



*Prepared for: .*

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Department of Municipal Affairs  
Government of Newfoundland & Labrador*

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DEPARTMENT OF MUNICIPAL AFFAIRS  
FEASIBILITY STUDY EXPLORING IMPACT OF  
AMALGAMATING COMMUNITIES IN INGORNACHOIX BAY  
DECEMBER 2007

## FOREWORD

The Consultant Team would like to congratulate the municipal leaders of the Towns of Port au Choix, Port Saunders, Hawke's Bay, and River of Ponds for their forward thinking. This type of thinking, coupled with careful planning, will help preserve community identity, while at the same time realizing efficiencies in the provision of a greater number of municipal services available to all towns represented in the amalgamated governance structure.

We would also like to thank the general public of each of the four municipalities for participating in the discussions surrounding amalgamation, especially those residents that took the time to attend the public meetings and present oral and written briefs. Without the input and participation of these individuals and the general public as a whole, a comprehensive feasibility study would not be possible. This is especially the case in a study that addresses not only the financial and economic viability of such a venture, but also the impact that this venture could have on the taxpayers and residents of each of the respective towns.

Representatives from various other outside agencies, organizations, and Towns should also be commended for their participation in the completion of this feasibility study through various discussions, meetings, and telephone conversations. The agencies, organizations, and towns contacted during the study include:

- The Provincial Department of Municipal Affairs
- Newfoundland and Labrador Association of Public and Private Employees (NAPE)
- The Town of Centreville-Wareham-Trinity
- The Town of New-Wes-Valley

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## 1) EXECUTIVE SUMMARY

### A) Study Background

The delivery of public services through municipal governments in Newfoundland and Labrador has been the topic of public debate. Often the population of one community alone is not sufficient to support all of the public services that are to be provided through a municipal governance structure. This situation is even more pronounced in rural areas of the province where a significant portion of the population is on a fixed income. Communities in Ingornachois Bay are no different. These communities that were once thriving and bustling with economic activity and a growing population are now struggling.

The cost of offering the level of municipal services that residents have grown familiar with over the years has now become a financial burden for individual Towns. If these communities formed an amalgamated governance structure, the dynamics quickly change. Through amalgamation, economics can be realized by eliminating the duplication and triplication of some efforts, and costs.

Municipal services are not limited to what taxpayers and residents see, but include all services that are required to operate a municipality. Highly visible services are services such as fire prevention and protection, water and sewer infrastructure, domestic waste collection, animal control, recreation, and public works. Other services such as accounting and billing processes, debt servicing, strategic planning, and economic development are services that are equally needed in each community but not always appreciated. The decreasing population means that a smaller number of people have to pay more to support the growing cost of providing these services.

The evaluation of aspects and impacts of amalgamation may show that it would be very feasible and cost effective to combine the efforts of multiple communities to form one amalgamated governance structure responsible for governing the affairs of the region as a whole. This cooperation will make it possible for the communities to realize economies that may provide opportunities in the Ingornachoux Bay region that would not be possible otherwise. The Consultant Team believes that assessing the human element in municipal planning is also critical to ensuring that adequate and appropriate services are provided to all communities involved.

Residents must have the same sense of belonging to an amalgamated governance structure as they do with their own community. Cooperation of residents and the respective town staff are critical elements in building support and understanding of community needs in the area. Recognition by town representatives that something needs to be done to more efficiently use resources in the provision of services is the first step in the proper formation of an amalgamated governance structure initiative such as this.

## **B) Study Objectives**

The objectives of this study, as stated in the Terms of Reference are to evaluate the effect of the proposal relative to the following:

- Access of the people to elected and appointed officials;
- Representation in accordance with the distribution of population;
- Community Identity;
- Suitability and need of the area for municipal servicing;
- Physical constraints to municipal servicing;
- Administrative capability of the municipality;

- Co-ordination of municipal services and functions through the area concerned;
- Cost efficiency of the type of administration proposed for the scale of services required;
- Feasibility in terms of revenues and expenditures, especially the impact of current debt loads;
- Equity in terms of both the taxpayer's ability to pay and the benefits to be received;
- Response of tax yields to changes in economic activity;
- Equality among adjoining municipalities considering their different needs and assets;
- Simplicity of the proposed municipal structure;
- Acceptability of the proposal at the local level.

The Consultant Team was also tasked with providing recommendations pertaining to the above mentioned criterion as well as:

- A description of the proposed boundary;
- The name of the Town or Region;
- The status of the council;
- The number of councillors;
- The number of wards, their boundaries, and the number of councillors to represent each ward if wards are recommended;
- Adjustments of assets and liabilities between affected towns;
- The effective date.



## 2) SUMMARY AND RECOMMENDATIONS

### A) Summary

Based on the results of the study into the feasibility of amalgamating the communities of Ingornachoir Bay, it is felt that amalgamation would be feasible between Port au Choix, Port Saunders, and Hawke's Bay.

However, it is the opinion of the Consultant Team that River of Ponds remain outside the boundary of the amalgamated structure of Ingornachoir Bay, at least for the time being. The rationale for excluding River of Ponds is because of:

- The impact that amalgamation would have on the tax rates of the town, and the potential financial hardship that this would cause.
- The financial burden that potentially significant infrastructure replacement and improvement costs in this community would have on the newly amalgamated structure.
- Overwhelming opposition to amalgamation from the general public.

It should be noted that this situation should be reassessed in the future as socio-economic conditions and other factors change.

While there appears to be an overall acceptance among residents that something needs to be done in this area to keep these towns alive, the topic of amalgamation brought with it a high level of apprehension. This apprehension has been cultivated after years of rivalries and competition among the communities.

The financial analysis conducted as a part of the feasibility study process shows that while amalgamation may mean minimal tax increases to the residents of the area, greater efficiency and improved management of assets can result in substantial, long-term cost savings for the municipality. This however, is not to say that there will not be areas of increased cost should such an amalgamation occur. A venture such as

this will not be without its challenges. Given time, proper management, and the willingness to bring about improvements to the area, amalgamation can be successful.

## **B) Recommendations**

The Consultant Team is pleased to present the following summary of the recommendations.

### Naming of the Community:

Some residents consider the concept of amalgamation as a threat to community identity and community culture. The feeling of community identity is of considerable importance to the citizens in each of the communities. Nonetheless, all citizens are concerned about the survivability of their respective municipalities given the declining birth rate and out migration. The reality is that the process of amalgamation would have little to do with the changing of community names, identity or culture. If the amalgamation of the present municipal governance structures to form a single governance structure were to occur, the individual community names could remain. In fact, the physical distances between the communities would make it difficult to bring the four communities under one community name. If the amalgamation process were to proceed, there seems to be a general acceptance that The Municipal Council of Ingornachoix Bay be the name for the new municipal governance structure.

**It is recommended that the name of the new municipal governance structure be called The Municipal Council of Ingornachoix Bay.**

### Municipal Boundaries:

The municipal boundaries of Port au Choix, Port Saunders and Hawke's Bay are all adjacent to each other. The municipal boundary of River of

Ponds is separated from the nearest community of Hawke's Bay by 19 kilometres of provincial highway. It is not advisable for the new municipality to encompass such a large territory.

**It is recommended that the boundary of the proposed amalgamated municipality would coincide with existing boundaries of Port au Choix, Port Saunders, and Hawke's Bay to form one large area rather than the three smaller ones and the municipal boundary for River of Ponds to remain separate as it currently exist.**

#### Proposed Amalgamated Structure:

The Town of River of Ponds is physically separated from the other three communities by a considerable distance and the strongest objections to the process of amalgamation exist there. The Town of River of Ponds is the only municipality currently using a Fee for Service type of tax structure. If River of Ponds were to be included in the new governance structure, taxation levels in River of Ponds would have to increase substantially. In addition, the need for infrastructure and service level improvements in River of Ponds would result in a financial burden for the new municipal governance structure.

With respect to Hawke's Bay, Port Saunders and Port au Choix there is evidence of more common ground. They are in close proximity to each other and share stronger economic ties. These communities share employment opportunities in the fishery, fish processing, health care delivery, forestry and tourism.

**It is recommended that at this time the process of amalgamation commence without the inclusion of River of Ponds. The feasibility of the inclusion of River of Ponds in the new governance structure should be re-assessed at a later date when conditions may become more acceptable.**

#### Municipal Headquarters:

Currently, there are three municipal office buildings that could serve as the headquarters for the governance and administrative functions of the proposed municipality. The buildings in Port au Choix, Port Saunders and Hawke's Bay have sufficient office and storage capacity to accommodate the necessary office staff. Each of the buildings can provide the necessary accommodation requirements at minimal, or no additional cost in terms of renovation or expansion. Thus, it is possible to relocate to the most central or most favourable location with a consideration to cost factors.

**It is recommended that one of the existing municipal office buildings become the headquarters for the proposed municipality with consideration to be given to the more central location of Port Saunders.**

#### Governance Structure:

When several communities combine to form a single municipal council it is important that each community have assurance of community representation on the new council. In addition, there has to be regional representation. In determining the structure of the new municipal council, requirements in the Municipalities Act have to be followed. As per paragraph 14(4) of the Municipalities Act 1999 the number of councillors elected at large in a ward structure "shall not be less than the total number of councillors elected for the wards plus one".

**Therefore, it is recommended that in a three-community ward system scenario the town council would include 7 councillors with three councillors representing the three wards plus three councillors and a mayor who are elected at large. The position of Deputy Mayor will be filled by an election within council.**

In the event of a decision to proceed with a four community ward system scenario, it is recommended that the town council be

**composed of nine councillors with four councillors representing the four wards plus four councillors and a mayor elected at large. The position of Deputy Mayor will again be filled by election within council.**

#### Administrative Structure:

There are varying levels of administrative capability within the municipal structures that currently exist. In addition, the current structure requires a duplication of expertise from town to town. The net result is that town managers are burdened with a multiplicity of office and clerical duties that negatively impact on their ability to perform the leadership responsibilities that would normally be expected of a person in a managerial position. In addition, a key to the future growth and development in the region is a stronger focus on the economic potential that can be realized from the resources that exist throughout the region.

