. The town's population in 2001 was 486. This compares with a population in 1991 of 638. The decrease during the ten (10) year period is 23.8%.

Approximately 96% of the town's residents are connected to the town water supply, with 90% being connected to the sewer system.

Garbage collection, as previously indicated, is by contract jointly shared with the Town of Catalina, with waste disposal by means of the regional incinerator.

The town employs a Town Clerk on a reduced basis, a Foreman and two (2) part-time maintenance workers.

Fire protection is shared with the Towns of Catalina and Melrose.

The town has 7 kilometres of local road.

Port Union does not have a Municipal Plan.

B4. TOWN OF MELROSE

Melrose was incorporated as a community in 1968. The population in 2001 was 316, which compares with a 1991 population of 423. These figures represent a decrease during the ten (10) year period of 25.3%.

98% of residents are connected to the water system, and 94% to the sewer system.

Garbage collection is provided by individual Town Councillors on a voluntary basis, assisted by local tax-payers who are compensated through tax reduction. Waste disposal, as indicated previously, is by means of the regional incinerator.

The town employs a Town Clerk for eight (8) hours per week, and has no other employees.

Melrose has two (2) kilometres of local road, and has adopted a Municipal Plan.

B5. GENERAL COMMENTS

Attached to this Report is a comparison of the tax rates for the four towns.

Economic activity in the area concerned has been severely restricted since the cod moratorium, and this is reflected in the declining population in each town.

Debt charges in all four communities have created an environment where much need Capital Works and even day-to-day operations are curtailed. The fact that all four communities are in arrears with debt charges illustrates this point. The current break-down of debt arrears for each town is as follows:

Catalina	\$856,850.
Little Catalina	\$840,016.
Melrose	\$324,852.
Port Union	\$382,009.

It should also be noted that all four towns receive their water supply from the same source, which is an industrial water supply system owned and operated by the Department of Municipal and Provincial Affairs.

A further setback to economic development and direct service to the residents was the recent closure of the Catalina Branch of The Bank of Nova Scotia. The four towns now rely primarily on the nearest Bank which is situated in the Town of Bonavista - a distance of nearly twenty (20) kilometres.

Realizing the current extent of shared services, and the evidence of considerable

cooperation among the four (4) towns in areas where services are not delivered on a mutual basis, the impact of establishing one local government administration for the four (4) towns should be minimal.

The fact that a combined local government structure would be administering a relatively small population (2,325), with a corresponding small tax base, should enable closer controls and a keener awareness of peoples' needs on a priority basis. This situation could be enhanced with one key, full-time administrator, as well as a small nucleus of experienced outside workers to meet essential service requirements.

C. CRITERIA

C1. ACCESS

To the extent possible, it is reasonable to expect that the Town Hall will be centrally located. This means that there may be some minimal inconvenience to tax-payers residing at the extremities of the municipality. Access to elected officials should be equitable to all areas, based on proportionate representation. Access is also facilitated by the fact that all residents are on the same telephone exchange.

C2. REPRESENTATION

With a population of less than 2,500, all residents should be assured of sufficient representation if the number of Councillors did not exceed nine (9), including a Mayor to be elected "at-large".

C3. COMMUNITY IDENTITY

A collective name for the four towns, if carefully selected, would not detract from community identity. An example of this can be found in the Town of Conception Bay South, comprised of some nine (9) separate communities, where a recognition of individual towns such as Topsail, Chamberlains, Manuels, Foxtrap, etc., has not been compromised by the amalgamation.

C4. SUITABILITY AND NEED OF THE AREA FOR MUNICIPAL SERVICING

All four towns are relatively equal with respect to water and sewer, fire protection,

and waste disposal services. Garbage collection, road maintenance, snow clearing, etc., could be delivered to all four towns in an equitable manner.

A comprehensive Town Plan would enable identification of areas which need capital improvements and consolidation of services.

C5. PHYSICAL CONSTRAINTS TO MUNICIPAL SERVICING

There appears to be no identifiable physical constraints to municipal services. The fact that 95% of the properties in all four towns are serviced with water and sewer diminishes, to a large extent, the identified needs in any individual community.

The completion of the systems, including major repairs and upgrading in individual towns, as well as capital expenditures on local roads and facilities, will be constrained by financial resources rather than physical factors.

C6. ADMINISTRATIVE CAPABILITY OF THE MUNICIPALITY

The present administrative structure of the four towns, with, effectively, part-time Clerks, is woefully inadequate in addressing administrative requirements in any single municipal structure. This is not a reflection on the ability, effort, or commitment of the current staff. A single municipal structure should endeavour to acquire the services of a competent Manager or Clerk/Manager in accordance with the requirements of a moderate-sized town, as well as minimal support staff to be determined.

C7. COORDINATION OF MUNICIPAL SERVICES

As referenced earlier in this Report, the current level of shared services should make it relatively simple to integrate other services, such as road maintenance, snow-clearing, and recreational facilities and activities. In this regard, consideration should be given to retaining the volunteer Fire Department in Little Catalina as a satellite station to the main fire station in Catalina, due to distance factors.

C8. COST EFFICIENCY OF ADMINISTRATION

A single municipality, providing services and administrative control, has the potential to be more cost-efficient than four (4) separate administrative units. A single regional unit should eliminate the duplication of some equipment, personnel, and services.

C9. FEASIBILITY IN TERMS OF REVENUES AND EXPENDITURES

Feasibility in this regard can certainly be achieved, but only if the major capital debt and, more specifically, debt arrears can be addressed in a meaningful way. This problem exists in each of the four towns, and is an inordinate debt when considered in relation to the size of the municipalities, and their ability to generate adequate tax revenues from a declining tax base.

C10. EQUITY IN TERM OF TAXPAYERS

With reasonable changes in the existing tax structures for the four towns, equity can be attained to meet a reasonable level of services and corresponding expenditures. This is contingent on appropriate consideration being given to the long-term debt in the four towns.

C11. TAX YIELDS

Tax yields in the current economic climate will not increase substantially under any reasonable scenario. However, a single municipal structure will enable a reasonable Council to maximize revenue from taxes in order to provide adequate and equitable services in the most cost-efficient manner.

C12. EQUALITY

Considering the level of services in each town, as well as the similar identified needs, equality should not be an issue. Any perceived inequality should be allayed by better combined planning for economic development, service expansion, and more effective identification of regional concerns. The larger municipality should have a significantly stronger voice in future discussions with industry and both levels of government.

D. PUBLIC HEARINGS

Public Hearings were held as follows:

Town of Melrose	June 10, 2002
Town of Little Catalina	June 11, 2002
Town of Port Union.....	June 12, 2002
Town of Catalina	June 13, 2002

D1. TOWN OF MELROSE:

MINUTES

OPENING:

A public hearing in the matter to establish one local government administration for the towns of Catalina, Little Catalina, Port Union and Melrose was called to order at 7:00 p.m. by the Mayor, who introduced the Commissioner, Mr. Clarence Randell, and his Secretary, Mr. Clayton Handrigan.

