

COMMISSIONERS REPORT

The Proposed Amalgamation of
Deer Lake, Spillway, Nicholsville
St. Judes, and Reidville

Prepared by:

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Prepared for:

Minister, Department of Municipal
and Provincial Affairs
Government of Newfoundland and Labrador

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Feasibility Reports Regulations, 1980

BACKGROUND - LOCAL AREA

The Town of Deer Lake

The Town of Deer Lake is located off the Trans Canada Highway on the eastern shoreline of Deer Lake. It has a population of 4,233 comprising of 1208 residences.

The Town has a Town Council and charges a property tax rate of 7.5 mills, a business tax rate of 9.0 mills, a water and sewer rate of \$222 per year and a poll tax of \$150 per year.

The Town has a Municipal Plan and zoning and building regulations. It has 37.5 km of road, a park, an arena and several sports fields and playgrounds. It has a fire department and several pieces of town equipment.

Garbage disposal is handled on a contract basis with local disposal site and incinerator.

Approximately 98 percent of the Town is serviced.

Approximately 6 kilometers of road remain unpaved.

The Town has Town Manager and 18 full time staff members, a Town Hall, a Fire Hall and a works depot.

In 1989, the Town had an accumulated surplus of \$46,381 and a total budget of \$2,037,800.

The Community of Reidville

Reidville is located off the Northern Peninsula Highway some 7 kilometres north of Deer Lake. Population is 504 with 135 residences.

The Community Council charges a property tax of 5.5 mills, a water and sewer rate of \$144 and poll tax of \$100 per year. The business tax rate is not available.

The Community has a Municipal Plan, Zoning and Building regulations. It has 7.3 kilometres of roads, a ballfield, and playground. It has a fire department, community offices, fire hall and community hall.

Garbage disposal is by contract using the Town of Deer Lake disposal site.

The Community has a water supply system from the Humber River and individual septic disposal systems for sewage disposal.

The 1989 budget was \$ 105,642.

The Local Service District of Nicholsville

Nicholsville is located to the north of, and is contiguous with, the Town of Deer Lake. It has a population of 509 with 176 residences.

This area has no property, business or poll taxes. Water is supplied from the Town of Deer Lake system. The Town charges a rate of \$158 per residence, collects the tax directly, and maintains the system. Garbage and street lighting rates are \$60 for each item. Sewage disposal is by septic system. There are 6.8 kilometers of road, 1.5 kilometers of which remain unpaved.

The area falls within the Town of Deer Lake Planning Area Boundary.

The Local Service District of Spillway

Spillway is located off the Trans Canada Highway just south of the Town of Deer Lake. It has a population of 239 and 72 residences.

This area has no property or business taxes. A poll tax of \$120 per household is collected. A water rate of \$158 per residence is charged by the Town of Deer Lake. A septic disposal system is inefficient owing to soil conditions.

This area has a playground but otherwise uses the recreation and sport facilities of the Town of Deer Lake.

There are 2.2 kilometres of roads and development is controlled by the Town of Deer Lake.

The Local Service District of St. Judes

St. Judes is located on the Trans Canada Highway approximately 10 kilometres south of the Town of Deer Lake. The population is 271 with approximately 75 dwellings.

There are no taxes beyond a \$60 garbage collection fee.

The water supply is individual wells and brook water. Salt contamination of water occurs during winter and spring months. Sewage disposal is by septic disposal systems.

The majority of residences immediately adjoins the Trans Canada Highway, and there are 0.6 kilometres of unpaved side roads.

MUNICIPAL PROFILE

ITEM	DEER LAKE	NICHOLSVILLE	SPILLWAY	REIDVILLE	ST. JUDES
Population 1986	4233	509	239	504	271
Tax Rates:					
Property	7.5 mills			5.5 mills	
Water & Sewer	222.00	158.00	158.00	144.00	
Business	9.0 mills				
Poll Tax	150.00		120.00	100.00	
Garbage		60.00			60.00
Street Lighting		60.00			
Local Revenue/Capita	262.77	98.85	83.75	138.62	16.60
Property Values:					
Residential	43,758,100	7,200,000	3,100,000	6,546,700	2,000,000
Commercial	12,305,100	200,000	375,000	869,600	20,000
Planning Program:					
Municipal Plan	yes	Deer Lake	Deer Lake	yes	Deer Lake
Zoning Regulations	yes			yes	
Building Regulations	yes	Deer Lake	Deer Lake	yes	Deer Lake
Budget 1989:					
Revenues	2,037,800			105,642	
Expenditures	2,037,800			105,642	
Tax Revenue/Capita	481.41	98.85	83.75	209.61	16.60
Local Roads	37.5 km	6.8 km	2.2 km	7.3 km	0.6 km

SECTION II FEASIBILITY EVALUATION

PUBLIC HEARING PROCESS

In accordance with the Act, the minister ordered that a public hearing be held to consider any objections, comments, support or other representations which may be raised by any person or group of persons respecting the Feasibility Study of the proposed amalgamation.

During this process, a brief was presented from each of the effected municipalities and Local Service Districts, and two oral briefs were presented, one from Mr. Rick Woodford, M.H.A. and Mr. Carl Hussey, a resident of Nicholsville. The briefs are contained in Appendix A, and are summarized as follows:

TOWN OF DEER LAKE

Deer Lake has expressed the following concerns:

1. They feel that Deer Lake Power Company property should be included in the town Boundaries and should be subjected to taxation at the same rate as other businesses operating in the community.
2. **Nicholsville Bridge.** Due to the importance of this bridge as a connection between Nicholsville and the Town of Deer lake, the town recommends that the government give the community a long-term commitment to maintain and subsequently replacing the bridge when it becomes necessary. At present, the bridge is maintained by Department of Works, Services, and Transportation.
3. **Capital Works -** Substantial Capital Expenditures will be required to provide new services and upgrade existing ones estimated at \$10 million.

Added to the current dept owed, a \$4 million, the town is concerned over how this additional capital works can be financed. The town is concerned over what the additional cost will be to provide these services to the amalgamated communities and whether or not the additional tax revenue will cover this cost.

4. The town sees that there are inequalities in the present system of providing municipal services. The municipal government has been a major contributor to those inequalities by encouraging people to live outside of Local Service Districts, providing free services such as snow clearing, road maintenance, paved roads, water systems, etc; whereas, residents in incorporated areas have to pay taxes to get the same services.

The town believes that the alternative of amalgamation must be addressed; they do not believe that amalgamation is the only alternative, nor do they believe that amalgamation should be forced. It is their opinion that amalgamation should be a negotiated agreement between the government and communities concerned.

THE COMMUNITY OF REIDVILLE

The Community of Reidville has outlined the following concerns:

1. The closure of the present Town Office would mean that the residents of Reidville would have to travel to Deer Lake to conduct their town related business.
2. The ratio of councillors verses residents would change from 1/101 to 1/504.
3. The loss of community identity and subsequent volunteer services would result.

4. They are concerned that in the long term, the town would lose its present recreational facilities and fire department.
5. The amalgamation would result in **higher taxes** with no additional services and possibly less than they are presently receiving.
6. The proposal outlined by the Municipal Affairs goes to show how the amalgamation will not have any cost saving benefits for any level of government, and the Town is strongly opposed to it.

LOCAL SERVICE DISTRICT OF ST. JUDES

Representatives from the Community of St. Judes expressed the following concerns:

1. **Increased taxes** would be a burden on the people because of the high unemployment rate in the area.
2. It would not be fair to tax the residents of St. Judes at the same rate as the residents of Deer Lake if they are receiving inferior services.
3. They want to know what the tax rate would be.
4. They want to know when they could be expected to receive a **water supply system** from the present Deer Lake supply.
5. They want to know when and if a **sewer system** would be installed.
6. They want to know if **snow clearing and street maintenance** would be as good as that provided by the Department of Works, Services, and Transportation.

7. They would like to know if St. Judes would be **represented on council**.
8. They would like to know if the residents of St. Judes would be wholly responsible for **providing and maintaining their water and sewer services** if this is installed after amalgamation.
9. The residences of the area are strongly opposed to amalgamation.

LOCAL SERVICE DISTRICT OF NICHOLSVILLE

The Local Committee has outlined the following concerns:

1. **Nicholsville is still basically a farming community**. They want to know what will happen to the farm land and will the farm land be further subdivided because of the increase in taxation, etc.
2. They feel there would be **reduced services** such as snow clearing, etc.
3. They are concerned about the maintenance upkeep and replacement of **Nicholsville Bridge**.
4. They indicate that **90 to 99 percent** of the people in their community are opposed to the amalgamation.
5. They feel that **higher taxes and lower grade service** would be the end result of amalgamation.