**It is recommended that the administrative leadership and management structure for the proposed governance model be comprised of:**

- **One Town Manager**
- **One Town Clerk**
- **One assistant Town Clerk**
- **One Economic Development Officer.**

**It is further recommended that when and where expertise in the existing staff does not exist that it be the responsibility of the town council to provide upgrading and retraining assistance as required.**

#### Municipal Servicing:

Generally, there is a reasonable level of acceptance for the level of services provided in each of the communities. However, the services that are provided vary from community to community. In an amalgamated

structure it would not be reasonable to expect any group of citizens to accept a reduced level of services.

**It is recommended that available municipal services in each community be expanded to encompass all services that are currently provided by any one individual municipality.**

#### Strategic Planning:

Maximum efficiency in the provision and delivery of municipal services is a goal for any municipality. Leadership at a municipal level requires foresight, planning, direction setting, and policy development. The task then is to proactively govern and provide an acceptable level of service through the efficient use of municipal resources. To achieve this it is essential for the municipal council and its management team to engage in strategic planning sessions on an on-going basis.

**It is recommended that municipal governance and management engage in regular strategic planning sessions focused on achieving maximum efficiency in combining service availability and delivery.**

**It is recommended that the newly elected council objectively evaluate issues and concerns relating to municipal services, taxation, revenues and expenses and prioritize projects based on pre-established criteria, needs, and financial and other resources**

#### Fire Protection:

Fire protection services are a major priority for any municipal council. In the provision of fire protection services, it is essential that the service be located in close proximity to the residential and business areas that may require the service. In addition, response times are improved when the fire departments are located close to the volunteer staff. Furthermore, considerable distances separate the communities in Ingornachois Bay. If the fire protection services were to become centralized, the communities

without a fire department would be classed as being unprotected for insurance purposes.

**It is recommended that the fire protection services be maintained in each of the residential communities, as they currently exist. However, each unit would operate under one administrative structure that consists of a Regional Fire Chief with a Deputy Fire Chief in each individual community.**

**It is further recommended that all training and competency development be consistent for all fire department volunteers throughout the region.**

#### Operating Efficiencies:

Potential for increasing operating efficiencies can be found in any operation. In most cases these efficiencies can be found without compromising the integrity of the operations. Amalgamation alone will not necessarily achieve high levels of efficiency. Efficiencies result when there is a conscious effort to achieve them through the provision and delivery of services in the most cost effective manner.

**It is recommended that efforts commence immediately to maximize cost efficiency in each of the municipal operations to help set the stage for future cost reduction initiatives that could be implemented by the proposed amalgamated governance structure.**

#### Tax Structure:

Currently each of the municipalities has differing tax structures, with most revenues coming from assessed taxable properties within each municipality. Only the Town of River of Ponds currently does not generate revenues based on assessed property value, but rather, charges a 'fee for service'. For amalgamation to be successful, the tax structure would have to be same throughout the region served by the new municipal authority.

It is recommended that the tax structure for the proposed amalgamated governance structure be fair and consistent throughout the new municipality. In addition, significant tax increases should be avoided where possible.

It is further recommended that the tax structure for the new Municipality of Ingornachois Bay be as follows:

	Current Tax Structure			Proposed Amalgamated
	Port au Choix	Port Saunders	Hawke's Bay	
<i><b>Residential Property</b></i>				
Mill Rate Method	12.00	10.00	10.00	11.00
Min. Tax Method	300.00	400.00	350.00	350.00
<i><b>Commercial Property</b></i>				
Mill Rate Method	12.00	10.00	10.00	11.00
Min. Tax Method	300.00	400.00	0.00	350.00
<i><b>Residential Water &amp; Sewer</b></i>				
Water and Sewerage Tax	404.00	400.00	360.00	400.00
Water Tax Only	260.00	280.00	280.00	280.00
Sewer Tax Only	0.00	0.00	580.00*	580.00
<i><b>Commercial Water &amp; Sewerage</b></i>				
Water & Sewerage Tax	449.00	420.00	360.00	425.00
Water Tax Only	305.00	300.00	280.00	300.00
Sewerage Tax Only	144.00	0.00	600.00**	350.00
<i><b>Other Taxes</b></i>				
Poll Tax	300.00	280.00	0.00	300.00
Utility Tax	2.50%	2.50%	2.50%	2.50%

\* Note 1: \$580.00 is charged to residences that have basement apartments. This charge is for the extra sewer connection for the apartment.

\*\* Note 2: \$600 is charged to business for garbage collection and is not necessarily a sewer only tax.

#### Debt Service Ratio Analysis:

There is a considerable amount of anxiety among the taxpayers and council members concerning the level of municipal debt that exists. While there is a substantial amount of debt showing on the financial statements for each of the Towns, it should be noted that the figures also include the portion that is the responsibility of the Provincial Government. It should be

noted that this debt does not include the loans incurred to install water and sewer service to the sub division in Port Saunders.

The analysis of the debt service ratio for the new amalgamated municipal council shows that the required debt service ratio would be higher than the recommended ratio of 30%, and would require attention to reduce it to an acceptable level. A number of alternatives were identified as potential solutions to this problem. Among the municipalities in this study, the Town of Port au Choix is the only one exceeding the 30% debt service ratio threshold.

Based on preliminary calculations, it appears that the amount required to bring the debt service ratio the area to approximately 22.5% would be approximately \$980,000. A debt service ratio of 22.5% will allow the Municipal Council of Ingornachois Bay to borrow additional funds as needed to complete some of the capital projects as identified by the individual councils. If a one-time grant in the amount of \$980,000.00 were to be provided by the Department of Municipal Affairs this level could be met. In addition, the newly formed amalgamated municipality could then negotiate with lending institutions to consolidate and refinance outstanding combined debts over a period of 10 years and at a more reasonable interest rate in an effort to lower annual payments. This debt restructuring has to potential to reduce the total annual payments by 25 to 30% thereby saving the amalgamated Municipality upwards to \$300,000.00 per year.

**It is recommended that the Municipality of Ingornachois Bay secure a lump sum grant from the provincial Department of Municipal Affairs that would be applied against the outstanding debt in an effort to bring their debt service ratio below 30%.**

**It is further recommended that the newly formed municipality negotiate with the lending institutions to consolidate and refinance the outstanding debt to reduce the total annual payment and secure further savings.**

Transition:

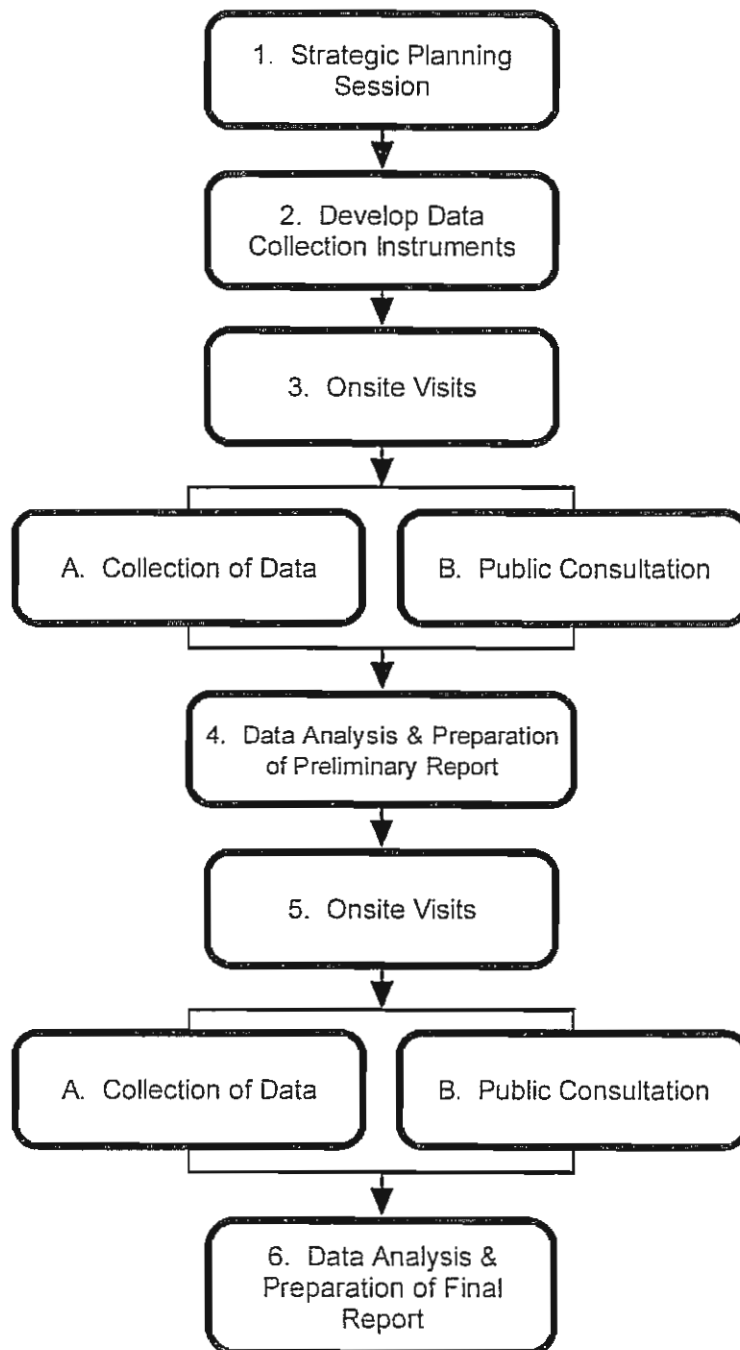
Amalgamation in the Ingornachoix Bay region holds future promise for the individual communities involved. The declining population, along with a declining tax base, are reasons for serious concern. It will become increasingly difficult for each of the Towns to function and deliver acceptable levels of municipal services to their citizens without undue tax burden. Furthermore, one common voice for the region can have a stronger impact on issues that impact on the future economic development in the region.