There were fourteen (14) individuals present for the hearing.

Commissioner Randell began the meeting by providing background information, stating that this was the third such feasibility study undertaken for basically the same purpose. He informed the meeting that this present study was being done at the request of the Minister of Municipal Affairs, who had been requested by the four (4) Town Councils to undertake such a feasibility study. He briefly summarized the services already being shared by most of the communities involved and stated that the establishment of one local government administration in this area was simpler than in some other areas of the province. He emphasized the decrease of approximately 25% in population over the last 10-year period, saying that this was not unique to this particular area of the province. Written or oral briefs were then invited from those in attendance.

BRIEFS:

1. A written Brief was submitted by the Mayor on behalf of the Town Council of Melrose. (Appendix C). The Mayor read this Brief to the meeting. The Brief stated that the Council was in favour of the establishment of one local government administration for the area, **assuming that the provincial government forgave the town's current debt arrears and some of its remaining debt charges.** He commented that he would like government's help in starting the town off "with a clean sheet", and that he felt that government was encouraging amalgamation of

towns all over the province. He also commented that the Town Council has no money to do any town improvements.

COMMENTS, QUESTIONS AND ANSWERS:

Commissioner Randell drew a comparison with the province of Nova Scotia concerning the number of municipalities it now has compared with the province of Newfoundland and Labrador. Our province presently has some 285 municipalities, whereas the province of Nova Scotia has merely approximately 40.

Question: Will all of the town's debt be wiped out?

Commissioner: Probably not, but a substantial amount will. The town should be able to handle at least 10% of its existing debt. I will be recommending to government how much I feel should be written off, but I am still waiting on financial reports from two of the towns concerned.

Question: Aside from debt relief, what other advantages are there for the four towns?

Commissioner: One administrative office, full-time employees, combination of services (some already combined). Some costs may go up, but others will go down.

Comment: The fact that Councillors are presently working for the town, i.e., garbage collection, is a deterrent in getting individuals to run for office. The fact that some people are afraid of losing a town's identity is hogwash, as far as I am concerned.

Commissioner: The establishment of one local government will not happen overnight. Assuming that my recommendations are available to the Minister by early July, he will then probably want to discuss them with me. Then my report will probably be made available to the four Councils. Following some discussions with the Councils, the Report may then be forwarded to the Cabinet. If the Cabinet accepts the report, then it will be Cabinet who will decide the structure. Most likely a "transition team" will be set up to work out details, with the assistance of a senior government official. New Council elections could take place in the Fall of 2003, with a new Council taking over in January, 2004.

Question: Will there be a referendum in the four towns?

Commissioner: Not likely. It has not happened before.

Question: What will happen if we don't combine?

Commissioner: The present situation cannot continue.

Comment: Government is already asking us for a plan to reduce our arrears and

Commissioner: budget deficit.
There is no possible way for these four towns to budget to reduce their debt arrears and deficit. This has been communicated to government.

Comment: Melrose has the most to gain.

Comment: We should go where the money can be saved.

Comment: There is no point in the four towns going together if we are all going to be in the same boat financially, i.e., if the accumulated arrears and deficit are not reduced or eliminated.

Question: If the recommendation of the study is a 90% pay-off, is that negotiable?
Commissioner: My recommendation will be what I think is fair and reasonable. The Minister will then consult with the Councils

Question: If the four Councils accept, and 10% or 15% of the arrears is left, will the government budget to pay this off?
Commissioner: The town's arrears will not be a problem. If the town's tax base cannot pay its debt charges, then there is no point in leaving the debt arrears with the town as well.

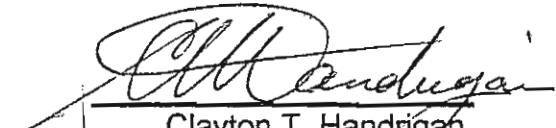
Question: Can government force a town to be a part of this joint government?
Commissioner: Yes - if it wants to.

Comment: There is no argument to clearing up the combined debts.

Question: When would the administration of the four towns change?
Commissioner: January, 2004, at the earliest.

ADJOURNMENT:

The hearing was adjourned at 8:50 p.m. Both the Commissioner and the Mayor expressed their appreciation to those who attended.


Clayton T. Handrigan,
Secretary.

D2. TOWN OF LITTLE CATALINA:

MINUTES

OPENING:

Mayor Johnson opened the public meeting at 7:10 p.m. by welcoming the Commissioner, his Secretary, and those who were in attendance. She then proceeded to immediately read a Brief on behalf of the Town Council of Little Catalina. (Appendix C)

There were 20 individuals in attendance.

Following the presentation of the Brief on behalf of the Town Council, Commissioner Randell then briefly outlined the background for the feasibility study, stating that it had been requested by the four (4) towns and that there had been no decision made by government at this point. He also stated that the Commission itself did not have its mind made up. He informed the gathering that the public hearing process was a major part of the feasibility study. He offered some personal professional background for information, and mentioned that the Preliminary Report was meant to be merely basic, containing no specifics.

BRIEFS:

The following Briefs were presented to the public hearing: (Appendix C)

- Town of Little Catalina (Mayor Johnson)
- Elizabeth Dalton (Ms. Dalton)
- Clarence Stagg (Mr. Stagg)
- Doug Dalton (read by Secretary)
- Regina Kennedy (read by Secretary)
- Roberta Hunt (read by Secretary)

The Commissioner thanked all those who had taken the time and the opportunity to present Briefs. Due to the fact that all the Briefs indicated opposition to the establishment of one local government administration for the four (4) towns, he asked for a show of hands to indicate if all those in attendance were also in opposition. A show of hands indicated that all in attendance were in opposition to the establishment of one local government administration.

COMMENTS, QUESTIONS AND ANSWERS:

Commissioner: Reiterated that no decision has been made as yet, and that he, personally, was not from the government. He reminded those present that they needed to be aware of the financial position of their town, and to bear in mind exactly "who" the government is, i.e., all the taxpayers of the province.

Question: What will the new structure be like? Where will the Town Hall be? What about the Fire Department? What about snow-clearing? Basically, what about the future?

Comment: I feel that Council can prove that it is less expensive to stay separate.

Question: Is the decision already made - like it was with the School Board?

Question: What will be the saving?

Commissioner: It is impossible to know. Nobody knows at this point. Government write-off of debt is unknown as to how much, if any.

Comment: The government debt has accumulated over the years, and is really only a tax grab. The town is under pressure to raise taxes, and our town's budget has not been accepted by government.

Commissioner: The town is not in a position to pay its debt arrears. The money for the town was raised on the bond market with government guarantees, and the interest rate is applicable to the time in which it was borrowed.