LOCAL SERVICE DISTRICT OF SPILLWAY

The brief presented from the community of Spillway noted the following concerns:

1. They are concerned about the **downgrading of services** particularly snow clearing.
2. What would happen to their **present community hall** - where would the ownership lie and who would be responsible for it.
3. They are concerned about **how and when municipal taxes** would be implemented.
4. They are concerned about **access to the town of Deer Lake** and whether access could be provided through the present railway bed considering the fact that they presently isolated from the Town of Deer Lake.
5. They are concerned about a **new sewerage system** which is required and would want to know when it would be installed and how is would be financed.
6. They want to know if services being presently provided be **maintained**.
7. They want to know what **enhanced services** would make amalgamation **more attractive** to the residents.
8. Without some guarantee of improved services and new Water and Sewer Services, the Community is opposed to amalgamation.

COMMISSIONERS OBSERVATIONS

Having thoroughly discussed the briefs submitted and the effects of amalgamation upon the areas effected, both commissioners have concluded that the Local Service District of Spillway and Nicholville should be considered for amalgamation with the Town of Deer Lake. The inclusion of the Community of Reidville and the Local Service District of St. Judes should not be considered further.

The Community of Reidville is a rural community with a substantial portion of its land area used for agricultural purposes. Although the community's population increased significantly over the years and decreased the importance of agriculture, agriculture continues to play an important role in the community. The character of the community is different than that of the Town of Deer Lake and other surrounding areas. The built-up or most densely developed part of Reidville is 6 Kilometres from the Trans Canada Highway and Route 430 interchange at Deer Lake. There is little development along this section of highway and side road. This large undeveloped area acts as a constraint to amalgamation.

The Reidville water supply system draws its supply from the Humber River. Although there have been problems with the system in the past, improvements have been made and the system functions adequately at present. In addition to this, the soil conditions are good and the septic sewage disposal systems appear to be functioning satisfactorily. As a result, there is no need at this time to connect to the proposed expanded Deer Lake water system and even if it were necessary in the future, it cannot be used as a justification for amalgamation.

The Local Service District of St. Judes has developed its own community identity and is geographically separated from the Town of Deer Lake, such that providing basic services would be difficult and costly. St. Judes consists of a long strip of development along both sides of the Trans Canada Highway west of the existing town of Deer Lake. This Highway constitutes the main road in the

Local Service District of St. Judes; and being the Trans Canada Highway, it is the responsibility of the Department of Works, Services and Transportation to operate and maintain it. During the next several years, plans have been developed to relocate the Trans Canada Highway to a new location several hundred feet to the south. This would then make the existing Highway a secondary or a local road.

The Local Service District of St. Judes does not have a Municipal Water and/or Sewer System, and the only service provided is the collection of garbage which is disposed of at the Deer Lake incinerator site at a cost to the Local Service District. Fire protection is also provided by the Town of Deer Lake on a voluntary basis but which should be contracted between the Local Service District and the Town.

St. Judes is presently within the Deer Lake Municipal Planning Area Boundary; and as such, the Town of Deer Lake has control over development in this area. This is a shared control with the Development Control Unit of the Department of Municipal and Provincial Affairs. The Town has not been effective in implementing its planning controls in this area. It is recommended that St. Judes remain in the Municipal Planning Area Boundary of Deer Lake and that the Development Control Unit of the Department of Municipal and Provincial Affairs be given control over development within control lines which would then exist 400 meters from the centre line on both sides of the Highway, and that all development in this area cease until such time as the new Trans Canada Highway is constructed and the feasibility of the amalgamation of the Local Service District of St. Judes and The Town of Deer Lake be reviewed again. This would both control the existing situation of Ribbon Development and also prevent further development in the vicinity of the new Trans Canada Highway.

Therefore, the remainder of this report will deal with the evaluation of the feasibility of amalgamating the Local Service Districts of Spillway and Nicholville with the Town of Deer Lake.

EVALUATION OF THE EFFECT OF THE PROPOSED AMALGAMATION

1. Access and Representation

Under the proposed amalgamation, access of the residents to elected and appointed officials can be ensured through a ward system which would provide for the election of one councillor from each of Spillway and Nicholville. Four remaining councillors would be elected from the Town of Deer Lake with the Mayor being elected at large. This would ensure representation of the affected areas, during the transition period. It is recommended that the ward system remain in effect for one term; afterwhich, the new Council would decide on the process for the next elections.

The residents of the Local Service Districts are presently accessing the Deer Lake Town Office in order to obtain building permits, pay water and garbage assessments, and they avail of the recreational and fire protection services provided by Deer Lake, and this will not change.

At present, the ratio of population per councillor is 605 in Deer Lake. Under the proposed ward system, this would change to 846 for Deer Lake residents and 509 for Nicholville and 239 for Spillway.

2. Community Identity

A change in municipal jurisdiction would not necessarily involve a local name change, but only the location and quality of municipal administration and service.

In the short term, we do not see the communities' identities of Spillway or Nicholville being affected; however, in the long term, it will likely be eroded.

3. Suitability for Municipal Servicing

Spillway, which now has an inadequate Water Supply from the Town of Deer Lake, will require installation of new waterlines to provide for fire flows and also the installation of a sewer system, all at an estimated cost of \$ 900,000.

Nicholsville will require replacement of the existing temporary water supply system; and as a minimum, the installation of a sewer system along River Bank Road. Soil conditions are generally favourable in the remaining parts of Nicholsville for the operation of on site sewage disposal system; however, further evaluation may be required to determine the long term viability of these systems.

The Town of Deer Lake itself requires considerable expenditure to bring its services up to an acceptable level. Major portions of the existing sewer system must be replaced in the near future; the water supply system must be upgraded to provide for increase demands that have resulted from expansion of the town and which will be further aggravated by the amalgamation of the two areas. Many roads remain unpaved, and many existing paved roads, including key arterial roads are in very poor condition.

Main Street in the Town is in very poor condition, both aesthetically and structurally. The location of the Railway through the centre of Town has been a problem for Main Street Business. Once the centre of business activity, the importance of the railway station declined sharply with the completion of the Trans Canada Highway in the 1960s and the subsequent demise of the railway. Since then, the railway location has remained an obstacle to the maintenance and growth of the Main Street Business area. With the removal of the railway, a key area through the centre of Town is now available for development. Rebuilding and revitalizing the Main Street area is now possible, and we believe it is one

of the keys to the continued long term growth of the town. Realignment and reconstruction of the street itself will probably cost in excess of \$1 million. We believe that consideration should be given to provide much of this funding from the Canada/Newfoundland Railway Agreement; and approach to the Federal and Provincial Governments should be made by the Town for this.

4. Physical Constraints to Municipal Servicing

Good soil conditions with no bedrock are prevalent throughout the area; therefore, the cost of installing water and sewer systems is minimized.

Upgrading of the existing water supply is presently required to contend with existing demand, and the added demand of an expanding community will further aggravate this need.

The accessibility of Spillway to the Town of Deer Lake has been questioned by the residents of the area. At present, access is by the Trans Canada Highway some two kilometres from the overpass entrance to Deer Lake. However, this problem can be readily overcome by the construction of a 0.3 kilometre access road along the present railway bed. This would provide for easy access to and from the area, both for the residents and for maintenance operations. The estimated cost for this road construction is \$600,000.

Nicholsville is connected to the Town of Deer Lake by Nicholsville Bridge which was once part of the Trans Canada Highway. The concrete bridge, built in 1942, has deteriorated considerably. Temporary repairs have been made to the structure by the Department of Transportation; however, its replacement will eventually be necessary. The bridge is currently owned and maintained by the Department of Transportation.

5. **Administrative Capacity of the Municipality**

At present, the Town of Deer Lake has full administrative facilities, and it is felt that no additional administrative staff or facilities will be required to service the new municipality.

6. **Co-ordination and Cost Efficiency**

The services are co-ordinated by the existing municipal administration, which is already providing planning functions to both areas. The additional work load that the amalgamation would bring about is not expected to create any serious problem to the co-ordination of services and functions.

The co-ordination and cost efficiency of municipal services can be accomplished through increasing the present maintenance staff and facilities of the Town of Deer Lake. It is estimated that an additional Front End Loader, Backhoe, Salt Spreader, and three additional personnel would be required to provide the required level of services. A single municipal administration would result which should be more cost effective than the present three.

7. **Financial Feasibility**

A detailed assessment of the financial feasibility has been undertaken by the commissioners and is presented in Appendix B.

The proposed amalgamation appears to be financially feasible and would enhance the Town's ability to provide a better level-of service than that which is currently being provided. This is possible through an increase in the budget of the Public Works department which at present is insufficient to provide an adequate level of service.