**It is recommended that if the amalgamation of the current municipal town councils to form one amalgamated municipal governance structure is considered by the Towns in question to be an acceptable alternative, a transition team be put in place at the earliest possible date to guide the process of amalgamation.**

**The transition team should aim to implement the recommendations in this report by January 2009.**

### 3) STUDY METHODOLOGY

#### A) Detailed Methodology Flow Chart



## B) Methodology Tasks

### 1. Strategic Planning Session

An initial contact was made with each of the municipal councils and councillors via an instrument that was developed to collect important information prior to the strategic planning session. This information helped the consultant to gauge the opinions and attitudes of those directly involved in the region's municipal governments. This process initiated CCS's participatory approach to studies that require the necessary level of public consultation and data collection and analysis. The participatory process that was utilized by CCS is one that involves councils and other stakeholders working together on an ongoing basis to ensure a meaningful and transparent feasibility assessment.

The consultant engaged in a strategic planning session with representatives of the Department of Municipal Affairs and each of the Municipalities of Port au Choix, Port Saunders, Hawke's Bay and River of Ponds. This session had a number of purposes: to become acquainted with key stakeholders of the feasibility study and establish a working relationship; to review the terms of reference of the study and to ensure clarity of this understanding with each represented community; to ensure that clients understand the methodology as set out by the consultant; to outline tasks to be performed to facilitate the work of the consultant; to enable the consultant to obtain any relevant background information that may facilitate the study.

This meeting was also key to gathering a collection of viewpoints on the issues related to the amalgamation of the four identified communities. Site visits to each of the four communities were scheduled based on availability of representatives of each of the four communities. All site visits were scheduled in accordance with the terms of reference and time frame that has been designated for this study.

This session was utilized to form an initial understanding of the situation in the area, and formulate possible impacts of the proposal to the area. The working relationships formed with municipal and provincial representatives in this process enabled the consultant to engage in ad hoc, informal communication as necessary to aid in the process of completing this study.

## 2. Develop Data Collection Instruments

Data collection instruments were developed for each of the major themes of the proposed study. These main areas, in no particular order are as follows:

- Local Government Structure
  - **Access** of the people to elected and appointed officials
  - **Representation** in accordance with distribution of population
  - **Simplicity** of proposed municipal structure
  - *Considerations: Municipal boundary, status of council, number of councillors, ward structure if recommended*
- Municipal Servicing
  - **Suitability** and need of area for municipal servicing
  - **Physical** constraints to municipal servicing
  - *Considerations: Municipal boundary, adjustments of assets and liabilities between towns and communities affected*
- Local Government Administration
  - **Administrative** capability of the municipality
  - **Coordination** of municipal services and functions throughout the area concerned
  - *Considerations: Municipal boundary, adjustments of assets and liabilities between towns and communities affected, effective date, ward structure (if recommended)*
- Financial Implications & Analysis
  - **Cost Efficiency** of the type of administration proposed for the scale of services required
  - **Feasibility** in terms of revenues and expenditures, especially the impact of current debt loads
  - **Equity** in terms of both the taxpayer's ability to pay and the benefits to be received
  - **Response** of tax yields to changes in economic activity
  - **Equality** among adjoining municipalities considering their different needs and assets
  - *Considerations: Municipal boundary, adjustments of assets and liabilities between towns and communities affected, effective date, status of council, ward structure (if recommended).*
- Public Acceptance
  - **Community Identity**
  - **Acceptability** of the proposal at local level
  - *Considerations: name of town or region.*

Two sets of instruments were developed for each week of on-site visits. These instruments were designed for data collection from each of the communities, as well as from the public consultations that took place to collect information necessary to prepare the preliminary report

and gauge the response from the results of the preliminary report. It was necessary to collect both quantitative and qualitative data from both municipal representatives, and the general public with respect to all components of the feasibility study.

With respect to public consultations, all data collection tools and activities followed the process outlined in the Public Inquiries Act.

### 3. Onsite Visits

Onsite visits were scheduled for each of the four communities that are involved in the proposed feasibility study: Port au Choix, Port Saunders, Hawke's Bay and River of Ponds. A pre-consultation document was issued to each community prior to the onsite visit to ensure that representatives were aware of the data to be collected and issues to be covered in the public consultation that occurred. This aided in expediting the collection of quantitative data that was assembled prior to the arrival of the Consultant Team.

#### a. Collect Data

Qualitative and quantitative data was collected from representatives of each community. Collecting qualitative data from community representatives is an important factor, since it is the administrative and/or elected officials of each community that has insight that will be of particular interest to feasibility analysis. Quantitative data enabled the consultant to assess the feasibility of the amalgamation without any consideration of the subjective nature of feelings and opinions, and is an equally important component of the feasibility assessment as the analysis of qualitative data.

#### b. Public Consultations

Public consultations or hearings were held to inform the public about the purpose of the feasibility study, and to collect data from the public that assisted in the feasibility assessment. Qualitative data was collected from the general public in each of the areas identified above. It was important to gauge the feelings and opinions of the general public with respect to the identified study areas. The results of the public consultations combined with the results of the community data collection enabled the consultant to prepare the report that outlines the general findings of the initial feasibility assessment.

#### 4. Data Analysis & Preparation of Preliminary Report

Data collected in the first round of onsite visits was analyzed and used to prepare the Preliminary Report for the towns and the Department of Municipal Affairs. This report consisted of a summary of data collection and analysis activities, as well as the preliminary recommendation of the feasibility assessment of amalgamation.

#### 5. Onsite Visits

##### a. Collect Data

The preliminary report was forwarded to representatives of each of the four communities involved in the feasibility study. The Consultant Team, on the second round of site visits met with representatives in each of the communities to obtain their feedback and further qualitative data – a reaction to the preliminary findings of the study.

##### b. Public Consultations

The preliminary report was utilized in a second round of public consultations to collect further qualitative data, in the form of reaction to the preliminary findings of the study.

#### 6. Data Analysis & Preparation of Final Report

Data collected in the second round of onsite visits was analyzed and used to prepare the Final Report for the Minister of Municipal Affairs. This report consists of the results of the data collection activities and the recommendations of the feasibility assessment of the amalgamation of Port au Choix, Port Saunders, Hawke's Bay and River of Ponds, in accordance with the criteria outlined in the Terms of Reference.



#### 4) SOCIO-ECONOMIC OVERVIEW

A regional socio-economic profile was compiled using a combination of data available from the Government of Newfoundland & Labrador's Community Accounts, and Statistics Canada Community Profiles to determine the well-being of residents in terms of income, employment and education.

##### A) Demographic Profile

###### a) Population Trends

As a region, Ingornachoix Bay has consistently experienced population declines over the last number of years, experiencing declines of just over 10% in each of the three last consecutive Census periods. The average median age has also increased from 32.3 to 42.7 from 1996 to 2006. This increase can be attributed to a number of factors, including low birth rates and out-migration, which according to Community Accounts currently stands at -7.7%.

Figure 1 - Population - Ingornachoix Bay Municipalities

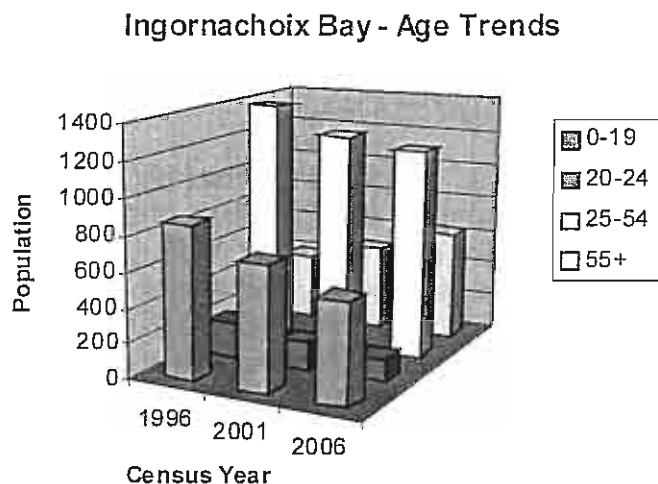
	2006		2001		1996		1991	
PaC	893	39%	1010	40%	1146	40%	1260	42%
PS	747	33%	812	32%	876	31%	822	28%
HB	391	17%	445	18%	514	18%	564	19%
ROP	251	11%	274	11%	308	11%	341	11%
Total	2282	100%	2541	100%	2844	100%	2987	100%

Source: Statistics Canada, 2006 Community Profiles, 2001 Community Profiles, and 1996 Community Profiles

## b) Aging Population

As the 2006 Census has shown, the population segment 65 year of age and older is increasing while individuals aged 0-19 years of age is decreasing, and individuals 20-64 years of age is decreasing over the long term even though there was a very small increase between the 2001 and 2006 Census period.

Figure 2 - Trends in Aging Population



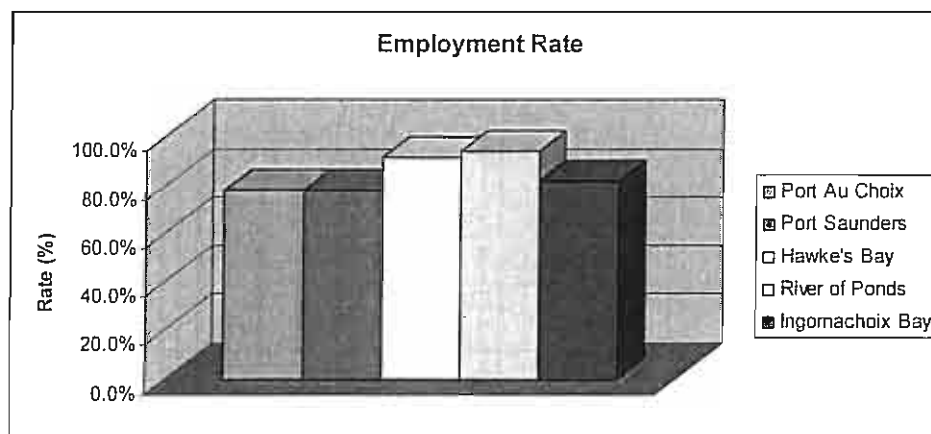
Source: Statistics Canada, 2006 Community Profiles, 2001 Community Profiles, and 1996 Community Profiles

## B) Economic Profile

## a) Employment

The employment rate of 81.8% in the Ingornachoix Bay area is higher than the provincial average of 73.6%.