Question: Who paid the contractors?

Question: What about the help Wabana got? If for one town, why not for all?

Commissioner: It's not that simple. Government is not simply writing a cheque. They will agree to forgive a portion of a town's debt IF certain conditions are met.

Question: What happens after the recommendation is made?

Commissioner: There will be a discussion with the Minister, who will then make the report available for discussion with the towns involved. Then, most likely, a transition team will be put in place to work out details, with the assistance of a senior Department official. Following this, new elections will be held, with a new Town Council taking office probably in January, 2004.

Question: Why did the government give us these grants in the first place?

Commissioner: Not grants - loans.

Comment: Okay. Loans.
Commissioner: Because the government felt that certain services were needed. The government then utilized several different methods to obtain re-payment of the funds which had been used to provide these services. Now government will pay a portion of this debt, but not at a tax rate of 5 mills, though. The percentage that government will pay is unknown, but at least a portion will be left for the town to pay.

Question: Will government's decision be based on each of the four towns, or on a joint town?

Commissioner: Unknown. A possible scenario is as I explained earlier. Nothing will happen until the Fall of 2003 when an election could be held, and it would be January, 2004 before a new entity would take over.

Comment: The other three communities are always against Little Catalina.

Comment: Regional government is coming anyway.

Commissioner: The Commissioner gave a brief explanation of the different types of regional governments which exist in the rest of Canada. He stated that there are too many municipalities in the province of Newfoundland and Labrador at the present time.


Comment: Concerning the mention of our traditional "berry-picking grounds" in one of the Briefs, the Mayor of Port Union has said that he would not stand in the way of progress, and we are concerned about intrusion into our town's "planning area" by other towns.

Commissioner: I have no fixation in my mind as to what flows out of here. I will take everything said into consideration when I make my report and recommendations.

Comment: I can see many small areas of concern.

ADJOURNMENT:

Commissioner Randell thanked all for coming and for sharing and explaining their views. The hearing adjourned at 8:40 p.m.


Clayton T. Handrigan,
Secretary.

D3. TOWN OF PORT UNION:

MINUTES

OPENING:

The public hearing began at 7:07 p.m. with a welcome by Commissioner Randell to the Mayor and all those in attendance. He complimented them on taking an interest in the affairs of their town. He introduced himself and gave some details concerning his appointment to conduct the feasibility study in the matter of the establishment of one local government administration for the four towns of Catalina, Little Catalina, Port Union and Melrose. He provided some personal history and background from a professional point of view. He stated that he wished the process to be a relatively informal one, that only two (2) Briefs were to be presented, and they would be followed by a question and answer period to be conducted in an orderly fashion.

There were 24 individuals in attendance.

BRIEFS:

The following Briefs were presented to the hearing: (Appendix C)

- Town of Port Union (Mayor)
- Mr. William Tulk (read by Secretary)

COMMENTS, QUESTIONS AND ANSWERS:

Mayor: Expressed his concern and that of the Council regarding the elimination of the town's debt arrears and a reduction of its debt charges.

Commissioner: Stated that Government had assured him that debt arrears and debt charges will be dealt with.

Question: What is Government trying to do? Why deceive the people by calling it a "sharing of services"? It's amalgamation they're looking for; why not call it that?

Commissioner: This matter has been raised by request of the four (4) Councils involved, not by Government on its own. He then reviewed the process of the feasibility study, stating that it will look at the logistics as to whether this idea makes sense or not. Following the completion of the report and its recommendations, it will be discussed with the

Minister, who will then make it available to the Town Councils. It is possible that the report may be ignored, as was the case with two previous studies, or Government, i.e., the Cabinet may make a decision to go ahead with the Commission's recommendations. The decision is theirs to make. If that takes place, most likely a "transition team" will be put in place, guided by a senior Department official, to look at how a new structure can be put in place.

Question: Would a new Council be responsible for the taxes?

Commissioner: Yes.

Mayor: Government will tell us we need to increase our tax rate in order to stay solvent, and if they write off our arrears and a percentage of our debt, they will insist on an increased rate to meet the remaining share of the costs.

Commissioner: Conditions will be attached, as in Wabana.

Question: Won't a budget be worked out?

Commissioner: Of course. Councils are always very conscious of the taxes which are imposed on their people, and often develop their budgets backwards, i.e., revenue before expenses, instead of expenses first. It is very important for a budget to be realistic - a working tool, not just a necessary evil.

Comment: I am in favour of amalgamation, but would like all the facts placed before us. There is no trouble to do this because we already know what our debt is, and it must be wiped out completely. Services are now being partially shared, and future sharing must be negotiated, as well as what each town is to be responsible for. There is a need for an "opting out" system for the future towns. Amalgamation can work, but we need to know what we are getting into. We need to know what our condition is going to be in 4, 5 or 6 years down the road. Communities need a way to opt out if they can't make a go of it.

Commissioner: The future tax structure of any new entity can't be known at this time. Government can't set that rate. It must be set by the joint Council. Government must tell you first what they are prepared to do. Opting out will be very difficult to attain because it would jeopardize the whole unit.

Question: If a town opted out, would it take its debt back with it?

Commissioner: It's not likely that a town would be able to opt out after the fact. It's important to understand that municipalities are creatures of the provincial government. They are not legal entities unto themselves.

there could be separate recreation committees. Ultimately, it would be a decision of the Joint Council.

Question: Did other communities such as C.B.S. and New-Wes-Valley also have debt write-offs?

Commissioner: No. There was no process in place at that time, but there were "growing pains" - as you will have.

Question: How is the Placentia area working out?

Commissioner: I have heard of no problems at the present time.

Comment: In order to prosper, this area must amalgamate, but there are many things to find out, many questions to be answered.

Comment: But if it doesn't happen, Port Union must still go to Government and look for some relief.

Mayor: I have lived here all my life. No one has more pride in their town than I have. I have been on Council since I was 18 years old, and I would not recommend anything I didn't think was good for the town.

Comment: My biggest concern is debt relief - not 70-80% - I'd like to see it all forgiven!

Question: How will amalgamation improve our financial situation?

Commissioner: By reducing expenses. You may lose some employment in the short term, but gain through economic development in the long term.

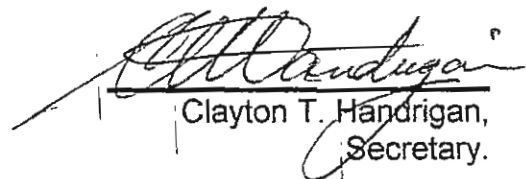
Question: If our debt is reduced and a plan put forward, would our operating grants be forth-coming?

Commissioner: Yes, absolutely. If the arrears are gone, then the grants will flow.

Mayor: An analogy can be made to having a \$1000 mortgage on which you are unable to make payments, but you still manage to pay for your light and telephone.