8. Equity Consideration to Taxpayers

The new Municipal Council of the amalgamated Municipalities would determine the tax rates and benefits or services received. Assuming the tax rates would remain unchanged, the residents of Spillway and Nicholville would have to start paying property tax, business tax, and poll tax. In return, the new municipality would take over responsibility for providing municipal service. There would be greater equity to the tax payers of Deer Lake because the residents of the amalgamated areas would now be paying their per-capita share for services they presently avail of, but do not contribute to, such as recreation, fire protection and the Debt Servicing Cost of the water supply system.

If the amalgamation were to take place in the near future, it may be difficult for the Town of Deer Lake to provide an equitable level of service to the new areas. Some time would be required for the town to obtain new equipment and additional staff. As well, certain infrastructure would have to be put in place, such as the new access road to Spillway, and other basic services, in order that tax payers of the amalgamated areas could be on a par with the taxpayers of Deer Lake.

A system of phasing in new taxes should be considered; and as well, some provincial services may have to remain in place for a period, such as snow clearing services by the Department of Works, Service, and Transportation.

9. Tax Yields

Tax yields would not be adversely affected by changes in economic activity as most of the tax base is fixed and is not affected by swings in business activity. The proposed amalgamation should not affect present economic activity.

10. **Equality**

The amalgamation would result in greatly improved equality to the tax payers of Deer Lake as the amalgamated areas would be contributing towards services they already receive.

There would be a certain inequality to the tax payers of the amalgamated areas in that they are presently receiving services from the Provincial Government at no cost - services which they will have to contribute to under the amalgamation community. If this system continues, the feasibility of amalgamation, in the eyes of these people, does not exist and is certainly difficult to disagree with. The system, while quite favourable to all people in this province living in Local Service Districts, is indeed an injustice to people of incorporated municipalities who through much higher taxes, pay for the services which the Provincial Government would otherwise provide free of charge.

11. **Simplicity of the Proposed
Municipal Structure**

The amalgamation of the Town of Deer Lake, Spillway and Nicholville would result in one municipality which is now geographically one area. Initially a ward system would ensure equality of representation.

12. **Acceptability**

The amalgamation can be beneficial to the Town of Deer Lake in that its tax base can be expanded without adding considerably to its overhead and servicing cost and reduces the per capita cost for recreation, fire protection, etc., services which are currently being provided to the areas with no tax return.

Amalgamation can be beneficial to Spillway and Nicholville because it

can provide for an efficient means of obtaining a municipal administration and a means to obtain the municipal infrastructure (ie: Water and Sewer) required to provide an acceptable level of service.

This is said on the assumption that some reasonable formula can be negotiated between the new Municipality and the Provincial Government for the financing of the approximately \$9 million worth of infrastructure that is required to fully service Deer Lake and the surrounding areas. It is also said without due consideration to the fact that, at present, the Provincial Government pays for the services provided to the Local Service Districts. As long as this system remains in place, amalgamation has no real benefits to Spillway and Nicholville and would likely remain unacceptable.

ANALYSIS OF THE PRESENT INEQUALITIES TO THE TAXPAYERS OF DEER LAKE

At present, the Town is providing, at no cost planning, policy, and fire protection services to Spillway and Nicholsville. In addition, these residents are availing of the recreational facilities of the town which are heavily subsidized by the taxpayers. To analyze this, we have taken the cost of providing these services, and distribute them over the increased population to determine the per capita cost reduction as per the following table. The table indicates a net tax reduction of 4.3 percent for the taxpayers of Deer Lake if the residents of Nicholsville and Spillway were paying a per-capita share of these expenses.

	Budget Expenditures			
	Deer Lake	Nicholsville	Spillway	Total
Protection of Property and Person	\$145,000	-	-	
Recreation	\$235,000	-	-	
Administration*	\$ 39,000	-	-	
TOTAL	\$419,000			
LESS: Revenues	\$143,000			
NET EXPENDITURE	\$276,000			
Population	4,233	509	239	4,981
Cost per Capita	\$ 65			\$ 55
Reduction in Per Capita Cost	\$ 10			
Avg per Capita Tax	\$ 235			
% Reduction	$10/235 = 4.3\%$			
*Administration is calculated on a pro-rata share; these items comprise of the total budget times the total administration. Cost of \$39,122 = $145+235/2.200 \times 226,500$.				

RECOMMENDATIONS

Having thoroughly assessed the briefs submitted and the comments and concerns of the people of the various communities involved, both commissioners have agreed on the following recommendations and conclusions:

1. Amalgamation of Spillway and Nicholsville to the Town of Deer Lake appears to be feasible and would provide for efficient and effective Municipal Government. However, this is qualified on the basis of statements made in Item 10, Equality, page 22, most particularly as it relates to the taxpayer of Spillway and Nicholsville.
2. The amalgamation of Reidville and St. Judes should not be considered at this time for the reasons as discussed in the section **Commissioners' Observations**, page 15.
3. If the amalgamation of both areas to the Town of Deer Lake should take place, the terms should be negotiated with all parties involved, including the Provincial Government.

The negotiations would have to conclude reasonable agreement between all parties on the key areas of concern which are outlined as follows:

- a) Phasing in of the tax rate structure for the new areas.
- b) Phasing out of existing services by the Provincial Government and the takeover by the Town of Deer Lake.
- c) The financing of the Municipal Infrastructure to bring services in all three areas up to a reasonable level, including a Phased Implementation Plan. To ease the burden of financing the debt, it is recommended that the debt charges for the Town be capped at 25 percent of its fixed revenues. The Town should be assured

of the funding levels as required to finance the Phased Implementation Plan over a 5 to 7 year period. With a long term plan, further savings could be realized by designing and funding projects based on two years capital funding. Engineering and tendering with contractor mobilization and construction start could be accomplished in year one, and construction completed in year two. This would permit tendering a project twice the normal dollar value and result in lower unit prices for the work, possibly saving as much as 10 to 15 percent.

- d) An agreement with the Department of Transportation to maintain Nicholasville Bridge, and to construct an access road to Spillway, along with the rebuilding of Main Street using funding from the Railway Agreement. In addition, consideration should be given to have the Department of Transportation pay for the cost of reconstructing Riverbank Road in Nicholasville, estimated at \$150,000. This road, which is under its jurisdiction, has deteriorated considerably and will have to be repaired in the near future.
 - e) Ownership, operation and upkeep of the existing Community Hall in Spillway. Consideration could be given to turning the Hall over to a community based organization (ie. Kinsmen, etc.) so it would remain accessible to the people of Spillway for community activities.
4. Initially, a ward system should be implemented for the first term of office for the new council. The new council could decide on the process for the next election; however, it is felt that the ward system should be phased out at that time.

5. The name of the new municipality should remain the Town of Deer Lake.
6. The boundaries of the new municipality should be expanded to include the present boundaries of the Local Service Districts of Spillway and Nicholville and the now excluded properties of the Deer Lake Power Company, (ie. Kruger Inc.).
7. The Provincial Government should assist the Town of Deer Lake in obtaining larger contributions in lieu of taxes from Kruger, Inc., owner of Deer Lake Power Company Limited.

In addition, Kruger has areas of Prime Developable land within the current town boundaries that is being tied up without any tax revenue. The land appears to have no real value in terms of wood supply, etc., and therefore could be turned over to the Town to be used for development. If Kruger is unwilling to co-operate, the town should consider expropriation.

8. All assets and liabilities of the two Local Service Districts be assumed by the new town.
9. That there be an independent mediator appointed to assist in the negotiating of items of key concern as listed in Recommendation No. 4.

CONCLUSIONS

The contents and recommendations of this report provide a basis for negotiating an amalgamation agreement between the Town of Deer Lake, Spillway, and Nicholville. However, under the present circumstances, one would have to conclude that it is certainly not feasible to the taxpayers of the Local Service Districts to amalgamate. It offers very little extra services, at greatly increased taxes. How long the Provincial Government will continue to provide services free of charge remains to be seen.

The Town of Deer Lake has indicated that if the amalgamation does not proceed, it will consider taking the following punitive action to rectify the imbalance of the present taxation system to the Deer Lake taxpayer.

- a) Change its planning boundaries to exclude all areas outside its Town Boundary.
- b) Water supplies to adjoining communities would be metered and charged at full cost recovery. The town would no longer collect individual water services fees or provide maintenance for the water system outside the Town Boundaries.

In addition, the town may consider seeking compensation for the adjoining areas for the cost of fire and police protection services and recreation facilities.

If these things happen, each area will have to have some sort of Municipal Administration in place; and their planning functions would likely have to come under the authority of the Development Control Division of the Department of Municipal and Provincial Affairs.

Although the people of Spillway and Nicholville strongly oppose amalgamation and understandably so, they would have to reconsider their position if policy changes requiring them to pay directly for services obtained. In addition, incorporation into a Community or Town Council will be necessary if the areas are to receive funding for the large Capital expenditure required for Water and Sewer Systems.