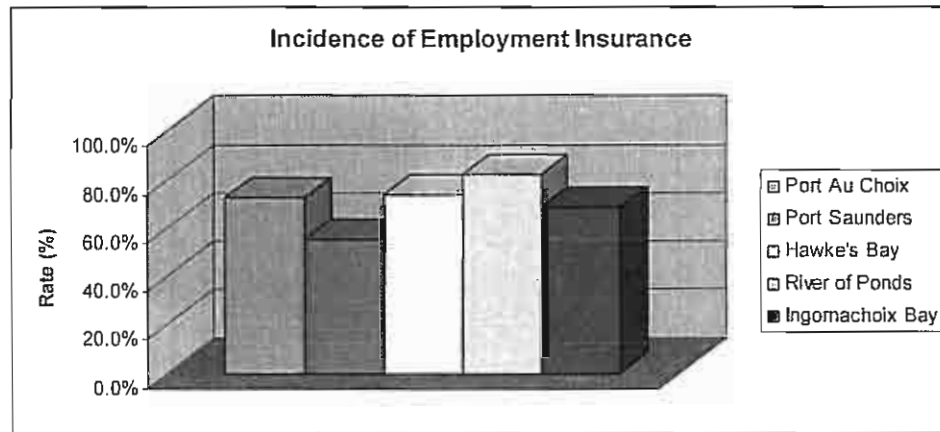
Figure 3 - Ingornachoix Bay Employment Rate



Source: Community Accounts

The primary industries in the area include tourism, fishery and forestry. The seasonality of these industries is also reflected in the high incidence of reliance on employment insurance, 69.1%.

Figure 4 - Incidence of Employment Insurance

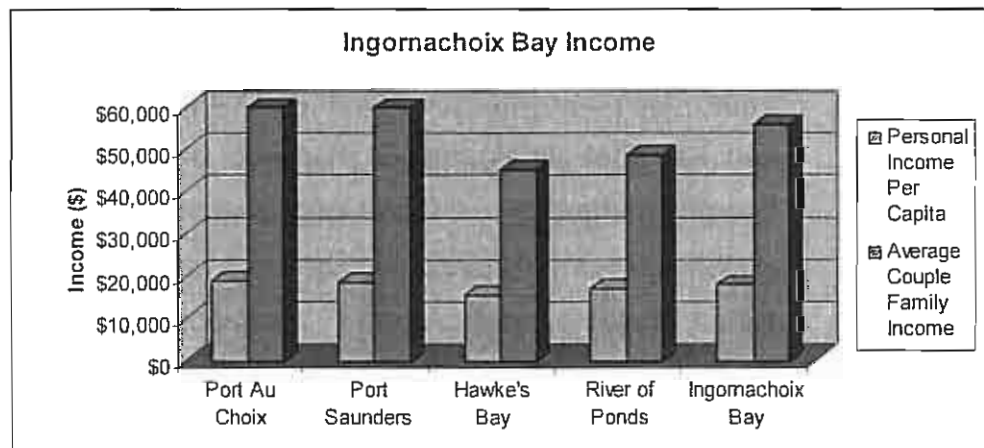


Source: Community Accounts

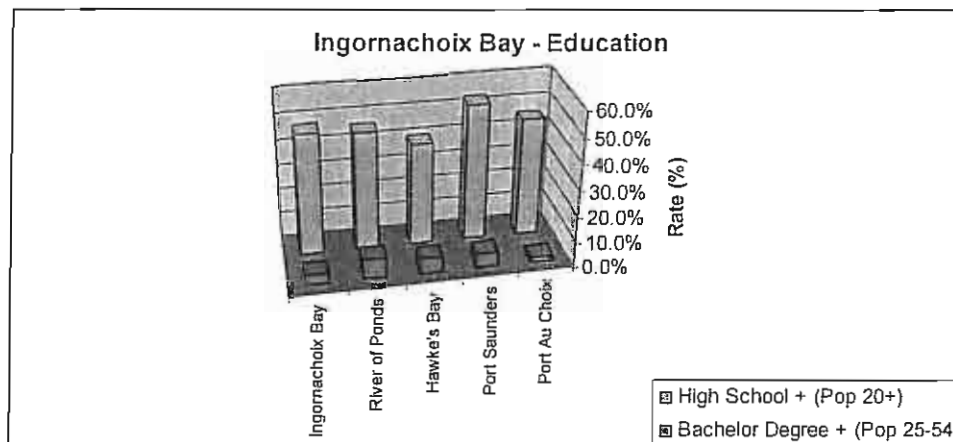
b) Income

Per capita personal income for the region stands at \$18,000, while average couple family income stands at \$56,000.

Figure 5 - Ingornachoix Bay Income



Source: Community Accounts

**C) Social Profile****a) Education****Figure 6 - Education in Ingornachoix Bay**

Source: Community Accounts

**D) Implications of Amalgamation on Socio-Economic Conditions**

An amalgamation of the four municipalities in Ingornachoix Bay would change the dynamics of the area as a whole. It also has the potential to impact the socio-economic conditions in the area. While the Consultant Team can't say what the actual implications of amalgamation will be, we can say that amalgamation has the potential for long-term economic benefits to the region. These long-term benefits would come about from a regional focus on developing the area with specific attention paid to the fishery, logging, and tourism. Promoting these industries as potential business opportunities will bring action and increase the chances of development in the future.

## 5) LOCAL GOVERNMENT STRUCTURE

In accordance with Section 13 of the Municipalities Act, 1999, incorporated municipalities in Newfoundland and Labrador are permitted to have a municipal council made up of between 5 and 9 councillors. There are no rules within the legislation governing how the actual size of an elected council is determined within this specified range. There are, however, rules governing the make-up of a council within a ward structure. As per Paragraph 14(4) of the Municipalities Act, 1999, the number of councillors elected at large in a ward structure "shall be not less than the total number of councillors elected for the wards plus one..."

Current representation in each of the four Ingornachioix Bay municipalities ranged from 5 to 7 elected officials, as follows:

	Port Saunders	Port Au Choix	Hawke's Bay	River of Ponds
Elected Officials	7	3*	7**	5
Population	747	893	391	251

\* Note 1: The Town of Port au Choix does not have a council, and is currently being run by three administrators appointed to office by the Department of Municipal Affairs.

\*\* Note 2: The mayor and two councillors in Hawke's Bay recently resigned. The town is now looking for nominations to fill these vacancies.

Currently not all of the municipalities have a full slate of municipal councillors. Due to out migration and the need for elected officials to be away from home, and in some cases out of province, to fulfill work commitments, the municipal council at Hawke's Bay has experienced some difficulty in being able to function fully in its governance role.

To help coordinate shared municipal services such as garbage collection the towns have established a regional council, or committee, with two representatives from each municipality. This has been met with some success. However, decision-making authority is somewhat limited and their recommendations require individual municipal council approval.

### A) Access

The current structure in place in each of the four municipalities allows all residents to gain access to the elected and appointed officials as, and when needed. This access is not only the knowledge of who to contact, and the ability to contact the appropriate person when an issue arises, but also the ability to access municipal facilities and resources.

In each of these municipalities, as is common in much of rural Newfoundland and Labrador, all residents are familiar with their mayor and other elected officials as well as the town clerk/manager. Through various discussions in the region it was found that the level of access is sometimes compromised by the work engagements of elected officials outside of the local area. This trend, which is becoming increasingly more common throughout rural Newfoundland and Labrador, can have negative impacts on accessibility by residents as well as negatively impacting on the overall functioning and efficiency of the council.

The municipal facilities, such as the town hall, are for the most part centrally located and accessible by all residents. Residents are able to call or visit these facilities during designated hours to pay municipal taxes, attend council meetings, meet with officials, and avail of other services. It was found that the accessibility of the people to these facilities was very important given the growing number of seniors in the area.

In an amalgamated municipality the level of access may be somewhat compromised. However, any obstacles created should not be insurmountable. Citizens now travel from community to community for banking, medical services, shopping, and employment. The efficiencies and other benefits gained should outweigh the minimal change in level of access.

Currently, there are three Municipal Office Buildings that could serve as the headquarters for the governance and administrative functions of the proposed municipality. The buildings in Port au Choix, Port Saunders and Hawke's Bay have sufficient office and storage capacity to accommodate the necessary office staff. Each of the buildings can provide the necessary accommodation requirements at minimal, or no additional cost in terms of renovation or expansion. Thus, it is possible to relocate to the most central or most favourable location with a consideration to cost factors.

#### **B) Proposed Municipal Boundary**

The municipal boundaries of Port au Choix, Port Saunders, and Hawke's Bay are all adjacent to each other. However, even though the boundaries are adjacent to each other, considerable distances separate the residential communities from each other.

The municipal boundary of River of Ponds is separated from the nearest community of Hawke's Bay by approximately 19 kilometres of provincial highway. A visual presentation of the boundary structure is presented in Figure 7 below.

Figure 7 - Municipal Boundaries in Ingornachoix Bay



Amalgamation of the communities in Ingornachoix Bay can be considered as a two case scenario. The first case scenario could be the amalgamation of the municipal councils of Hawke's Bay, Port Saunders and Port au Choix. In this scenario the new municipal boundary would encompass the total area now bounded by the three current municipal

boundaries. The second case scenario would include River of Ponds, Hawke's Bay, Port Saunders, and Port au Choix. In this Case it is recommended that the municipal boundary would include that of scenario one with the addition of the current boundary of River of Ponds. The Consultant Team is not recommending that the boundaries be expanded.

**C) Proposed Name for the Amalgamated Municipality**

Throughout the consultation phase the issue of community identity and keeping the individual community name was raised as a concern. During discussions aimed at arriving at a potential name for the new municipality it was felt that a name that would include all of the Towns would be somewhat bulky and cumbersome. However, there appeared to be some agreement for the suggestion that the name of the new municipal council to read as The Municipal Council of Ingornachoix Bay.