ADJOURNMENT:

The Commissioner thanked all in attendance, and the public hearing adjourned at 8:25 p.m.


Clayton T. Handrigan,
Secretary.

Question: What happens if three towns agree and one doesn't?

Commissioner: There are several options available. There could be a recommendation that the three who were willing could come together, or a recommendation that all four come together by dragging the fourth town in against its will. I am not inclined towards this second option. I see it as a recipe for disaster.

Question: If no joint council is created, how long can we survive and/or prosper?

Commissioner: There can be no more money from Government until the towns' debts are addressed. The Financial Administration Act prohibits giving money to an entity which owes the government money. A hypothetical situation could see 100% of the debt arrears wiped out and 90% of the debt itself. Then you would have to show Government how you would cover all expenses **INCLUDING** repayment of the 10% still owing.

Comment: We'd have the same expenses anyway, except for the Town Clerk and the Councilors themselves.

Mayor: I don't think this town can survive if we continue to do what we're doing now. Every year we start off \$85,000 in the hole on next year's budget. While we are in arrears we won't get any capital works funding.

Comment: It's safe to say that if amalgamation comes there will be a tax increase. But this is not necessarily a bad thing.

Mayor: Any increase will not be as great for a joint entity as it will be if we remain as individual towns.

Commissioner: Consider the fact that at the present time any one individual town can opt out of a presently shared service. If there were one town, this could not happen. The biggest impact on taxes will be the level of services demanded by the citizens.

Question: What about Little Catalina? If they don't agree, will their debt be written off too?

Commissioner: That is not my decision to make, but if it were, the answer would be "no".

Comment: Our major concern tonight is taxes and a tax increase.

Comment: This town will have to raise its taxes anyway - no matter if there is a joint council or not.

Question: How would the separate Recreation Committees operate?

Commissioner: Several options could be explored: There could be one Recreation Committee with representatives from each of the former towns, or

D4. TOWN OF CATALINA:

MINUTES

OPENING:

The public hearing was opened by Commissioner Randell at 7:05 p.m. He welcomed the Mayor of Catalina, Councillors and those of the general public who were in attendance. He introduced himself and his secretary, explained the purpose of the feasibility study and the authority under which he was acting. He stated that he understood that the study was at the request of the four (4) towns involved, and that a requirement of such a study was the holding of public hearings.

There were 13 individuals in attendance.

BRIEFS:

There was only one (1) Brief presented to the hearing. This was presented by the Mayor on behalf of the Town Council of Catalina. (Appendix C)

COMMENTS, QUESTIONS AND ANSWERS:

Commissioner: Reviewed briefly the three public hearings already held, stating that two of them had been positive and one negative in terms of the establishment of one local government administration for the four towns. The negative viewpoint had been expressed in the Brief presented on behalf of the Council of that town. He referred the meeting to the Preliminary Report which had previously been made available to citizens and briefly reviewed services which were already being shared by some of the towns involved. He then explained the scenario as he saw it from here:

- report discussed with the Minister of Municipal Affairs.
- copies sent to Councils who would, perhaps, meet with the Minister.
- decision to proceed or not is ultimately made by Cabinet.
- Transition Team, assisted by a senior official of the Dept., would take approximately a year to plan the new structure.
- a new Council would not take office until probably January, 2004.

He said that many questions have to be addressed concerning joint services, agreement with existing unions, existing town structures, and others.

Question: What were the reasons that Little Catalina is opposed?

Commissioner: You should perhaps ask them that question. However, they felt that they have nothing to gain, that a satellite fire department is not desirable, and that their debt could be forgiven individually as well as collectively.

Question: Were any of the objections legitimate, in your opinion?

Commissioner: No.

Question: Can you see amalgamation of the other three?

Commissioner: Yes, there are positive signs of this happening. However, no one sees this happening unless Government does something about the towns' existing debts, and I will certainly be recommending this. Government has assured me that the debt will be dealt with and brought to a reasonable level.

Mayor: Will Government's offer be negotiable?

Commissioner: I can't answer for Government, but politics being what it is, I'm sure they will talk. There are advantages in being a joint town, not only in dealing with the two levels of government, but also in dealing with major businesses existing in the towns. In the province of N.S., with a population much greater than ours, there are only some 43 municipalities, whereas in this province there are 270! In B.C. there is also a regional set-up.

Question: Does this have to go to a vote?

Commissioner: No, sir. I can't speak for the Councils, but they have been elected to act in the best interests of the citizens, and most of the citizens are not aware of the towns' real problems. The evidence of this is the attendance here tonight.

Comment: We have gone through this process twice before. They failed, but I don't know why. There was nothing in any of the public hearings that opposed it.

Commissioner: Politicians are extremely sensitive as to the tone of people's feelings. I suspect the previous reports were put on the back burner for that reason.

Question: Will that happen this time?

Commissioner: I sincerely hope not. Government can't afford to ignore the situation

any longer, but they will not address debts without attaching strings.

Mayor: If this proposal falls through, I have told the Council and the other Mayors that I will give up municipal politics.

Comment: Neither of the towns can function and survive without the others.

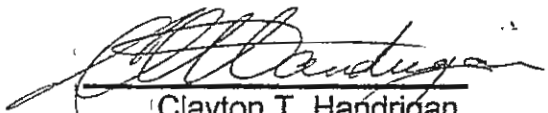
Question: How does the decision concerning a joint administration be made now?
Commissioner: Reiterated the scenario explained earlier in the meeting and emphasized that his major recommendation would be in regard to a handling of the town's debt arrears and outstanding debts.

Question: Is there enough committment from three towns to bring this about?
Commissioner: Yes - with a big **IF** - and that "if" concerns the question of debt arrears and debt charges.

Question: Can Government impose amalgamation?
Commissioner: Government can do that at any time, anywhere. Municipalities are creatures of the Provincial Government, and there are many options open to Government, but some of them are not very appealing.

ADJOURNMENT:

Following some general discussion among those in attendance, all of which was generally favourable to the idea of the establishment of one local government administration, the public hearing was adjourned by the Commissioner at 8:20 p.m.


Clayton T. Handrigan,
Secretary.

E. CONCLUSIONS AND RECOMMENDATIONS

E1. CONCLUSIONS:

It was readily apparent to the writer that all of the persons attending the Public Hearings, (except those in Little Catalina), recognized that the municipal operations in the four towns could not continue under the current structure. A rapidly declining population, the depressed economic situation, the high cost of service provision and delivery, a staggering debt load, and the resultant inability to consider even minimal capital expenditures, clearly indicated a need for the towns collectively to address their untenable situation. **It was equally apparent from the Briefs presented and the comments made during Public Hearings, that this situation could not be addressed without major input from the Provincial Government.**

The presence of two (2) industrial plants in Port Union and Catalina is also very misleading. I had assumed that the presence of these two facilities provided a major source of employment for the four towns. I was extremely surprised to learn that, due to union seniority, approximately seventy (70) percent of the work force employed are residents in the town of Bonavista.