TRANSCRIPT OF ORAL PRESENTATION
DEER LAKE AMALGAMATION HEARING
BY
RICK WOODWOOD MHA.

Well, thank you Mr. Chairman. Mr. Chairman, co-commissioner, and officials from the Department of Municipal Affairs, Ladies and Gentlemen. First of all, I want to make it quite clear, because of the simple fact that I am a politician and the member for the area. It is probably going to be perceived and looked upon as probably the place to play politics. It is not, I want to make that quite clear here tonight, I'm not here to play politics. It is too important to play politics with people's lives. I am not going to do it. What I am going to say is based on facts not fiction. Based on something that was said previous to tonight, if not said tonight. The people in the hall tonight, every municipality involved, whether it came under a community council like Reidville or a Town Council like Deer Lake, or a LSD District like St. Judes, Spillway or Nicholsville, made it quite clear in conjunction with me and in consultation with me approximately two years ago under a different administration to start a feasibility study to look at the pros and cons of regional government in this area, better know today as amalgamation. So I got nothing to hide. I started it. I was never one to back down from what I said. I always stood up for it. But, even under the system now, I say that the concept was probably right, the approach was wrong. You don't tell Newfoundlanders and Labradorians what to do. And having said that, I want to qualify it. Based on every submission here tonight, the words that came out first and foremost and were highlighted by most speakers were the two words--fears and concerns. Rightly so. That's why we commenced a feasibility study, to consult, communicate and to talk to the people and ask them to see what it would cost to put water

into Reidville or St. Judes or Spillway, or sewer services. Or to do the roads, or to do anything else, to see what it was going to cost, see if the people having looked at that, and having looked at what they were going to pay, see if they were satisfied to do it. They would then have a choice, they would have a choice, they'd make the choice based on facts and figures, if they wanted under those circumstances, good enough. If they didn't, so be it. But you're basing your decision on sound and rational judgement. Not on anything hypothetical, not on any fiction. Again, I repeat, the concept was right, the approach is wrong. We are here tonight at a public hearing, good stuff, the so called cart-before-the-horse, we were going to put the horse before the cart. And that's what should have been done. And now, now, after all the public uproar and everything else, this is what is being done and it is a good procedure. But, we here at the public hearing tonight with no facts and figures, so the feasibility study is going to be done after the people are riled up, after they are saying no we are not going to lose our community identity and all that, it's only right when you don't know what you are voting on or what you are getting into. You are not going to jump over the wharf without a life jacket. It's like, I refer to, it's like looking at a baseball game through a knothole. You get an appreciation for the action but you can't see the overall picture. Come and tell us. Tell you, and I would say if that had been done, if that approach taken, I would say that probably nine chances out of ten that some if not all of the municipalities here tonight would probably have said yes. Under certain circumstances. Probably, based on the information. And, if not, at least they'd make their decision based on facts. So we have to appreciate what was said here tonight, and we have to make sure that an agenda is set. I think you have conveyed your message well to the commissioners. They will take your message back to the Minister. The agenda has to set, saying first-- what route should we go? what is it going to cost? and

all of the things that I said earlier tonight. This got to taken into consideration, and it also got to be taken into consideration that most of the briefs here tonight said an absolute no, an absolute no. So having said that, taken that back to the Minister, and based on the Premier's word, and I am sure he is a man of his word, he said if any community don't want it they don't have to have it. That's okay. The other question, and one that should be asked after it is all said and done, probably before, is that, if we don't what then? Because I am sure that most of the people here tonight, most the municipalities here tonight will probably form a community council for one thing. Under those circumstances, what way will you go? So there is still a lot of questions to be answered. But first and foremost I think the commissioners will in their wisdom, and they said earlier tonight, they will take your concerns back to the Minister, and I am sure they are listening. And, based on the facts that the Premier has already highlighted and said, that if you don't want it, you don't have to have it. That should augar well for each and everyone. The other thing that I would like to say is that when we are talking about amalgamation in this area in each and every community, we always seem to concentrate on the community itself and not on for instance, say St. Judes talking about Spillway, Spillway talking about Nicholsville, Nicholsville talking about Deer Lake, and comparing some figures. You do it in your brief. But the consensus I get from a lot of the people in Deer Lake is that it won't hurt us. There's still just as many questions, and I never heard the Mayor's brief last time because I was down to the opening of the Winter Carnival, and it was late when I got there. There is still a lot of unanswered questions. What do Deer Lake do? Who pays for the increase in the infrastructural part of the Deer Lake system? I don't have to tell the people of Deer Lake that they are not getting enough money in capital funding, never in the past, not now, and probably never will. So those questions got to be answered, as well. It's not just

the outlying areas. It's Deer Lake as well. It's the main community in this area, and it's the one where most of the infrastructural part of it is all the water, we got one of the best water systems in the province and all kinds of it. We can supply it but it takes money to put the infrastructure in place. And that got to be taken into consideration. So everybody should be concerned, and I think they are. I think in the brief presented by the Town Council of Deer Lake it has already been stated that they are concerned. They are just as concerned about the questions, the lack of information as the rest of the municipalities. And everybody can appreciate that. So I am not going to take anymore of your time. I just wanted to echo some of the comments that has been coming to me, up until tonight I have not said much about amalgamation publicly. My forum for debate is in the House of Assembly. I'll do that, starting Wednesday, starting tomorrow. The House, the old session prorogues tomorrow, the Throne speech Thursday, and a new session will take place on Monday. I will, at every opportunity, speak with regards to amalgamation, on the pros and cons of it, and bring your petitions to the floor of the House of Assembly, where I am able to speak on them, on your behalf. So I won't take any more of your time, any questions you'd like to ask me after, I am as close as the telephone, and you all know my office number as well. So once again, I would just like to thank you and to thank the commissioners for giving me a few minutes to speak to you. Thank you very much.

TRANSCRIPT OF ORAL PRESENTATION
DEER LAKE AMALGAMATION HEARING

BY
CHARLES HUSSEY

Mr. Chairman, Mr. Co-chairman, Ladies and Gentlemen. I requested to have an opportunity to present an oral statement here tonight, more on behalf of myself, being a resident of Nicholasville, because we are already represented here by the Local Service District. I got this document that was passed to me and I don't know who it was presented by, but I can assure you that there was not much thought gone into it, because I did a few calculations today and I looked at some of the figures that have been presented in this proposal, as you may call it, for a feasibility study and I don't see where there was a feasibility study at all. There are some questions that I would like to have asked and that is What are the benefits that we would receive from amalgamation? And the only thing that I can see is something negative that according to some of the figures that were presented in this proposal, the assessments, based on Reidville, are somewhere around 300, there would be a tax levy of 300% over and above what the people are paying now, and what are we going to get for that 300%, because if we look at the assessment, and they are stating that Nicholasville, housing would be assessed at a greater value than Reidville, and Reidville is assessed as a greater one than what Deer Lake is. So I cannot see what services we would benefit on the 300 percent increase in taxation. That's what it amounts to, that's the figures that I calculated today. At the present time we are paying for the services that we receive, our streetlighting and water, and our garbage collection. Now, you must understand that water is a commodity that we buy, the same as our groceries, so if it costs \$158 to put in water, that's what we pay. That's a commodity and it's not all together a service as such, it's

the same as if we went to buy our groceries. So that's the things that should be made clear. As far as the representation goes, here to consider one person to represent Reidville or one in Nicholville and so on and a suggestion that was made to put it into a ward system. That's ludicrous, that's outdated. Corner Brook had that a few years ago and it never worked and it will never work here. Because you will have people against people, looking for something for their own area. And these outlining areas such as Nicholville, St. Judes, Spillway and Reidville will get the short end of the stick. The other question I'd like to answer is that it has been posed on several occasions before, I moved out of Deer Lake by the way, over in Nicholville, happy to be there. Why people move from the town of Deer Lake. Because the costs were too high. When I was Mayor of Deer Lake we had received some 85 lots from Bowaters when Albert Martin was down here as Mill manager. These lots were developed and are costing the people of Deer Lake 9-11 thousand dollars, which is 25% of the cost of home construction. Why wouldn't they leave? Now if you look at, based on the Deer Lake average, and the people that have the houses over there, it would be 33% of the cost. What are they going to get for it? Nothing--absolutely nothing more than what they are getting now. If you go on a bit further into this submission here there is absolutely nothing for any further development. There's a few figures put on what the costs have been up-to-date, there's no development plan, but I see a development plan for the town of Deer Lake, over the five- year period, and absolutely nothing for the rest of the communities. So, whoever put this proposal together must think that the people in this community is naive to accept it. I would like to suggest to you, Mr. Colbourne, that you can bring this back to Mr. Gullage, that people are just as intelligent as what he is. There's a reference made to administration into this document here, how can you say into that document that there would be no increased cost in administration. And, I would assume there,

because there is nothing suggesting that public works is included so I have to interpret it as part of the administrative costs of the outside area. Where is your equipment? How is it going to service these other four or five areas that are outside the municipality? It is just impossible for it to be done. I notice here in the revenue, besides, a \$192,000 for road pavement, absolutely nothing for the other communities. This is placed in the hypothetical figures by the way. The financial feasibility, there is absolutely nothing done on it, because like I say, there is no prepared plan for any of these places outside. I also took a look at the development of Deer Lake over five years, and at the present time their debt charges are \$172 per capita. Who's going to pay for that? All of us? Sure, that's who's going to pay it, and these are some of the things that we will be, added costs on us, and nothing, so I would say, Mr. Chairman, that you ought to take this back to the Minister, that this gathering here tonight stated unequivocally that we don't want amalgamation and you make that message loud and clear. And, I'd like for the people to support that, so that you will know when you make your presentation.