**D) Representation and Status of Council**

Equality of representation on the proposed amalgamated council was expressed as a major concern in each of the towns. The concern was more pronounced in the two smaller towns, namely River of Ponds and Hawke's Bay. Initially, the request was that each town should have the same number of representatives. This approach, it was felt, would only lead to the continuation of the competitive spirit as opposed to a more trusting and cooperative spirit.

When several communities are being combined to form one municipal governance structure consideration has to be given to two important principles:

- a) Each community must have a guarantee of representation on the new governance structure
- b) Consideration has to be given regional governance

There are a number of possible alternatives that could achieve this, as is shown in the following tables:

**Table 1 - Three Town Scenario**

	<b>7 Councillors</b>	<b>7 Councillors</b>	<b>9 Councillors</b>
Hawke's Bay	0	1	1
Port Saunders	0	1	1
Port au Choix	0	1	1
Councillors (At Large)	6	3	5
Mayor (At Large)	1	1	1

In this scenario the preferred option would be the three wards and 7-councillor option in the initial election for the municipal council. This option is preferred since it would not require restructuring of the municipal council subsequent to the first term. During the first term of office it is assumed that inter-community relations would improve, thus for the second term of office consideration could be given to eliminating the wards.

In a three-town scenario, the Consultant Team is recommending that the three wards, 7-councillor scenario be adopted. This new council will be composed of councillors elected by specific communities and those that are elected at large. Such a combination will help bring a regional focus while at the same time not neglecting the needs and concerns of each of the respective towns. The position of Mayor will also be elected at large, while the position of the deputy mayor will be filled by an election within council.

**Table 2 - Four Town Scenario**

	<b>7 Councillors</b>	<b>9 Councillors</b>	<b>9 Councillors</b>
River of Ponds	0	0	1
Hawke's Bay	0	0	1
Port Saunders	0	0	1
Port au Choix	0	0	1
Councillors (At Large)	6	8	4
Mayor (At Large)	1	1	1

In this scenario the preferred option would be the four wards, 9-councillor option. During the first term in office it is assumed that the bulk of the organizational workload for the council would be accomplished, thus for the second term of office, consideration could be given to reducing the number of councillors to 7.

To make the recommendation regarding the proposed structure of an amalgamated council, the Consultant Team considered the public submissions, and reviewed the consultations and discussions that occurred outside the formal sessions. Given this, it is recommended that the Town of River of Ponds not be included in the amalgamated governance structure at this time,

#### **E) Recommendations**

The following recommendations are being made with respect to the *Local Governance Structure* component of the feasibility study, and are provided here as a summary of what has already been discussed throughout this section.

- It is recommended that one of the existing municipal office buildings become the headquarters for the proposed municipality with consideration to be given to the more central location of Port Saunders.
- The boundary of the proposed amalgamated municipality should coincide with the existing municipal boundaries, with the current boundaries of Port au Choix, Port Saunders, and Hawke's Bay forming one large area rather than three smaller ones. Due to the physical separation, the municipal boundary of River of Ponds will remain separate from the larger boundary line.
- The name of the proposed amalgamated municipality should not be a combination of all four town names, but rather should be something that identifies the area in general. It is generally accepted by the residents, and therefore recommended by the Consultant Team that the name of the amalgamated governance structure be The Municipal Council of Ingornachois Bay.

- In an effort to instil a more trusting and cooperative spirit in the region, while ensuring that the needs and concerns of each respective town are not neglected, it is recommended that the council of the proposed amalgamated governance structure be made up of seven councillors; one representative from each of the three towns, three councillors elected at large, and a mayor elected at large. The position of the Deputy Mayor will be filled by an election within council.

## 6) LOCAL GOVERNMENT ADMINISTRATION

### A) Administrative Capability

There are varying levels of administrative capability within the four municipal governance structures that exist in the Ingornachoi Bay region. Town size and a limited tax base prohibit the Towns from being financially able to acquire all of the various levels of qualified expertise necessary for the effective and efficient operation and management of the Town. What we now have is a duplication of expertise from Town to Town. Each Town has a limited number of office staff that includes the town manager. Town managers are burdened with a multiplicity of office and clerical duties thus preventing them from engaging in the activities normally expected of a person in a managerial position such as assisting the town council in strategic planning, development, policy formulation, networking and exercising oversight responsibilities with respect to town operations.

Currently, the management/office staff compliment for each of the towns is as follows:

Table 3 - Current Office Staff

	FULL TIME	PART TIME
Hawke's Bay	1	0
Port au Choix	1	0
Port Saunders	1	1
River of Ponds	0	1
<b>TOTAL</b>	<b>3</b>	<b>2</b>

Through the consultation process it became evident that in certain jurisdictions there is a lack of clear understanding of the roles of elected officials as compared to that of town employees. The lines between governance and administrative roles are somewhat blurred in each of the municipal jurisdictions. This usually results when there is a lack of policy direction from the elected officials to guide the decision making process of the administrative staff in their efforts to conduct the business and operational affairs of the municipality. When clear and concise policy

direction is established the work of the administrative staff becomes much more consistent and efficient. In addition, clear and concise policy direction helps remove feelings of uncertainty in the decision making process.

## **B) Recommendations**

The following recommendations are being made with respect to the *Local Government Administration* component of the feasibility study, and are provided here as a summary of what has already been discussed throughout this section.

- Given the varying levels of expertise within the four municipal governance structures, and the need for clear management leadership it is recommended that the proposed amalgamated government administration be comprised of one Town Manager, one Town Clerk, one Assistant Town Clerk, and one Economic Development Officer.
- It is also recommended that when and where expertise in existing staff does not exist, that it be the responsibility of the municipality to provide upgrading and retraining assistance as required.

## 7) MUNICIPAL SERVICING

During the course of the study a number of key exercises were completed to collect data related to existing municipal servicing in each of the four the Ingornachoix Bay municipalities. The following table summarizes the services that are provided to taxpayers and the minimum level of regional services that would be required in a potential amalgamated governance structure. Please refer to Appendix "A", page 63, for a copy of data collection instruments used to collect the following data.

Table 4 - Municipal Services Offered in Ingornachoix Bay

	Existing Service Level				Proposed
	PAC	PS	HB	RP	Minimum Regional Service Requirement
Animal Control		X			X
Animal Licensing		X			X
Fire Protection	X	X	X	X	X
Garbage Collection / Disposal	X	X	X	X	X
Recreation	X	X	X	X	X
Road Maintenance	X	X	X	X	X
Sewer / Wastewater Collection	X	X	X		X
Signage	X	X	X		X
Snow Clearing	X	X	X	X	X
Water	X	X	X	X	X
Excess Water Capacity		X	X		
NOTE:	Green shaded areas indicate shared or regional services				
	Yellow shaded areas indicate the existence of an agreement for mutual aid or sharing				
	Red shaded areas indicate services that are contracted to private operators				

The overall acceptability of municipal services as they currently exist is high. However, in any potential amalgamated governance structure, the level of available services would have to be at least equivalent to what is currently available. People in areas where certain services do not currently exist would welcome additional services. Likewise, people in areas where higher levels of services are available would not be accepting of a reduction in any type of available services.

The general, overall feeling is that there is no one particular service that the taxpayers would like to see implemented that is not currently available. Nothing

was communicated to the Consultant Team to suggest that there is anything lacking in the level of municipal servicing in the area as a whole. Thus the highest level of services available in the area would be the minimum level of services recommended for an amalgamated governance structure.

#### **A) Suitability**

Overall, each available service in each of the four Ingornachoi Bay municipalities is delivered with varying levels of municipal resources. Even though current services are very much acceptable to taxpayers, additional planning and more efficient use of available resources would greatly improve the effectiveness of these services, and would likely further increase taxpayer satisfaction. For example, road maintenance could be performed more proactively and on a more scheduled and planned basis. This would likely result in reduced administration and emergency repair costs, and improved taxpayer satisfaction.

As a regional authority with a potential population of 2,282 residents, the provision of a larger number of services would be a logical step and for the most part acceptable to the residents of Ingornachoi Bay. In this case, simply expanding services that are currently available in the larger of the municipalities may be a simple step. Some services are already shared among various combinations of the four municipalities with the most sharing occurring between the two of the largest municipalities in the region.

#### **B) Physical Constraints**

- **Existing Water / Sewer Infrastructure**

All municipalities have their own individual water infrastructure in place, and varying degrees of sewage infrastructure. Testing and maintenance requirements at this time are intensive, requiring dedicated time every day for water quality testing.

Two of the four municipalities have identified excess capacity of their water resources. However, due to geographic constraints, sharing of this resource may be difficult at the present time, but not impossible if demand and financial resources existed to support such an endeavour.

- Recreation

All municipalities have their own recreational facilities. There has been some significant investment in recreational infrastructure in the past, most notably the Stadium, which is jointly owned by the Towns of Port au Choix, and Port Saunders. The facility is 14 years old, and is managed by a committee under the direction of both municipal councils.

Coordination of multiple outdoor recreational facilities may prove to be a challenge given the level of use by taxpayers, and community based leagues, such as softball, soccer, or other outdoor sports. Maintenance of outdoor recreational facilities may be streamlined if duplicated efforts are eliminated. Redundant facilities may be better utilized for other recreational purposes.

- Geography

The most evident physical constraint is that of the region's geography. While the municipal boundaries of Port au Choix, Port Saunders, and Hawke's Bay are all adjacent to each other, considerable distances separate the residential areas of each of these communities. Furthermore, the municipal boundary of River of Ponds is separated from the other communities by a distance of approximately 19 km of Provincial Highway.

This geographic constraint may be the most difficult to overcome in any amalgamated governance structure. This is further complicated by the demographic trends showing continued population declines that would prevent the growth of any of the four municipalities to the edge of their legal boundaries.