The writer shares the concerns expressed by the attendees at the Public Hearings in Melrose, Port Union, and Catalina. It was equally disappointing to observe that none of the persons attending the Public Hearing in Little Catalina shared the same concerns, or expressed any interest in working collectively with the other three towns in an effort to reverse or, at least, alleviate the current situation.

E2. RECOMMENDATIONS:

1. I recommend that the three towns of Melrose, Port Union, and Catalina be combined into one (1) municipal entity. (I do **NOT** recommend the inclusion of Little Catalina at the present time, largely based on the disappointing position taken by all persons attending the Public Hearing in that town. I feel that to include Little Catalina without a positive approach by the town would surely impede and impair the success of the single municipal entity.)
2. In order for a single municipality to have any hope of success, it is imperative that the Provincial Government provide substantial financial assistance as it relates to existing long-term debt in the three towns.
At December 31, 2001, the combined accumulated deficit of the three towns exceeded \$1.1 million. The deficits in all three towns is largely attributable to the annual cost of retiring long-term capital debt. While there may be minimal room for tax improvements, it is inconceivable that the tax increases required to meet annual debt repayment can ever be attained.

I recommend that the Government of Newfoundland and Labrador immediately forgive all debt arrears owing to Government by the three towns.

I further recommend that Government, subject to a suitable agreement being reached with the three towns, provide a one-time capital grant to reduce the existing capital indebtedness to a manageable level.

3. The three towns, when combined, will have a population of less than three thousand (3,000) people. It will, therefore, be necessary to establish an administrative structure conducive to a town of this size.

I recommend that the current structure in the three towns be replaced by a fully qualified Town Manager, together with a full-time Clerk/Accountant. Additional office help during peak demand periods should be acquired on a temporary basis. The size and qualifications of a town workforce should be determined following a decision being reached regarding the delivery of town services, i.e., own workforces or contractual.

4. I recommend that the municipal Council for the new entity be comprised of seven (7) members. In the initial phase, the town should operate on a ward system, with two (2) Councillors elected from each of the three (3) existing towns, and a Mayor elected "at large". Eventually, consideration should be given to having all Councillors elected "at large".

5. The name of the new municipality should be determined by the three towns. I suggest that one approach could be to have a competition among the school students to have them suggest appropriate names, with a panel of judges determining the "winner". In the meantime, for purposes of identity in the interim, I suggest the new municipality be named Trinity North.

6. The three towns are currently served by a government-owned industrial water system. At present, major improvements are being carried out to the system. I recommend that once the water supply has been repaired, and capital improvements completed to the satisfaction of the municipality, that ownership of the total system be transferred to the municipal Council for the sum of one (\$1.00) dollar.

7. The boundaries of the new municipality should include the existing boundaries of the three towns, together with the unincorporated area presently separating the towns of Port Union and Melrose. The area in question is more appropriately identified on the map shown in Appendix D.

8. The operation of the Fire Department currently serving the three towns should continue. However, ownership of the Fire Hall and all other capital assets

should be transferred from the Fire Department to the new municipality. In future, the Fire Department should be operated as a department of the municipality.

9. Recreation facilities in the three towns should be closely examined to determine if it is necessary to: (a) continue to maintain and operate all of these facilities, and (b) the most effective use of any and all of the facilities that are retained.

Existing recreation committees in each of the three towns should continue to operate for the present. However, a single recreation commission should be formed as soon as possible to assume responsibility for the coordination and delivery of recreation services in the new municipality. A list of existing recreation facilities is attached as Appendix E.

10. Immediate consideration should be given to the preparation and adoption of a Municipal Plan, to guide and assist the new Council in the management and orderly development of the town.

11. Since the new municipality will not have a need for three municipal offices, early consideration will have to be given to selecting one of the three existing offices. My recommendation is that the municipal office in the town of Port Union be chosen, due to the fact that it is a single-story building, is centrally located, and is wheelchair accessible. A list of existing town buildings is attached as Appendix F.

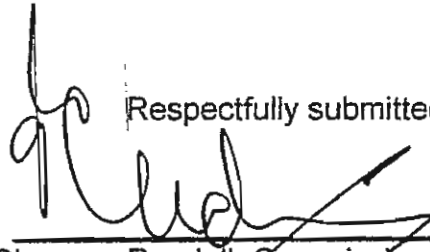
12. A list of municipal equipment currently owned by the three towns is attached. (Appendix G) The need for a new truck, or trucks, is evident from the age of the existing vehicles. However, utilization of town equipment will be determined on the decisions as to what services will be provided by town work forces or by contracts.

13. In order to have an orderly transition from the current three municipalities to a single municipal entity, I recommend the appointment of a Transition Team. The Transition Team should be comprised of two (2) members from each of the existing municipal Councils, and a senior official from the Department of Municipal and Provincial Affairs. The Transition Team should carefully examine all facets of the transfer of assets and liabilities to the single municipality, and the implications of any agreements currently existing in the municipalities.

The first responsibility of the Transition Team should be the preparation of a draft municipal budget for the new municipality. This budget should form the basis for negotiations with the Provincial Government for the elimination of

debt charge arrears, and a substantial reduction in the long-term capital debt of the towns of Melrose, Port Union, and Catalina.

14. I recommend that the municipal election for the single municipality be targeted for September, 2003, and that the duly elected Council assume office January 1, 2004.

Respectfully submitted,


Clarence Randell, Commissioner

TAX RATES COMPARISON: 2002

TYPE	CATALINA	LITTLE CATALINA	PORT UNION	MELROSE
Residential Property Tax	9 mills	6 mills	7 mills	7 mills
Business Property Tax	10 mills	6 mills	7 mills	7 mills
Business Tax	various	Retail - \$275.	11 mills	14 mills
		Beauty - \$230.		
Minimum Business Tax	\$360.	\$185.	\$150.	\$175.
Poll Tax	\$200.	\$185.	\$150.	\$175.
Water and Sewer Tax	\$324.	\$324.	\$264.	\$324.
Water Tax only	\$216.	\$162.	\$180.	\$204.
Sewer Tax only	\$144.	-	\$180.	\$170.
Comm. Water & Sewer Tax	\$480.	\$408.	\$324.	\$420.
Comm. Water Tax only	\$300.	-	-	-
Comm. Sewer Tax only	\$1800.	-	-	-
Utility Tax	2.5%	2.5%	2.5%	2.5%
Seal Processing Plant	15 mills	-	-	-
Water & Sewer (Schools)	\$2520.	-	-	-
Water & Sewer (Personal Care Homes)	\$1920.	-	-	-
Business Tax on Non-Fixed Property	-	-	1% (Gross)	-

MUNICIPALITIES ACT, 1999

**NOTICE
OF
PUBLIC HEARINGS**

**FEASIBILITY STUDY
TO ESTABLISH ONE LOCAL GOVERNMENT ADMINISTRATION FOR THE
TOWNS OF PORT UNION, CATALINA, LITTLE CATALINA AND MELROSE**

Public Hearings will be held as indicated below to consider and objections, comments, support or other representations which may be raised by any person or group of persons respecting the Feasibility Study to establish one local government administration for the Towns of Port Union, Catalina, Little Catalina, and Melrose.