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A
PRESENTATION
FROM
THE COMMUNITY OF REIDVILLE
ON
THE PROPOSAL FOR A FEASIBILITY STUDY
OF
THE AMALGAMATION OF
DEER LAKE, REIDVILLE, NICHOLSVILLE, ST. JUDES, AND SPILLWAY

Reidville is a small community located on the western shore of the Upper Humber River approximately eight kilometers northwest of Deer Lake. The settlement of Reidville began between 1934 & 1935 when residents of Bonnz Bay, seeking work in the forest industry or at the Deer Lake Power Station, found the western shore of the Humber a very suitable location.

The settlement is for the most part concentrated in a single strip on both sides of the Reidville Road between Trout Brook and Gulch Brook. The Community Square Extension and Circular Road, built in 1976-78 allowed development (residential, commercial and public buildings) to focus in the centre of the community back of the main road. The population of Reidville increased rapidly from 1951 to 1966 (50 - 240) and have steadily increased to this present day (504).

Reidville was incorporated in October 1975 with a five person community council. Reidville's boundaries are as follows:

The western boundary extends from the bridge spanning the Upper Humber River to a point on the right-of-way of the northern Peninsula Highway. The southern boundary is the shoreline of the Upper Humber River and the eastern boundary extends from Patty's Reef to the southern boundary of Cormack.

The northern boundary is delineated by the southern boundary of the Cormack Municipal Planning Area.

The Reidville Municipal Planning Area was defined by the Minister of Municipal Affairs on the 17th day of June 1980. The Municipal Planning Area comprises the same area as the Community Boundary.

Reidville adopted its first Municipal Plan in 1982. In 1983 council adopted its first Land Use Zoning and Subdivision Regulations. In 1985 council adopted the National Building Code of Canada as its building regulations.

Since incorporation, Reidville has provided the following services:

Water System

All residences of the Community with the Exception of those along the Rocky Brook Road and the Viking Trail are supplied with Municipal Water & major improvements to the system have been made during the past two years but much more needs to be done.

Roads

There are approximately 8.0 K.M. of gravelled community roads in Reidville. These roads are maintained by and at the expense

of the Community. Snow clearing is done by the Department of Public Works and Services for a set rate of \$1000.00 per kilometer per season. In addition to the Community road structure there is a provincially owned and maintained paved road (6.75 k.m.) which extends from the Northern Peninsula Highway to approximately 400 meters east of Gulch Brook.

Fire Protection

Protection is provided by a 15 man volunteer brigade of local residents. The fire department has two fire trucks - 1940 International 800 gal. (retired) and 1988 Intermediate pumper 500 gal., 2 portable pumps, 4 Scott AirPacks and misc. equipment.

Street Lighting

Council provides street lighting at approximately 90 meter intervals throughout most of the entire community where the density of residential dwellings warrant.

Waste Disposal

At present garbage is collected once a week under contract by local resident. The community use the area's incinerator for a pre-determined fee set annually.

Recreation

Community recreation facilities are well established.

In 1979-80 under a Canada Works Grant the council constructed a large recreation centre on a 3.85 hectare site, adjacent to the Fire Hall. On the same site council owns and maintains a regulation size baseball diamond, soccer pitch and playground equipment. More recreational facilities are planned for the near future.

Library

Council has provided space for the Reidville Ladies Auxiliary to open and operate a community library.

To note services which are not provided in the community are:

Police

The policing of the area is provided by the Deer Lake Detachment of the Royal Canadian Mounted Police.

School

The community's only school was closed in 1986. Since then all students are bussed to their respective schools in Deer Lake.

Hospital

Medical care is available at the Deer Lake Clinic. Hospital service are located at Corner Brook.

Also over the past 15 years this community has upgraded and/or constructed or purchased the following:

1. During 1978 a Fire Hall was constructed to house a fire truck and fire fighting equipment. As a temporary solution the council office was located within the same building.
2. In 1979 extended the water system 570 meters to service 25 building lots and installed related main valves, services laterals and fire hgdnants.
3. In 1980 purchased the Community's first fire truck, 1940 International 800 gal pumper. 1979-80 constructed a 40x90 two floor community hall. Council remains committed to the cost of maintenance and operations of this facility.
4. In 1982-83 council constructed a new community council office adjoining the Fire Hall.
5. In 1983-84 council constructed a baseball diamond and playground facilities.
6. In 1985 council constructed a new firemen's recreation and training centre atop the existing fire-hall. Also in 1985 the community upgraded the pumphouse installed two new pumps and replaced 1050 meters of 75 mm line with 150 mm pipe.

7. In 1988 we purchased a new Intermediate pumper truck for the Fire Department.

8. In 1988-89 under a government guaranteed loan constructed a new wet well and intake to improve the pumping and chlorination system. Also replaced approximately 2000 meters of 75 mm line with 200 mm pipe.

We realize that most of these projects were funded partly through Federal and Provincial programs but it also indicates that Reidville and its council can be effective and efficient in administering municipal programs and delivering municipal services.

With the adoption of this new Municipalities Act and the Municipal Grants Act in 1980, Reidville was one of the First communities to request property assessments so that we could impose and collect real property tax.

In 1981, council imposed its first business tax annually on all individual, partnerships and corporations carrying on any business in the community.

In 1982, upon completion of the property assessments, council

imposed real property taxation for the first time. With real property taxation, increased business tax and the annual tax incentive grant, the community of Reidville was in a much more self-sufficient financial position.

In order to further stress the fact that the community of Reidville does take its financial obligation seriously and is committed in paying its fair share, let's compare revenue for the years 1979 and 1989.

REVENUE

Taxation	1979	1989
Service Levy	\$ 5,820.00	-----
Property Tax	-----	\$29,992.00
Water Tax	7,210.00	23,832.00
Business Tax	1,331.00	12,242.00
Poll Tax	-----	2,000.00
Licence & Permits	70.00	200.00
Other	400.00	1,600.00
	<u>\$14,831.00</u>	<u>\$69,866.00</u>
 <u>Provincial Govt. Grants & Subsidies</u>		
G M A Grant	-----	20,476.00
Tax Incentive Grant	-----	15,300.00
Govt of Nfld Special	2,081.00	-----
Municipal Ass. Grant	16,900.00	-----
	<u>\$18,981.00</u>	<u>\$35,776.00</u>
Total	\$33,854.00	\$105,648.00

In 1979 Government Grants and Subsidies contributed 56% of our budget. In 1989, just ten years later, Government Grants contributed 33% of our total budget.

Again in the ten year period from 1979 to 1989 Government Grants to Reidville increased 88% while our Community taxation increased 371%.

During that same ten year period Reidville has accumulated \$870,000. in fixed assets with long term debt of \$340,000.00.

As outlined in this presentation, we believe the Community of Reidville has done extremely well on its own over the past fifteen (15) years.

We also believe that given the opportunity, the future development of the Community of Reidville can be fully realized as proposed in our Municipal Plan 1989-1999 which includes a 5 year capital works program.

Now let's turn our attention to the document entitled " Proposal for a FEASIBILITY STUDY OF THE AMALGAMATION OF DEER LAKE, REIDVILLE, NICHOLSVILLE, ST. JUDES AND SPILLWAY."

As Mayor of Reidville I'm angered at the Department of Municipal & Provincial Affairs for the delayed release of this paper. The delay does not allow sufficient time for elected representatives and the people to respond to the proposal thoroughly.

Because of the limited time to thoroughly study the proposal I will attempt to address a few of our observations and concerns.