- Fire Protection

Based on the geographic area that is to be included in the proposed amalgamated governance structure, it would be against National Fire Code regulations to centralize Fire Protection services in one location within the proposed municipal boundary. It is for this reason that all existing Fire Protection infrastructure should remain in place and intact during the proposed amalgamation process. To address financial implications of operating "satellite" fire protection stations, recommendations made in the following *Section 7) Financial Implications & Analysis* with respect to equality

of assets, should be taken into consideration by the new council to ensure fairness and equal fire protection coverage across the municipality. Considering the physical distances that exist between communities it is recommended that fire response services be maintained in each of the residential communities, as they currently exist. Each unit would operate under one administrative structure that consists of a Regional Fire Chief, and a Deputy Chief in each individual area.

The Fire Chief from the Town of Port au Choix also shared the Consultant Team's conclusions regarding fire protection services. His written submission is including Appendix "E", page 67.

### C) Other Considerations

The Consultant Team was made aware during the data collection process, that some personnel employed by at least one of the municipalities are unionized. As most are aware, union agreements do not permit restructuring arrangements purely on the basis of cost savings. This means that any attempts to reduce jobs may be met with stiff opposition from existing union locals. It will be necessary during any amalgamation process to meet with union representatives to discuss current services that are provided by unionized employees and implement a plan to share services across the entire region. This discussion is necessary to address current service delivery arrangements, including the contracting out of services such as snow clearing, or employment of non-unionized employees to deliver municipal services.

### D) Recommendations

The following recommendations are being made with respect to the *Municipal Servicing* component of the feasibility study, and are provided here as a summary of what has already been discussed throughout this section.

- Based on the data analysis and discussions with key stakeholders in each of the four municipalities, the Consultant Team

recommends that available municipal services be expanded to encompass all services that are currently provided by any one individual municipality.

- To achieve the maximum efficiency of combining service availability and delivery, it is recommended that municipal management engage in regular strategic planning sessions. These sessions will enable an amalgamated government to more proactively manage and provide an acceptable level of service with more efficient level of municipal resources. Such streamlining will inevitably result in cost savings for the amalgamated government.
- It is recommended that the newly elected council objectively evaluate issues and concerns relating to municipal services, taxation, revenues and expenses and prioritize projects based on pre-established criteria, needs, and financial and other resources.
- Considering the physical distances that exist between communities it is recommended that fire response services be maintained in each of the residential communities. However, each unit would operate under one administrative structure that consists of a Regional Fire Chief, and a Deputy Chief in each individual area.



## 8) FINANCIAL IMPLICATIONS & ANALYSIS

Through an in depth financial analysis, the Consultant Team investigated a number of key areas including Cost Efficiency, Feasibility, Equity, Response of Tax Yields, and Equality. The implications of this analysis was analyzed and assessed to determine the full extent of their impact on the four municipalities involved in the feasibility study process.

### A) Cost Efficiency

Currently there is duplication of expenditures to some extent in all four municipalities. This duplication is a result of each municipality offering the same, or similar services, and quality of services to taxpayers as neighbouring communities. This is evidenced by the need to commit resources such as personnel and equipment to garbage collection, regular water testing, road maintenance and other municipal services. Much of this duplication can be reduced or eliminated in an amalgamated governance structure.

For example, an amalgamated governance structure could allocate specific people and equipment to perform specific scheduled duties such as road maintenance or water testing. Once these responsibilities have been fulfilled these resources can be further allocated to other activities. In the case of road maintenance, personnel and resources can be scheduled to complete a set number of "work order" projects. When these projects have been completed, these resources can be reallocated to complete other "work order" projects in another area such as maintenance of recreation facilities.

As part of the feasibility study, the Consultant Team investigated the cost efficiencies that could be achieved through amalgamation. It was found that there was an overall cost savings even though some areas incurred higher expenditures in an amalgamated structure. It should be noted that

with proper management and administration, some expenditures could be streamlined to further reduce operating costs. These reduced costs are a direct result of allocating and spending budgeted financial resources when and where they are required according to operating plan(s) that have been established for any given fiscal year.

## **B) Feasibility**

Currently each of the four municipalities has differing tax structures, with most revenues coming from assessed taxable properties. Only the Town of River of Ponds currently does not generate revenues based on assessed property value, but rather, charges a "fee for service." Assessed property values are determined by the Municipal Assessment Agency, while sitting councils determine tax rates for any given year, including property mil rates, business tax rates, poll tax rates and any other municipal charges.

Total revenues of each municipality also include Municipal Operating Grants (MOG), Provincial portion of debt charges associated with each municipal debt load and other revenues that are not directly based on municipal tax base. For the most part these revenues will not be impacted by the proposed amalgamation. For example, MOG's have been frozen for several years and it is not expected to change. Therefore, an amalgamated governance structure will receive the same combined level of MOG funding as individual municipalities currently receive.

In an amalgamated structure, the majority of revenues will be generated from a mil rate and assessed property value structure. This will mean the governing council will have to determine and set the same mil rate for all property owners, in addition to determining the same taxation rates for other municipal charges such as business tax or poll tax. As a part of the feasibility assessment, the Consultant Team is proposing a tax structure

that may be acceptable to the taxpayer and sitting municipal councils in Ingornachoix Bay. This proposed tax structure would mean that while some taxes rates increase, others will decrease, and still others will remain the same.

Table 5 - Current and Proposed Tax Structure

	Current Tax Structure			Proposed Amalgamated
	Port au Choix	Port Saunders	Hawke's Bay	
<b>Residential Property</b>				
Mil Rate Method	12.00	10.00	10.00	11.00
Min. Tax Method	300.00	400.00	350.00	350.00
<b>Commercial Property</b>				
Mil Rate Method	12.00	10.00	10.00	11.00
Min. Tax Method	300.00	400.00	350.00	350.00
<b>Residential Water &amp; Sewer</b>				
Water and Sewerage Tax	404.00	400.00	360.00	400.00
Water Tax Only	260.00	280.00	280.00	280.00
Sewer Tax Only	0.00	0.00	580.00*	580.00
<b>Commercial Water &amp; Sewerage</b>				
Water & Sewerage Tax	449.00	420.00	360.00	425.00
Water Tax Only	305.00	300.00	280.00	300.00
Sewerage Tax Only	144.00	0.00	600.00**	350.00
<b>Other Taxes</b>				
Poll Tax	300.00	280.00	0.00	300.00
Utility Tax	2.50%	2.50%	2.50%	2.50%

\* Note 1: \$580.00 is charged to residences that have basement apartments. This charge is for the extra sewer connection for the apartment.

\*\* Note 2: \$600 is charged to business for garbage collection and is not necessarily a sewer only tax.

In an effort to determine the effects of the proposed tax rate structure to an average household and an average business in the Ingornachoix Bay area, the Consultant Team estimated the assessed value of a residential property based on the total assessment for the area and the total number of properties taxed under the "Residential Mil Rate Method." The Consultant Team also estimated the assessed value of an average business based on the total assessed value of commercial properties for the area and the total number of properties taxed under the "Commercial Mil Rate Method." The results of these scenarios are provided below:

## Scenario 1:

Residential Taxpayer in:	Port au Choix	Port Saunders	Hawke's Bay
Land Value	4,500	4,500	4,500
Building Value	34,000	34,000	34,000
Total Assessed Value	38,500	38,500	38,500
Current Mil Rate	12.00	10.00	10.00
Current Property Tax	462.00	385.00	385.00
Current Residential Water & Sewer Tax	404.00	400.00	360.00
Current Total Town Taxes	866.00	785.00	745.00
Proposed Mil Rate	11.00	11.00	11.00
Proposed Property Tax	423.50	423.50	423.50
Proposed Residential Water & Sewer Tax	400.00	400.00	400.00
Proposed Total Town Taxes	823.50	823.50	823.50
Difference	(42.50)	38.50	78.50

## Scenario 2:

Commercial Taxpayer in:	Port au Choix	Port Saunders	Hawke's Bay
Land Value	15,900	15,900	15,900
Building Value	84,000	84,000	84,000
Total Assessed Value	99,900	99,900	99,900
Current Mil Rate	12.00	10.00	10.00
Current Property Tax	1,198.80	999.00	999.00
Current Commercial Water & Sewer Tax	449.00	420.00	360.00
Current Total Town Taxes	1,647.80	1,419.00	1,359.00
Proposed Mil Rate	11.00	11.00	11.00
Proposed Property Tax	1,098.90	1,098.90	1,098.90
Proposed Commercial Water & Sewer Tax	425.00	425.00	425.00
Proposed Total Town Taxes	1,523.90	1,523.90	1,523.90
Difference	(123.90)	104.90	164.90

The tax structure for the Town of River of Ponds has been omitted from this analysis because the Town is currently using a Fee for Service type of tax structure, which is inconsistent with the other three municipalities. The former mil rate tax structure that was utilized by the Town of River of Ponds saw residents being taxed based on mil rates of approximately 4 mils. The discrepancy between this and the mil rates used by the other three municipalities would result in a proposed tax structure with tax rates that would not be reasonable or acceptable to taxpayers in River of

Ponds. It was also noted that under a mil rate structure the majority of taxpayers in the Town of River of Ponds would fall into the "Minimum Tax" category. The following scenarios detail the effects of the proposed tax structure on an average household and business in the Town of River of Ponds.

**Scenario 3:**

Residential Taxpayer in:	River of Ponds
Land Value	4,500
Building Value	24,000
Total Assessed Value	28,500
Current Garbage Collection Tax	200.00
Current Water Tax Only	300.00
<b>Current Total Town Taxes</b>	<b>500.00</b>
Proposed Mil Rate	11.00
Proposed Property Tax (Min. Method)	350.00
Proposed Residential Water Tax Only	280.00
<b>Proposed Total Town Taxes</b>	<b>630.00</b>
Difference	130.00

**Scenario 4:**

Commercial Taxpayer in:	River of Ponds
Land Value	8,450
Building Value	60,000
Total Assessed Value	68,450
Current Garbage Collection Tax	200.00
Current Water Tax Only	300.00
<b>Current Total Town Taxes</b>	<b>500.00</b>
Proposed Mil Rate	11.00
Proposed Property Tax	660.00
Proposed Commercial Water Tax Only	300.00
<b>Proposed Total Town Taxes</b>	<b>960.00</b>
Difference	460.00

The majority of the expenditures for each of the four municipalities are devoted to the operations and general upkeep of the municipalities. Budgeted expenditures show very little consideration given to planning and development and recreation.