1. June 10, 2002 at 7:00 p.m. in Melrose at Knight's of Columbus Building.
2. June 11, 2002 at 7:00 p.m. in Little Catalina Community Centre.
3. June 12, 2002 at 7:00 p.m. in Port Union at Lion's Club.
4. June 13, 2002 at 7:00 p.m. in Catalina at Catalina Elementary School.

A statement on the proposal outlining the purpose of the Feasibility Study may be inspected by any interested persons during normal business hours at the Port Union, Catalina, Little Catalina and Melrose Town Offices, and at the Department of Municipal and Provincial Affairs, Confederation Building, West Block, St. John's Newfoundland.

Any person wishing to make objections or comments or support or make other representations to the purpose of the Public Hearing shall, at least 48 hours before the date set for the Public Hearing, deposit at either of the Town Council Offices, or at the Department of Municipal and Provincial Affairs, Confederation Building, West Block, St. John's, A1B 4J6, Newfoundland, a copy of a signed written statement outlining said objections, comments or support, or other representations, or a written notice of intent to make an oral submission at the Public Hearing. Submissions will be deposited in sealed envelopes clearly marked "Public Hearing - Port Union, Catalina, Little Catalina and Melrose Feasibility Study."

THE TOWN OF MELROSE
A BRIEF IN THE MATTER
TO ESTABLISH
ONE LOCAL GOVERNMENT ADMINISTRATION
FOR THE TOWNS OF
CATALINA, LITTLE CATALINA, PORT UNION AND MELROSE

The members of the Melrose Town Council are in favour of establishing one local government administration for the four towns.

Presently, the four towns have 24 representatives on council, which is more than sufficient for a total population of 2300. The population of the area could be adequately represented by 7 or 9 councillors. It would also be more cost efficient to combine expenses now being incurred by each town separately. Such would be the operation of four town buildings and equipment and staff. We currently share services such as the operation of the incinerator, dog control, the local water supply and the volunteer fire department, (Catalina, Port Union and Melrose). Combining other services seems the next logical step.

Over the past 10 years we have seen a decrease in population of over 25%. With the economic situation of our area, and out-migration, which has mainly been caused by the cod moratorium, the situation is not likely to improve. This limits the ability to find other means of revenue, which is currently restricted to residential taxes and 3 businesses.

We are currently in arrears to the provincial government for debt charges in the amount of \$324,852., and are operating under an accumulated budget deficit of over \$220,000. This is limiting our ability to obtain capital works funding and our day-to-day running of the town. The government has stated that they will consider erasing these arrears and debt, (as well as those of the other three towns), if the towns were to combine. This would ease the financial strain, and hopefully allow for the concentration of economic development of the area.

Our major concern is for the need for equality in the areas of snow clearing, maintenance and upgrading, if the four towns were to combine; but this could be adequately addressed with proportionate representation.

The position of the Melrose Town Council is based on the assumption that the province will forgive our current arrears, as well as all, or a major portion, of our remaining debt.

TOWN OF LITTLE CATALINA
P.O. BOX 59, LITTLE CATALINA, NEWFOUNDLAND, A0C 1W0, TEL/FAX#469-2795

MR. RANDELL, LADIES & GENTLEMEN

On behalf of the town, I would like to welcome you, and thank you for coming out tonight.

Several months ago we were asked to participate in a Feasibility Study to see if there would be any benefits for this town to join with Melrose, Port Union and Catalina to form one Local Government Administration and thus become one municipality. This study was to be done at no cost to us, so we agreed, so that the possibility might be there, for some benefits, to Joint Administration, in overall savings, for the 4 towns.

From going through your Preliminary Report we have come to the conclusion that this is a very general report and does not answer any specific questions, that we feel we needed answered. For example: Where will our facilities be located, Town Hall, and Fire Hall? Who will be retained as office staff and maintenance staff?

You suggested that our Fire Department be retained as a Satellite Station to the main station at Catalina. We feel the existing Fire Department we now have is suitable to our needs. Our volunteers have spent years building this department to where it is today. It exists at very little cost to the town. We pay insurance, gas, heat and light for this building. It houses the town office, maintenance building, fire department and is used by every organization, for church related events, showers, birthday parties, anniversaries; thus the Town Hall has become a Community Centre in Little Catalina.

There is no guarantee that a few years down the road, when it comes to budget time and some cuts are needed, that this Building will be closed. This will put an end to the Fire Department and Community Centre.

At present we share several services with our neighbouring towns, such as incinerator, water supply, and dog catcher. We have some problems with how the cost of these services are shared, but we are working towards a solution to these problems currently - the incinerator mainly. We will still continue to share costs, if these services continue to be provided.

At present we contract out our garbage collection and snow clearing. Our maintenance is done on a call-in basis as needed, with one part-time worker. We have one full time employee, Marilyn, our Clerk/Manager. We do not feel this town could be run more cost-efficiently than it is right now. We cover our incoming bills fairly adequately, as they are received and handled at our regular meeting.

Our tax base is strictly on the backs of our citizens. The majority of our revenue comes from

property, water/sewer and poll taxes. We have very little business taxes to help carry the burden. With the economy of the area being as it is, I feel our people are to be commended for carrying such a burden.

You mentioned the overbearing and increasing debt charges that this town and the other 3 towns owe. There has to be some sort of debt relief in order for a new municipality to continue, or any existing one. We feel that whether we join together or not, the provincial government has to come to the realization that small towns such as ours cannot continue without their debts being forgiven, as 1 town alone, or 4 together.

At the present time, this town does not have any outstanding debts, other than our debt charges.

At our last council meeting, this council unanimously rejected joining with the towns of Melrose, Port Union and Catalina to form one local government; at this time. Until such time that we are certain that this would be a benefit to our town in a savings capacity, and with no other losses, as it presently exists. We will continue to lobby the Provincial Government to have our debts forgiven, and show that it is feasible to allow us to remain as we are, our own municipality. We know our taxes must be raised in the near future, but that taken into consideration, we still strongly feel that staying as we are will be the best way to go for our people.

Thank you.

June 7, 2002

Re: "Public Hearing - Port Union, Catalina, Little Catalina, and Melrose Feasibility Study."

How would each Town benefit under one Local Government?

How would we be represented by the New Council?