First, the proposal is very poorly done in that it omits some basic information and makes certain statements that are not entirely correct. The report states that Reidville had no 5-year Capital Works Budget submitted for 1989, when in actual fact it did. (1.14 million for water & 350,000 for roads) Also the report fails to mention Reidville's long term debt of \$300,000. plus, and the fact we do have one full time employee.

Furthermore, to say the existing Town of Deer Lake is fully serviced with roads, water and sewer and storm drainage, and that Reidville has an adequate water system is the understatement of the year, when the 5-year capital works budget for both Municipalities total \$8.1 million for Roads and Water and Sewer. Also, the report uses too many assumptions on the revenue side and fails to fully address the total

expenditure after amalgamation with relation to increased staff and equipment.

Speaking for the people I represent as Mayor of Reidville, I am concerned and I am sure they are concerned that if amalgamation becomes a reality our community and its residents will be drastically affected.

With the closure of our community council office, residents would have to travel to the Deer Lake council office to conduct their business ie payment of bills, permits etc.

Also, the ratio of population per councillor would change from 1-101 to 1-504 plus making it more difficult for residents to approach their elected official with their problems.

Again, I am concern that a change in municipal jurisdiction would effect community identity and I believe that most of the volunteer work we now enjoy would be lost.

Another concern is that in time because of financial restraints Reidville would lose its playground and then its community hall through deterioration and finally closure forcing residents to use facilities at the larger centre 8 km away.

Next, the volunteer fire brigade, the fire truck and equipment

claiming its more cost efficient to operate from the central station. This move would cost residents more in insurance premiums.

The report suggest that with amalgamation there would be equity to taxpayers. For the people of Reidville the property tax would increase 2 mills, (7.5 from 5.5) the water tax would increase \$14(\$158-\$144) and poll tax would increase by \$50 per year. Using simple mathamatics this means an additional \$16,375. annually. Also on a per capita basic because the average residential property valve in Reidville is higher than that in Deer Lake, Reidville residents would pay \$19.89 more than residents of Deer Lake but without the paved streets and sewer system.

The report suggests, that with an increase in taxation to that of Deer Lake by the other communities, amalgamation appears to be financially feasible, but at what level of services to the outlying communities.???? I would imagine much less than we enjoy now.

Also, the new municipal council of the amalġamated municipality would determine the tax rates and benegits or services received. Under the ward system with a 7 person council, the majority

of councillors would represent what is now the Town of Deer Lake and the outlying areas would always be at a disadvantage.

The proposal fails to show my council and I that amalgamation will have cost saving benefits for either the Community of Reidville, The Town of Deer Lake or for government. Therefore we strongly oppose the proposed amalgamation of Reidville with the Town of Deer Lake.

Finally, if we can take Premier Wells at his word when he said "if communities do not wish to amalgamate and cannot be convinced that amalgamation will benefit them that they will not have to amalgamate".

To further strengthen our position the enclosed poll of the residents of Reidville on the proposed amalgamation speaks for itself.

Respectively submitted

Eric Rumbolt

Mayor

A public hearing on the Proposed AMALGAMATION have been called for February 14th, at the ^{Deer Lake} ~~Etwood Regional~~ High School in Deer Lake, so that interested individuals and groups can voice their concerns and opinions on this very important issue. Your council is presently preparing a brief to be presented at these hearings.

Given your knowledge and understanding of the proposed amalgamation of Reidville with the Town of Deer Lake, and St. Judes, Spillway and Nicholville are you in favor, against or undecided. Please indicate by signing in the appropriate column so that your council can better speak and act on your behalf.

FAVOR	AGAINST	UNDECIDED
<p><i>Maria ...</i></p>	<p> <i>David King</i> <i>Harris King</i> <i>Dorothy McKay</i> <i>Arthur McKay</i> <i>Rudy Julian</i> <i>Wilfred Julian</i> <i>Mable Oxford</i> <i>Linda Oxford</i> <i>Lillian Cull</i> <i>Albert Cull</i> <i>Winetta Reid</i> <i>Doris White</i> <i>Don White</i> <i>Aubrey James</i> <i>Bonnie James</i> <i>Ben Young</i> <i>Mattie Young</i> <i>James Reid</i> <i>Faye James</i> <i>Ford James</i> <i>Alvin Kumbolt</i> <i>WATT ...</i> <i>Gloria Dundler</i> </p>	<p> <i>George Bradley</i> <i>Arthur ...</i> <i>...</i> <i>...</i> </p>

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AMALGAMATION ; Nicholsville and Deer Lake

For the benefit of the people who are unsure exactly where Nicholsville lies, it is bounded on the East by the Viking Trail, the South by the Humber River and takes in Goose Arm RD. and Riverbank RD. as well as a number of smaller streets, most of which run off these two main roads. Our forefathers settled here a century ago and pursued farming and logging as a livelihood.

Ours is still basically a farming community. What will happen to these land plots if we are forced to amalgamate? Will the land have to be subdivided further and sold just to pay the taxes? Why do we need amalgamation? Nicholsville has grown to a population of approximately 400, with Local Service District Representation since 1986. An orderly community has evolved naturally with a calibre of housing second to none in the area. We have garbage collection, street lighting, and water services. The Dept. of Highways provides road services such as maintenance and snow clearing. Will this mean a further cutback in services and people at the local Depot, if they have 2 Kilometres less of roads to maintain? We cannot appreciate or condemn the level of service to be provided by the Town of Deer Lake but presently most of the roads in our community are cleared of snow by 7:00 A.M.

The concrete bridge across the Humber River on Nicholsville RD. is also cause for concern, since it is in need of major repairs. If it is too costly for the Provincial Government to maintain properly, what can we expect the town to do with it? If amalgamation comes, then goes the link with the community in a few short years.

Presently the municipal planning regulations for our village is administered thru the offices of the Deer Lake town council. Most decisions are fair but a recent resolution to apply for rezoning part of the community without consultation from the affected people is an injustice and perhaps an indication of things to come. Will this be part of an everyday occurrence or will we be allowed to control our own outcome?

The entrance to Deer Lake sign on the Viking Trail is outside the present boundaries of the town. Have they prejudged the Feasability Report or do they know something that nobody else does?

A survey conducted in July, 1989 showed that 99% of our eligible voters in Nicholville are opposed to the idea of amalgamation. A copy of this survey is attached to this report.

We do not see any advantages in combining the communities. We work, shop, and partake of most services provided by the Town of Deer Lake and surrounding area. Some are regional in concept already such as Educational Facilities and service clubs. Our monetary support helps keep these businesses viable. Some services that we purchase from the town are water supply and garbage incineration. If allowed to control our destiny we will continue to grow independantly and help to support the economy of the area.

Having studied the proposal for a feasibility study we find many incorrect assumptions and conclusions. It seems to have been prepared without any actual surveys or studies. In summary we can only see higher taxes and a lower grade of service which is unacceptable to our residents.

Our forefathers would be very disappointed indeed to know that we gave up our identity in a moment which took them a century to build. Let the record show that at this point in time we are opposed to this amalgamation.

1990 02 10

L. S. D. Nicholasville

L. S. Kennedy (Chairman)

The Local Service District of Nicholsville

R.R. # 2, Deer Lake
Newfoundland
AOK 2E0

1989 08 09

TO: HON. ERIC GULLAGE

SUBJECT: AMALGAMATION

Dear Sir:

A recent poll conducted in our community indicates there is dissatisfaction with proposed plans to amalgamate Nicholsville with the town of Deer Lake. We have attached a copy of the signatures of the residents who responded to the issue and as is indicated a clear majority are opposed to amalgamation.

Please feel free to contact us if any additional information is required, since, to date there hasn't been any contact from your department and all statements and releases have come from the media and other elected bodies. This poll was conducted during the period of July 29 to August 8/ 89.

Sincerely,

L.S.D. of NICHOLSVILLE

cc Clyde Wells
Rick Woodford
Gus Kerwin

The Local Service District of Nicholsville

R.R. # 2, Deer Lake
Newfoundland
AOK 2EO

We, the Residents of Nicholsville, would like to make our views known on the proposed amalgamation of our community with the Town of Deer Lake.

Are you in favor of the proposed amalgamation of Nicholsville with Deer Lake?

YES	NO
	Margaret Pittman
	Sean Simons
	Kathy Simons
	Bl. ... Nichol
	Michelle Reid
	Sylvia Goulding
	Lawrence Goulding
	Barbara Nichol
	Ray Nichol
	Spring Oak
	Laurene Oak
	Jonathan Barnes
	George South
	Cecil Mitchell
	Mona Young

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LOCAL SERVICE DISTRICT OF SPILLWAY

BRIEF SUBMITTED TO

DEPARTMENT OF MUNICIPAL AFFAIRS

ON AMALGAMATION

BACKGROUND

The Community of Spillway is located approximately 2 km on the western edge of Deer Lake. The population is currently around 235 people consisting of approximately 92 children and 31 senior citizens. There are 72 registered householders in the community.