Given the level of municipal services anticipated under an amalgamated governance structure, there will be some increased costs associated with increasing the level of some services and increasing the focus on future municipal planning and development. However, an amalgamated governance structure could expect to see marginal annual cost savings across a number of cost centres, with the potential to realize significant annual cost savings with an increased focus on municipal planning and development. An increased focus on municipal planning and development is also anticipated to have a positive impact on revenue generation. Economic development resulting from such activities will create the potential to further develop the region's current economy, creating jobs or at least maintaining current demographic conditions in Ingornachoix Bay.

There is currently a considerable amount of anxiety among taxpayers and council members concerning the level of debt that exists in each of the four municipalities. While there is a substantial amount of debt showing on financial statements for each of the four towns, it should be noted that this also includes the portion that the Provincial Government is responsible for. For example, the municipal budgets for 2007 for the four towns show that combined debt payments total \$1,322,645 of which \$770,692, or 58.3%, is the responsibility of the Provincial Government and the remaining \$551,953, or 41.7% is the collective responsibility of the four towns.

**Table 6 - Current Debt Level As Per 2006 Audited Financial Statements**

2006	Port Aux Choix	Port Saunders	Hawke's Bay	River of Ponds	Total
Current portion of long-term debt	570,323	191,976	49,123	0	811,422
Long-term Debt	3,940,871	1,976,959	195,888	150,732	6,264,450
NMFC	310,377	1,315,134	0	137,223	1,762,734
Gov't of Canada	0	0	17,688	0	17,688
BMO	4,200,817	853,801	223,790	13,509	5,291,917
Other	0	0	3,533	0	3,533
Total Outstanding Long Term Debt	4,511,194	2,168,935	245,011	150,732	7,075,872

**Table 7 - Breakdown of Current Debt Load**

	Port au Choix				Port Saunders			
	Balance	Approx. Monthly Payment Amt	Annual Interest Rate	Maturity Date	Balance	Approx. Monthly Payment Amt	Annual Interest Rate	Maturity Date
BMO #1	857,824	14,694	5.47%	2012	230	417	1.50%	n/a
BMO #2	930,511	11,948	7.36%	2015	335,457	4,256	6.44%	n/a
BMO #3	899,137	12,048	7.36%	2016				
BMO #4	15,184	837	6.18%	2009				
BMO #5	736,802	8,271	5.52%	2018				
BMO #6	761,359	8,332	5.52%	2018				
Total BMO	4,200,817	56,130			335,687	4,673		
NMFC #1	19,433	1,160	7.375%	2007	1,315,134	22,654	Various	2007 - 2020
NMFC #2	22,375	6,573	11.50%	2010				
NMFC #3	4,047	675	11.50%	2010				
NMFC #4	32,407	8,056	11.50%	2010				
NMFC #5	58,745	5,083	10.25%	2010				
NMFC #6	19,936	1,092	10.625%	2010				
Total NMFC	156,943	22,638			1,315,134	22,654		
Gov't of Canada	87,568	4,796	10.625%	2010				
Capital Lease	39,854	1,311	9.75%	2011				
Vehicle financing					12,155	553	0%	n/a
To be refinanced	26,002	383	7.50%	2009	458,980	n/a	n/a	n/a
Accounts payable					46,979	n/a	n/a	< 1 year
Total Other	153,434	6,490			518,114	553		
Total Long Term Debt	4,511,194	85,258			2,168,935	27,880		

	Hawke's Bay				River of Ponds			
	Balance	Approx. Monthly Payment Amt	Annual Interest Rate	Maturity Date	Balance	Approx. Monthly Payment Amt	Annual Interest Rate	Maturity Date
BMO #1	67,157	759	Prime	2015	13,509	483	Prime + 1.625%	n/a
BMO #2	41,929	428	Prime	2015				
BMO #3	34,156	349	Prime	2015				
BMO #4	80,548	3,064	7.30%	2009				
<b>Total BMO</b>	<b>223,790</b>	<b>4,600</b>			<b>13,509</b>	<b>483</b>		
NMFC #1					3,920	115	10.875%	2010
NMFC #2					133,303	1,404	6.75%	
<b>Total NMFC</b>					<b>137,223</b>	<b>1,519</b>		
Gov't of Canada	17,688	-	7.44%	n/a				
Capital Lease	3,533	n/a	n/a	n/a				
<b>Total Other</b>	<b>21,221</b>	<b>-</b>			<b>-</b>	<b>-</b>		
<b>Total Long Term Debt</b>	<b>245,011</b>	<b>4,600</b>			<b>150,732</b>	<b>2,002</b>		

\*NMFC loans are paid semi-annually, but for the purposes of this analysis the Consultant Team calculated the approximate monthly payments. These payments are for illustration purposes only.

To accurately address these concerns, the Consultant Team analyzed the debt service ratio as calculated by the Department of Municipal Affairs based on 2007 budget figures. It was found that Port Au Choix had the highest debt service ratio of 53.48%, and while the other three municipalities were not this high, they are still significant and could have implications for the financing of future infrastructure maintenance and / or development. Please see the following table for this calculation:

**Table 8 - Current Debt Service Ratio Calculation**

Impact of Amalgamation in Ingornachois Bay Debt Service Ratio Calculation				
	Port au Choix	Port Saunders	Hawke's Bay	Total
Total Revenue per '07 Budget	1,223,405	672,179	427,091	2,326,864
Less:				
Province portion of debt charges	(416,995)	(232,027)	(121,670)	(770,692)
Federal grants & subsidies	(35,915)	0	(47,527)	(83,442)
Surplus of prior year	0	0	0	0
Total Local Revenue	770,495	440,152	257,894	1,472,730
Total debt charges per Table 6 (Town portion)	412,054	79,717	60,182	551,953
Total Debt Service Ratio	53.48%	18.11%*	23.34%	37.48%

\*According to the Department of Municipal Affairs, the debt service ratio for Port Saunders as of December 7, 2007 is approximately 27%. This increase is because of the loan incurred to install water and sewer service to the sub-division in the area of the new seniors complex.

Without any changes, the proposed amalgamation would effectively combine this debt service ratio as shown in the following table:

**Table 9 - Debt Service Ratio After Proposed Amalgamation Without Lump Sum Payment**

Impact of Amalgamation in Ingornachois Bay Debt Service Ratio Calculation	
Total Revenue per '07 Budget	2,326,864
Less:	
Province portion of debt charges	(770,692)
Federal grants & subsidies	(83,442)
Surplus of prior year	0
Total Local Revenue	1,472,730
Total debt charges per Table 6 (Town portion)	551,953
Total Debt Service Ratio	37.48%

This debt service ratio is higher than the recommended level of 30%, and will require attention in order to reduce it to an acceptable level. This attention can come from one of the following options:

- Increase tax rates in an effort to increase revenues while keeping debt repayment the same;

This option would not be acceptable to either taxpayers or sitting council members and therefore is not recommended.

- Secure annual grants from the provincial Department of Municipal Affairs that would be used to reduce the combined debt level of all municipalities;

This option would require long-term input from the provincial government, and is therefore not recommended.

- Secure a lump sum grant from the provincial Department of Municipal Affairs that would be applied against the outstanding debt in an effort to bring the debt service ratio below 30%. Based on preliminary calculations, it appears that the amount required to bring the debt service ratio of the area to a manageable level of 22.5%, and still have room to borrow, would be approximately \$980,000. The newly formed amalgamated municipality can then negotiate with lending institutions to consolidate and refinance outstanding combined debts over a period of 10 years and at a more reasonable interest rate in an effort to lower annual payments. This debt restructuring has the potential to reduce the total annual payments by 25 – 30% thereby saving the amalgamated governance structure upwards of \$300,000 per year.

This option requires a one-time lump sum payment and then efforts from the amalgamated council to refinance debt while keeping tax rates at acceptable levels. This option is the most viable and acceptable to all involved parties, and is therefore recommended.

It should also be noted that savings resulting from the streamlining of municipal service delivery could also be used to reduce the level of debt carried by the amalgamated governance structure.

All documentation utilized in the assessment of financial implications and analysis are available in Appendix "F", page 68, and includes Audited Financial Statements for each of the four municipalities as at December 31, 2006, and the current tax structure of each of the four municipalities.

### **C) Equity**

The burden of increased taxes was considered for both residential and commercial taxpayers. In an effort to minimize the impact of amalgamation on the taxpayer's ability to pay, the Consultant Team has chosen a structure that is fair to all taxpayers. This structure is projected to have a minimum impact in the way of small tax increases or decreases overall based on average household in the Town of Hawke's Bay having an increase of less than \$80 per year for property, and water and sewer taxes. Please see pages 44 and 45 for scenarios that outline the projected financial impact on average households in each of the four communities.

In return for the small tax increases proposed by the Consultant Team, residents will benefit from increased and improved municipal services such as animal control, road maintenance, public works, and municipal planning and development. The projected cost savings resulting from the proposed tax structure and streamlined expenditures will contribute to debt reduction, and potentially enable the municipality to reduce tax rates or further improve municipal services in the future. It is the responsibility of a sitting council to make the final decision, but it is recommended that any implemented tax structure should not put undue financial burden on the average taxpayer.

### **D) Response to Tax Yields**

The proposed tax structure would be subject to change if the amalgamated governance structure proceeds with a greater focus on municipal and economic development in Ingornachoi Bay. An increase in economic activity would effectively increase the tax base for the area, which has the potential to result in lower overall taxes.

If, however, the amalgamated governance structure is unable to enhance the level of economic development in the area, it should be expected that the tax rates would increase in order to maintain the level of municipal services provided. Alternatively the level of services could decrease to a level at which tax rates could be maintained at current levels.