(i) Represented according to population? or

(ii) Would each town have the same number of Councillors?

Either way, would it still be fair to each individual town?

If Government is willing to help with our debt charges if we amalgamate, why can't they help our towns if they don't join together?

If the four towns join together, will each town be allowed to use their Town Hall as a Community Centre? If so, will the new Local Council see to the upkeep of these buildings? (Heating cost, insurance, etc.)

If we are allowed to retain our Fire Dept., would provisions be made in the new Budget for this service for the residents of Little Catalina, or would we have to be responsible for its maintenance?

What duplication of services can be eliminated? Streetlights? Garbage collection? Snow clearing? Upkeep of side roads? Water & sewer services? The Town Hall? The Town Clerk? A part-time maintenance man?

When work is needed to be done in all four communities, how will priority be given? Will the community with the best representation always come out on top?

There are so many small questions to be answered.

Will we one day have to protest at Council meetings to try to get an essential service? (Example: The Goulds & St. John's?)

Will one local Government really solve our problems or will it create more?

(Signed) Elizabeth Dalton
Little Catalina

I sat down a few days ago and tried to figure out what the advantages and disadvantages if integration would be to the town of Little Catalina. What I came up with in my opinion was this: advantages - none.

Some people say we'll have a bigger voice when we approach Government for funding. What difference will it make if we have 528 people or 2325 people where the government is concerned? We are still only a small street in St. John's or a little bigger than the Goulds, and we all know how they are being treated.

People talk about lower administration cost - instead of having four town halls we will only have one. This means a town manager full time and a full time town clerk instead of four town clerks (part-time). The amount saved will not justify two more people unemployed and three more empty buildings in one area. Here in Little Catalina we already have our school closed. What's next, our church?

Another advantage mentioned to me is that the government will lift our debt on water and sewer charges. 99% of rural Nfld. has this debt and are unable to pay it. What's government going to do - shut down rural Nfld.? Not likely! This debt has to be done away with anyways. Maybe Boies Bay will take care of it.

Disadvantages:

Loss of Fire Dept. Even though it is suggested that our department become a satellite station for Catalina, the question arises, who is going to pay the cost of running the fire hall? Maybe the joint council at first, but for how long? Having to pay to run two Fire Departments defeats the purpose of lower administrative costs, and before too long we will have the burden placed on the fire dept. We will have no choice but to fold. All our equipment was obtained basically without government assistance and I think there has been too much work done by too many individuals for this to happen.

Unfair representation. Towns will be represented according to population which means that Little Catalina which has a little over 20% of the population will be outnumbered 5 to 1. When it comes to making decisions, not good odds for us.

Accessibility. Presently there are 83 people age 65 or older here in Little Catalina, and another 25 between 60 and 65. Who will have to go to Catalina to pay their council bill? Maybe in a line up like the one they are now subjected to at the Bank of Bonavista. This is not an improvement.

Also, I feel that if this integration takes place we will lose our identity as a town. I do not want to be called the district of Catalina, or anything resembling that.

Finally, we already share a number of services with the other three towns, namely Dog Catching, the incinerator, and water and sewer. That is as close to integration as I want to see. We already voted over 80% as a town against it. Leave it at that.

- Clarence Stagg

RE: Public Hearing - Port Union, Catalina, Little Catalina, and Melrose Feasibility Study.

It is quite conceivable that our town will suffer as a result of some decisions that an amalgamated council could make. Less sensitive council members from the other towns could out-vote our council representatives and approve or promote things that would have an adverse effect on our community. For example, an amalgamated council could support the privatization of large tracts of land around our community for such things as berry farms that would interfere with our traditional rights and freedoms. If such decisions were to be made, the people would have to be constantly writing letters and circulating petitions to an amalgamated council, and we would not want that.

It is also conceivable that our town will suffer because some things that our community representatives feel is very important to our town will be out-voted by representatives from other towns.

Therefore, the people that will have the most appreciation for things that effect our community will be frustrated often on issues effecting our town. In reality, under an amalgamated council we will have less control over affairs that directly effect us.

Presently our town council building is fully utilized. It houses our fire department and many community groups use it for their meetings and social events. The town council absorbs most of the cost of heating and the up-keep of the building. I fear that if we become amalgamated we will lose this convenience. It undoubtedly will put a financial strain on the groups using the building to maintain its current level of use.

I have only addressed two of my concerns, but there are many other questions that need to be answered.

Sincerely yours,
(Signed) Doug Dalton

Regina Kennedy
P.O. Box 98
Little Catalina
NF A0C 1W0

To Whom It May Concern:

As a resident of Little Catalina, I do not agree with one local government administration for the towns of Little Catalina, Catalina, Melrose and Port Union. Our town building is used by many organizations including United Church Women, Recreation Committee, Girl Guides. The building is also used for many other functions.

Our fire Department has worked very hard over the years to raise money for their fire truck and to maintain the fire department. They did this without any funding from government. The solution the government has offered was to retain the building as a satellite building. As far as I am concerned, this would be a loss for our community.

As a resident of this community, I do not see any benefit in one local government administration. Why should our town building and fire department be forced to close down because of government?

Sincerely yours,

(Signed)
Regina Kennedy

June 7, 2002

To Whom it May Concern;

I do not agree with One Local Government Administration for the towns of Port Union, Catalina, Little Catalina and Melrose. I do not think it would be in the best interest for our community.

I think we would lose our fire truck and our town hall, which is the only place we have in our community for our group functions.

I think we would also lose our church, which I would not want to happen.

When our school closed, our community suffered a great loss.

So I think it is time for us to stick together and fight for what we have in our community, and not lose it like we did our school.

Yours truly,
(Signed) Roberta Hunt

The Brief I am to present tonight on behalf of Council is done so in what we truly believe is in the best interest of the citizens of Port Union. Since the closure of the Fish Plant nearly 10 years ago, we have seen close to 25% of residents have had to relocate. Their decision to move was not an easy one, but in order to provide for their families it was a necessary one. This is also true when it comes to Council responsibility to provide for its residents.

Since the closure of the cod fishery, it has become next to impossible to provide the service that our residents deserve. It, indeed, would be impossible to do if we were to honour our commitment to the Province with respect to paying our share of debt charges for past Water & Sewer and Road infrastructure that we availed of in the past 30 years. As you indicated in the Preliminary Report, our town is in arrears to the Province for nearly \$385,000., not to mention the millions we still owe. It is impossible, under these conditions, to access any Capital Funding to do things like the much-needed roadwork in our community. The reason this work is not done is not because we do not want to do them, but we are unable to obtain funding to do so. Nobody, not even Government, will loan you money when you are unable to repay loans you have now.

Mr. Commissioner, if this procedure is to work, and these towns are to survive, these arrears must be totally forgiven, and the majority of the long-term debt also forgiven to the degree that it would be possible for a community of its size to manage. It would be futile to do this procedure if this was not done. One bankrupted body would be just as bad as four.