Along with 72 houses, the community boasts a \$70,000 community hall which was obtained through government funding administered by the Humber Valley Development Association in 1984-85. There are three businesses located here also. Canfor - a wholesale lumber company for which the Committee provides no services yet they contribute \$500.00 annually to the community. Newfoundland Window Manufacturing is a company who manufactures windows and who does not donate to the community. We also have a small convenience store operated by a local resident.

The Community became a Local Service District in November of 1981 and since that time have had elections every two years. Presently, there are seven members on the Committee (see attached Appendix A). Each householder is charged a service fee of \$120.00 annually for services provided by the Committee which covers:

Waste Disposal (Garbage Collection) - this is collected by a local resident of the area and is tendered out annually. The collector then disposes of refuse at the incinerator site which is administered by The Town of Deer Lake at a cost to the Community of \$5.56 per person or \$1329.00 annually.

Street Lighting - Right now, the Community has seventeen (17) street lights which the Committee pays an average of \$332.00 monthly.

Community Hall - administered by and maintained by the Committee. Used primarily for meetings and community events. Approximate monthly cost for lighting and maintenance is \$280.00.

BACKGROUND (cont'd)

There are some services which are provided for the Community and at one time cost-shared: (exception snow-clearing)

Snow-clearing - This service is being provided by the Department of Transportation and includes maintenance of ditches, culverts, and some paving.

Ambulance Service - until recently this service was provided by the Town of Deer Lake but is now under private ownership. The Community used to cost share this service until about two years ago.

Fire Protection - provided by The Town of Deer Lake and until about two years ago was cost shared.

Service provided by the Town of Deer Lake and paid directly to the Town:

Water Supply - Each householder is billed individually at an annual rate of \$158.00.

Service neither the Town or the Local Service Committee provides to the Community:

Sewage System - all or most of the 72 houses in Spillway have an adequate septic tank system, although currently there are some problems with seepage through the ground.

All seventy-two householders are currently committed to payment of the service fee to the Committee. In the event there are more than one member in a family working within the Town's boundaries, only one member (householder) pays us and the other(s) pay the Town's poll tax of \$150.00. Also anyone working whose annual salary exceeds \$7,000. pays school tax collected through the school tax authority office in Deer Lake.

CONCERNS OF THE RESIDENTS OF SPILLWAY SHOULD AMALGAMATION OCCUR:

1. Downgrading of services particularly snow-clearing. The community feels Deer Lake does not have the manpower to service the community nor does it have the equipment. How will this be addressed if amalgamation occurs?
2. Ownership of the Community Hall - At the present time, the hall is administered and maintained by the Local Service District Committee. If amalgamation occurs, the Committee as such will be dissolved. Who will be responsible for the hall in the event of amalgamation?
3. Added burden of increased municipal taxes - there are no property taxes administered in the Community at the present time. If amalgamation occurs, when will municipal taxes be administered and at what cost to householders here in the community? We are particularly concerned where our fixed income families are involved (most especially our senior citizens).
4. Alienation from the Town due to the new routing of the Trans Canada Highway. There have been three incidences this past winter where the Community of Spillway have been isolated due to whiteouts near the power house and icy conditions in the community when it took the Department of Transportation a couple of hours to clear the road. Can the Community gain access to the Town of Deer Lake via another access road, perhaps using the Railway bed to put a road to the Community?
5. If amalgamation occurs, does this mean that the Community of Spillway can foresee the Town of Deer Lake putting in a complete sewage system? If so, can the Town give us an estimate of when this system will be implemented?

CONCERNS (cont'd)

6. Will the Town ensure that services presently being administered and maintained by the Committee be kept at its present level?
7. What enhanced services, other than sewage system, can the Town offer the Community of Spillway that will make the process of amalgamation more attractive?

At a general meeting held in the Community where at least 10% of householders were present, the consensus was that it was NOT in the best interest of the Community to amalgamate with The Town of Deer Lake.

THE COMMUNITY OF STURGEON LAKE
Amalgamation with the TOWN OF DEER LAKE

Lee & Lue Shepard.
Elizabeth Allread.
Mrs J. Sturges
Miss Woodford
Norman Woodford
Lee Simpson.
Olivia Simons
Emma Sims
Ruth Sims
Sarah Young
Mary Young
Wesley Decker
John A. Young
Annette Young
Harvey Squier
E. W. Squier
Fred Squier
Alma Squier
Keith Squier
Ruth Squier
Margaret Kennel
Lana Kennel

Veronica Woodford
(Secret)

W. B. Baker
J. Badcock
Mr. & Mrs. William Squires
Elizabeth Squires
Robert Squires
Lee Squires
Marie Young
Mary Squires
Lillian Squires
John Squires
Lena Young
Ella Young
Vera Young
Fred Young
Dea Young
Della Young
Otto Linn
Alma Boyle
Genevieve Carroll

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PRESENTATION
ON THE PROPOSED AMALGAMATION OF
DEER LAKE, NICHOLSVILLE, REIDVILLE, SPILLWAY and ST. JUDES
PREPARED BY
THE TOWN OF DEER LAKE
February 12, 1990

INTRODUCTION

In a letter to Hon. Eric A. Gullage, Minister of Municipal and Provincial Affairs on July 28 we indicated that we did not have sufficient information to support or object to the amalgamation proposal. Little has changed since that time. We do however have some concerns that should be addressed by the board in making their recommendation to Government. These concerns are the tax exempt status of the Deer Lake Power Company Limited Property, the future of the Nicholville Bridge, the Capital Projects needed to provide adequate services to the area and the cost of providing services to the proposed community. Each of these concerns will now be addressed individually.

THE DEER LAKE POWER COMPANY LIMITED

The Deer Lake Power Company Limited formerly the Bowaters Newfoundland Pulp and Paper Company Limited Property was deliberately excluded from the Town of Deer Lake when the Town was incorporated in 1950 despite the fact that most of the Property is within the Town's Municipal Boundry. In our opinion, the sole reason for doing this was to insure that the Company would not be subject to control and taxation by the Municipal Authority they helped to create.

Since the intent of this Study is to determine the feasibility of amalgamating this area into one Community, I trust this matter will be included in the review. We feel that the Deer Lake Power Company Limited Property should be part of the new community and the Company should be subject to taxation the same as any other business operating in the Community.

NICHOLSVILLE BRIDGE

The Nicholsville Bridge is the main artery for traffic between Deer Lake and Nicholsville. Without the bridge residents of Nicholsville would have to travel approximately 2.5 additional kilometers to Schools, Churches, Services, Recreational Facilities, Commercial areas, etc., at Deer Lake. The importance of the bridge to the residents of that area is therefore obvious.

The Bridge is presently maintained by the Department of Public Works and Services. This maintenance will have to continue and the Bridge will have to be replaced at some future date. Due to the importance of this bridge to the Community we recommend that the Government of Newfoundland and Labrador give the Community a long-term commitment to maintain the bridge and agree to replace it when it becomes necessary to do so.

CAPITAL WORKS

Each of the Communities being considered for amalgamation require substantial capital expenditures to provide new services and upgrade existing ones. Some of these are mentioned in your report such as the Nicholsville Water System, Spillway Water and Sewer System, St. Judes Water system and road upgrading, paving and drainage systems in all Communities. We estimate that it will cost approximately \$10,000,000 to upgrade existing services at Deer Lake alone. Add this to our current Capital debt load of \$4,000,000 and you can appreciate our concerns over these additional Projects and the Community's ability to finance them. Likewise, I am sure that the surrounding Communities have similar concerns about our Current and Projected Capital debt load.

COST OF SERVICES

The Town of Deer Lake operating Budget for 1990 is \$2,200,000 or \$520 per person. The Reidville 1990 operating budget is \$117,900 or \$234 per person. There is a wide variation between these two estimates but we assume the actual cost will fall somewhere between the two extremes.

Based on the present government grant structure and the current tax rates in place at Deer Lake we feel that sufficient revenue can be generated to cover the cost of providing services to the surrounding Communities. The negative side of this however is that residents of Reidville, Nicholasville, Spillway and St. Judes will pay much more for basically the same services they are now receiving. For example, Residents of Nicholasville and Spillway with a house assessed at \$50,000 will pay an additional \$255 per year for services, if the house is assessed at \$80,000 the increase will be \$480.00 per year. Increases at Reidville would be less because they already have a Property Tax System in place. These are examples only and the actual cost will depend on assessed values of property and tax rates in place at the time.