Mr. Commissioner, the decision this Council made to request the procedure you are now here to perform, was not an easy one; but like our past residents who were forced to move, we feel it is a necessary one. We believe it would be impossible to carry out the normal business of Council to the extent of providing adequate service to our residents, if the *status quo* continues. There is only so much you are able to do with the limited number of dollars. We have been slowly, but steadily, raising taxes here, trying to offset the loss; but you can only expect so much from people who are finding it very tough as well.

A concern I have heard in the past is of losing our identity. There will still be a Port Union if this process takes place, and our proud **history and heritage** will remain. The only change will be that of one administrative body where there are now four. What the structure of the Council will be we do not yet know, but it **must** fairly represent all residents of each community. We have always shared the same water system, the same solid waste disposal system, the same animal control services. Some of us have shared the same garbage collection services, and by sharing these services we have saved money in doing so.

In closing, I believe, as the rest of the Councillors do, and I believe the majority of the residents in our town understand, that this is the best, if not the only option we have, if our town is to survive and provide adequate services to our residents. If we honestly thought this was not in the best interest of our residents, we would not recommend it for a minute.

Mr. Commissioner, it was in the early 1900's that the founder of our Historic town. Sir William Coaker, realized that fishermen by themselves could not obtain their full potential. He realized that there was strength in numbers, and he brought together fishermen in Newfoundland to form what was then, one of the strongest Union Movements in North America. We believe by coming together as one administrative body, we will have a much stronger voice with those whom we need to hear us.

Copies to: Minister Langdon,
Clarence Randell

Council
Port Union
Nfld. AOC 2J0

Box 34
Port Union
June 5th 2002

Re. upcoming meeting concerning a study to establish one (1) local government between the four (4) existing towns.

Election of Council, 2002, the choice was made at that time, why present this issue again? Don't you people realize that you're harassing your taxpayers by reviving what was supposed to be a done deal? Why are some of you being so persistent?

I made four (4) phone calls to various persons: Grand Falls/Windsor, NewWestValley, Paradise/Topsail and CBS: response from each:

Grand Falls/Windsor - tax increase, not much change to Windsor.

NewWestValley - no change to residents, snowclearing?

Paradise/Topsail - increased taxes from \$250.00 year to \$1250.00 year.

CBS - tax increased from 6 mills up to a now existing 8.2 mills.

I try to look at this with a positive frame of mind, but I fail to see how the residents of this town will afford to pay (2) two times what they are now paying. I suggest a plebiscite take place for the final decision, once and for all.

I will be unable to attend the meeting at Lions Bldg., therefore I hope this letter will get there.

I talked with some people in this town and I get the feeling some councillors flop with the mop, anyway. Each councillor at that meeting should declare his opinion for or against, and if a plebiscite is called the councillor's name should be noted if for a joint effort or against. Other measures may follow to deal with the issues according to the taxpayers' will.

I thank you for taking the time to read this, and please have the guts to declare your intention, whatever you believe in. Do not play both sides against the middle, and don't forget that the big winner will be our Provincial Government.

(Signed) William Tulk,
Tax Payer/Citizen

P.S. There are taxpayers in this town who find it very hard to keep up with everyday bills. What if we end up like Topsail/Manuels? Don't only show the bright side; show the down side too.

Mr. Randell, on behalf of the Town of Catalina I would like to welcome you here this evening.

The Brief I am presenting on behalf of the Council is what we feel is the only way we are to survive as a small town.

Since the moratorium was called in 1992, we have seen many of our residents leave to seek employment in other parts of the country, thus causing the closure of many businesses and the loss of our Bank.

There has also been a reduction of approximately 25% in our tax base since 1992, making it much more difficult to provide the day-to-day operations of our town. This would be impossible to do if we were to honour our commitment to the Provincial Government with respect to paying our share of the debt charges for past water and sewer and paving infrastructure in the past 25 - 30 years. As you have indicated in the Preliminary Report, our town is in arrears to the Province in the amount of \$856,850.00, with a total long-term debt of \$2,117,054.02. It is impossible for us, as a Council, to avail of any capital funding for this reason. Right now we have many infrastructure projects we would like to have done within the town, such as: much needed road-work, paving, bridge repair, and water and sewer upgrades.

At this point in time, we are not able to do much maintenance, let alone begin new work. We feel that it would be unfair to the residents of Catalina to try and continue on in this manner.

The decision of Council to proceed with this issue was not an easy one, or one that was taken lightly, but we feel that as a Council representing the residents of this town, we would be doing an injustice not to have a major restructuring of the finances with regard to our arrears and overall debt.

Mr. Randell, if this restructuring is to work, and our towns are to survive, the above-mentioned arrears must be totally forgiven, and most - if not all - of our long-term debt must be forgiven. If not, we will only find these towns in the same difficulty in years to come as we have at this time.

There are many questions and concerns raised by the residents of the town regarding the proposal of joint services, and I can only say that the process will not be without some bumps. But we, as a Council, feel that these issues will be overcome, and that the end result will mean only that the residents of all towns involved will see an improvement in the services that we will be providing them.

MAP

LIST OF RECREATION EQUIPMENT

PORT UNION:

- Recreation chalet
- Ballfield - in good condition
- Playground (next to ballfield) - in fair to good condition
- Thompson Pond Park - has BBQ hut, bathrooms, & small playground
- trails: 1. - around Thompson Pond Park - poor condition
2. - Murphy's Cove & Hodge's Cove Trails - good condition

MELROSE:

- Ballfield - good condition
- Playground - fair condition

CATALINA:

- Recreation Building
- Tennis Courts
- Playground - fair to good condition
- Lookout Park - canteen, stage, shed, change rooms, playground (small) - good condition

JOINTLY:

- Farm Hill Lookout Site (outside Melrose)

LIST OF EXISTING TOWN BUILDINGS

PORT UNION:

- Town Hall/Garage
- Port Union Recreation Chalet - responsible for light, etc.
- Recreation Building - known as Sir. Wm. F. Coaker Foundation

MELROSE:

- Town Hall

CATALINA:

- Town Hall
- Maintenance garage
- Recreation Building

PLEASE NOTE: Fire Hall jointly owned by CPUM Fire Department

LIST OF MUNICIPAL EQUIPMENT

PORT UNION:

- truck (1992)
- loader (1986) - rebuilt transmission in 2001, new blade
- dump truck (1988)
- excavator (1970's) - not working
- saltspreader (2000)

MELROSE:

- truck (1993)

CATALINA:

- truck (1991)
- dump truck (1985)
- loader (2001) - leased @ \$2,550.03 per month - 6 or 7 year lease
- backhoe (1991)
- saltspreader (1998)
- crawler/loader (1991)