CONCLUSION

We all agree there are inefficiencies in the Present System of providing Municipal Services. Many will also agree that the Provincial Government has been a major contributor to these inefficiencies by encouraging people to live outside of incorporated areas. Free services such as snowclearing, road maintenance, paved roads, water systems, etc., have been provided by Government to unincorporated areas while residents in incorporated areas have to pay taxes to get these same services.

We believe that Government is now realizing the inequities created by this practice and see amalgamation as a solution to the problem. Even though we believe the problem has to be addressed, we do not believe that amalgamation is the only alternative available, nor do we believe that amalgamation should be forced. Amalgamation, in our opinion, should be a negotiated agreement between government and the communities concerned.

When the following questions have been answered satisfactorily, the people of St. Jude's will again reconsider amalgamation:

1] How much is the average property tax? We understand from a proposal for a feasibility study into amalgamation, the rate will be the same as Deer Lake, i.e., 7.5 mills. Is it fair to tax residents of St. Jude's the same as a resident on Phillip Drive or Elizabeth Avenue in Deer Lake who enjoy far superior services that we do?

2] How much is the water tax? From the same proposal we understand the rate will be the same as the Town of Deer Lake, i.e., \$158.00 per year. We now only pay a total service fee of \$60.00 per year.

3] How much will be the garbage tax? We ^{now} ~~not~~ pay on a per capita basis for use of the Deer Lake municipal dump.

4] If amalgamation should go ahead, when can the residents of St. Jude's be expected to be hooked up to a water supply? According to the proposal, not for quite some time, if indeed ever.

5] When can we expect a sewerage system? Again, according to the proposal, perhaps never.

6] Can we be assured our main road and two by-roads

won't become full of potholes like some of the streets in Deer Lake? With amalgamation we will have to rely on the facilities of the Town of Deer Lake versus the facilities of the Department of Highways. You obviously know which is superior and which we want to stay serviced by.

7] Will snow clearing be on par with what we have now? Again, it's the facilities of the Town of Deer Lake versus the facilities of the Department of Highways. And again you obviously ^{know} what service is superior.

8] Will our tax dollars pay for the above mentioned services? No doubt, as well as paying for the services of the Town of Deer Lake.

9] Will St. Jude's be a suburb of the Town of Deer Lake with full representation on council? Not according to the proposal which indicates there will be one councillor for each 822 people. Based on those population figures, St. Jude's will be entitled to no more ^{than} one-third of a councillor and we will therefore have no true representation from St. Jude's on that new council.

10] If we amalgamate with water and sewer installed, will the residents of St. Jude's be wholly responsible for installation of such services?

As the above petition states, we don't want to amalgamate with the Town of Deer Lake at the present time.

APPENDIX A

ADDITIONAL TO ST. JUDE'S PRESENTATION

Now gentlemen, please allow me a few more minutes for some additional comments as I had not seen the so-called proposal for a feasibility study into amalgamation when my original brief was submitted.

Page 15, section 3, sub section 1: Access of people: It can be argued that access will improve because council officials will be there when the people have problems. The population of St. Jude's and Spillway in 1986 from Page 7, Table II was 510. Now on Page 16, sub section 1, it is stated that there would be 822 people per councillor so that means that St. Jude's, Spillway and approximately 300 people from some other community will be represented by one councillor. How will that work? When St. Jude's and Spillway won't be the same thing, such as the Sprung Greenhouse??

Page 17, section 3, sub section 4: It is generally believed there is no need for municipal sewerage systems in St. Jude's. What are we going to get for our tax dollars? Where is this equity to the taxpayer?

Page 18, sub section 6: It is expected that the amalgamated municipality would be capable of

administering the new town....."It is expected." Should amalgamation go ahead should there not be an overhaul of the municipal government to make sure that administering does not fail.

Page 18, sub section 7: It is not expected that there would be any serious problems to the co-ordinating of services and functions. Nowhere in this proposal does it say how much more equipment or manpower is going to be needed to provide and maintain a reasonable and adequate level of service. Amalgamation means more expenses for equipment and manpower.

Page 19, subsection 9: Financial Feasibility. Where do these figures come from, i.e, poll tax? When two people from one house work in Deer Lake, one of them pays the poll tax already. Because the poll tax is levied against not real property owners, you cannot expect people to pay property tax and poll tax, so the hypothetical revenues in the table are wrong.

Reference the extra revenue from amalgamation - \$300,000. How can this pitiful amount look after the extra kilometers of roads that will need servicing, water and snow clearing and who knows what other problems will arise? How can this be when the present financial

situation of Deer Lake can not do what needs to be done, e.g., road repairs and sewer installation.

Page 23, sub section 10: The residents of the three unincorporated areas would start paying property tax, business tax and poll tax. How dare the authors of this proposal say that the people concerned don't now pay poll tax? I guess it shows how much thought went into this amalgamation study.

"They will also be contributing to the services they use that are provided by the town, but to which they don't presently contribute, i.e., maintenance of local roads. What maintenance, may I ask. The roads in town prematurely ages your vehicle.

Fire Fighting Services. When I was a member of the Local Service District Committee we made a yearly contribution to the Deer Lake Fire Department. But I cannot speak for the present committee.

Page 24, sub section 12: That is to say people will both benefit by contributing towards services they receive already and which they would receive anyway. Let's say amalgamation goes ahead. St. Jude's gets water so we pay \$158.00 per year. We will pay property tax at a rate of 7.5 mills. On \$40,000 house, that will be \$300.00. We now

(4.)

only have water, which we pay for. Snow clearing and road maintenance is being done by the Department of Highways. What do we get for our \$300.00 per year?

One final comment and that is the federal budget. What has the federal budget got to do with amalgamation? Well, let's see. The provincial government is complaining how much they have to streamline and realign their budget. Amalgamation will mean an overhaul of the present water system.

In May, 1985, the first draft of a regional water supply system was prepared and the development cost for complete community services was \$9.2 million. With inflation, this price tag now I would guess would be \$10 million. Can we as taxpayers afford this? With a similar cost for each of the communities to be amalgamated, how far in debt does this government want to go?

In closing, Premier Clyde Wells said on at least one occasion if a community didn't want amalgamation, it would not be forced upon them.

Sir, the enclosed petition states that St. Jude's does not want amalgamation, so let's stop wasting the taxpayers money and time and bury this amalgamation thing forever. Thank you.

WE, THE UNDERSIGNED, BY OUR SIGNATURES WISH TO INFORM THE PEOPLE CONCERNED THAT, WE THE RESIDENTS OF ST. JUDE'S DO NOT WANT TO BE AMALGAMATED WITH THE TOWN OF DEER LAKE OR ANY OTHER COMMUNITY.

- | | | | |
|----|---------------------|----|--------------------|
| 1 | Violet Ruelia | 33 | Con Renay |
| 2 | Raymond Ruelia | 34 | Phil O'Fall |
| 3 | Milbert Bennett | 35 | Loretta Le Roy |
| 4 | Maisie Bennett | 36 | Kevin Le Roy |
| 5 | Hilliard Young (Sr) | 37 | Darlene Peterson |
| 6 | Demetrius Young | 38 | Leon Le Roy |
| 7 | Duanna Ruelia | 39 | Kevin Barker |
| 8 | Bridget Tokar | 40 | Whito Young |
| 9 | Lain Young | 41 | Peggy Young |
| 10 | Ann Young | 42 | Luzi Alexander |
| 11 | Arri Young | 43 | Flatter Bennett |
| 12 | Gene Russell | 44 | Delores Bennett |
| 13 | Eric Gould | 45 | Eulmina Bennett |
| 14 | Ross Renay | 46 | Jay Hillard |
| 15 | Romodina Renay | 47 | Ed Brown |
| 16 | Lois Hump | 48 | Ken Tol |
| 17 | Beatrice Payne | 49 | Ann Robin |
| 18 | Lucinda George | 50 | Lo Hiccutt |
| 19 | Stanley George | 51 | Hildy Sherman |
| 20 | Chris George | 52 | Lynaria Hynes |
| 21 | Vrene George | 53 | Leah Bennett |
| 22 | Howard George | 54 | Joby Bennett |
| 23 | Landy George | 55 | Robert Hynes |
| 24 | Myra Barker | 56 | Alvula Hynes |
| 25 | Thomas Barker | 57 | Barnelia Hynes |
| 26 | Leah Russell | 58 | Mary Hynes |
| 27 | Allana Hynes | 59 | Margaret Hynes |
| 28 | Clavin Hynes | 60 | Mrs Mrs Matt Hynes |
| 29 | Raymond Alexander | 61 | R P Hynes |
| 30 | Manuel Alexander | 62 | Margaret Hynes |
| 31 | Lorraine Butler | 63 | Wayne Hynes |
| 32 | Conni Lee | 64 | Mrs Hilda Selie |
| | | 65 | Gerald Selie |
| | | 66 | |