#### E) Equality

Equality is important when considering any type of amalgamation. This point is even more critical when considering the amalgamation of four different and distinct municipalities. Each taxpayer will demand that they receive the same level of municipal services regardless of where they are living within the boundaries of the amalgamated municipality. For example, the residents of the Town of Hawke's Bay will want to have their roads snow cleared as early as possible as will the residents of the Town of Port au Choix. It would not be appropriate to leave one community's snow clearing until last just because it is smaller than the others. Likewise, it would not be appropriate for an issue to go unnoticed in the Town of Port au Choix just because it is at the end of the peninsula, or because others think that they have it all already.

The Consultant Team heard these sentiments when the initial public consultations were conducted in the beginning of the feasibility study. Residents in each of the four municipalities involved in the proposed amalgamation felt that the issues in their communities deserved as much attention as any other community and that their issues and concerns should not be ignored because of size or perceived affluence. Concerns such as fire protection, municipal servicing, tax rates, debt levels, and access to the elected council were among the main concerns that were raised by both residents and councils. It will be extremely important for a new council elected to run the proposed amalgamated government in a way that both respects the individuality of each distinct community while

balancing the services that are offered to all residents. This council will also be required to balance municipal operations required to efficiently administer the amalgamated government's affairs.

Under a new amalgamated governance structure, all assets of the individual municipalities will be utilized to their fullest potential for the benefit of all residents. Similarly, duplicate or redundant assets should be assessed for replacement parts, re-purposing or disposal to minimize the cost of operating and maintaining unnecessary items. The full and efficient use of assets will also aid in the streamlining of municipal expenditures and also contribute to cost savings that can be achieved by the amalgamated governance structure. Also important in the full utilization of assets is the strategic location of these assets within the municipal boundaries of the amalgamated governance structure so that their full potential can be realized.

#### **F) Recommendations**

The following recommendations are being made with respect to the *Financial Implications and Analysis* component of the feasibility study, and are provided here as a summary of what has already been discussed throughout this section.

- It is recommended that efforts commence immediately to maximize cost efficiency in each of the municipal operations to help set the stage for future cost reduction initiatives that could be implemented by the proposed amalgamated governance structure.
- The tax structure for the proposed amalgamated governance structure should be fair and significant tax increases should be avoided if possible. The recommended tax structure is as follows:

Table 10 - Recommended Tax Structure

<b>Residential Property</b>	
Mil Rate Method	11.00
Min. Tax Method	350.00
<b>Commercial Property</b>	
Mil Rate Method	11.00
Min. Tax Method	350.00
<b>Residential Water &amp; Sewer</b>	
Water and Sewerage Tax	400.00
Water Tax Only	280.00
Sewer Tax Only	580.00
<b>Commercial Water &amp; Sewerage</b>	
Water & Sewerage Tax	425.00
Water Tax Only	300.00
Sewerage Tax Only	350.00
<b>Other Taxes</b>	
Poll Tax	300.00
Utility Tax	2.50%

- It is recommended that at this time the process of amalgamation commence without the inclusion of River of Ponds. The feasibility of the inclusion of River of Ponds in the new governance structure should be re-assessed at a later date when conditions may become more acceptable.

It is the opinion of the Consultant Team that River of Ponds remain outside the boundary of the amalgamated structure of Ingornachois Bay, at least for the time being. The rationale for excluding River of Ponds is because of:

- The impact that amalgamation would have on the tax rates of the town, and the potential financial hardship that this would cause.
  - The financial burden that potentially significant infrastructure replacement and improvement costs in this community would have on the newly amalgamated structure.
  - Overwhelming opposition to amalgamation from the general public.
- It is recommended that the Municipality secure a one-time grant from the provincial Department of Municipal Affairs that would be applied against the outstanding debt in an effort to bring their debt service ratio (DSR) below 30%. Based on preliminary calculations, it appears that the amount required to bring the debt service ratio the area to approximately 22.5% would be approximately \$980,000. A DSR of 22.5% will allow the Municipal Council of Ingornachois

Bay to borrow additional funds as needed to complete some of the capital projects as identified by the individual councils.

- It is further recommended that the newly formed municipality negotiate with the lending institutions to consolidate and refinance the outstanding debt to reduce the total annual payment and secure further savings. This debt restructuring has the potential to reduce the total annual payments by 25 – 30% thereby saving the amalgamated governance structure upwards of \$300,000 per year.



## 9) PUBLIC ACCEPTANCE

During two four-day visits to the Ingornachoix Bay region separate consultations were held with the municipal office staff, members of the town council and public at large in each of the four communities. In addition, the Consultant Team had the opportunity to speak to a number of individuals outside the more formal consultation sessions.

At each of the sessions during the first visit there was evidence of a lack of understanding of the purpose of the feasibility study and a lack of understanding of the concept of amalgamation. To ensure clarity regarding the issue all groups were informed that the Minister of Municipal Affairs had ordered a feasibility study to be prepared at the request of the Towns of Port Saunders, Port au Choix, Hawke's Bay and River of Ponds to:

- a) Explore the impact of amalgamating the four communities to form one local government structure, and
- b) To assess the advantages and/or disadvantages of delivering municipal services to the four communities through the formation of a single governance entity as compared to the four separate and distinct municipalities as they currently exist.

In each of the consultation sessions there appeared to be a clear understanding of the changing dynamics in each of their communities brought on by the declining birth rate, the departure of the youth in search of better opportunities, and the out-migration of families in search of employment.

In each of the communities there was evidence of a strong sense of community pride and identity. However, there was a clear appreciation for the difficulty of maintaining complete community independence while at the same time struggling to maintain and improve the level of municipal services to citizens. Many citizens expressed the view that given the current population and economic dynamics, new and creative ways would have to be found to improve efficiencies in municipal operations and the delivery of services.

Throughout the discussions with each of the groups there appeared to be a reasonably strong appetite for the regionalization of some municipal services; whereas, there was evidence of a much more apprehensive atmosphere with respect to the concept of the full amalgamation of the four communities into one municipal governance structure.

#### **A) Community Identity**

A feeling of community identity is of considerable importance to the citizens in each of the communities. The concept of amalgamation is considered as a threat to community identity and community culture. There was the fear that the community names would have to change if amalgamation were to occur. Those fears subsided somewhat when an understanding was reached that amalgamation would have an impact of combining the four governance structures into one governance unit only. This would have little or no impact on the community names or the community culture.

If amalgamation were to occur there was a general acceptance of a new name for the new municipal council. There was little or no objection to the naming of the new council as The Municipal Council of Ingornachoix Bay.

#### **B) Acceptability**

The citizens of the communities in the Ingornachoix Bay region are deeply concerned about the future survivability of their municipalities. It is generally felt that the inter-town rivalry is having a negative impact on potential development for the region. A respondent who submitted his views in writing best summarized the concerns. He stated that the time had come to stop having a town council in each community for the following reasons:

- i) The population of each town has decreased over the past few years due to out migration, low birth rate and lack of economic opportunity for employment.
- ii) The area will continue to decline in population but increase in the number of senior citizens, lowering the tax base further.
- iii) The area is losing its pool of young community leaders, making it difficult to attract enough people to maintain 24 councillors and 4 mayors.
- iv) Each council is struggling to maintain its tax base, thereby creating internal competition in the region in areas of economic development.
- v) The cost of maintaining four town offices, four senior staff positions, and extra support staff is too much for a population of 2200 people, with about 60% on fixed income.
- vi) The area in question needs a unified voice in dealing with government, and in promoting economic development.

In addition, it is argued by this citizen that:

- i) One governing body or town council, one town administration, one office, one town manager with support staff would be more cost effective.
- ii) It would be much easier to attract a lesser number of qualified community leaders.
- iii) Animosity or rivalry between towns would decrease, making the area more attractive for economic development and other services.
- iv) Government and other agencies would be dealing with one group of leaders making it easier to support regional services.
- v) People will begin to feel stewardship of natural resources in the area as well as the major attractions, regardless of location.
- vi) An equal tax base would be created making it fair to all residents.

This respondent further argued that:

"...The towns would not be losing their identity, but would be forging a new one. [They are] all inter-married, educated, play, and pray together. They share workplaces and recreational pursuits together". In his view the biggest obstacle to common governance is the misunderstanding and misinformation about communities within the area.

Please refer to Appendix "D", page 66, for copies of all submissions that were made to the Consultant Team during the first on-site visit. There weren't any public submissions following the second visit to the area.

Indeed, this is a positive view toward the issue on municipal amalgamation. Even though many share this view, there are others that are very skeptical concerning the issue of amalgamation. There are many

who stand solidly behind it, and there are others who have completely closed minds regarding the process. However, it is fair to state that the majority is not sure if they are for, or against it. At the first sessions, the citizens felt that they did not have sufficient information to make an informed decision as to whether amalgamation was an acceptable alternative. For many, more information, discussion and debate may be necessary.

The strongest objections to the process of amalgamation exist in River of Ponds. The Town Council and the citizens in River of Ponds generally feel that they have the least to gain from amalgamation and that the impact for them would be largely negative.

With respect to the Towns of Hawke's Bay, Port Saunders and Port au Choix there appears to be more common ground. Even though there is a wish to maintain independence, there is a deepened understanding of the need to restructure if future growth and improved strength as a community are the new reality. In addition, given the closer proximity of these communities to each other, existence of strong economic ties, and the sharing of employment opportunities in the fishery, fish processing, forestry, health care delivery and tourism, logically the creation of one strong voice will provide added benefit for the region.

Historically, each of the communities has focused inward with a strong spirit of competition. It is understood that this will not serve the area well as the communities move into the future. Given the reduced tax base that results from the declining population numbers quality service delivery is becoming more difficult.

To improve the level of acceptance, it is essential that the municipal leaders begin to focus on the issues that affect the region in a more

collective manner. This will help improve the level of trust and dispel the misconceptions respecting the inter-town rivalries.

Concerns over the perceived differing levels of debt and the potential impact of the total debt load on the new municipality are a strong focus in the minds of the citizens. Analysis of this issue has been provided in Section 8, page 41, of this report. This analysis should help dispel some of these concerns. However, there is a general expectation that some government support with respect to the debt load issue to help level the playing field would have a tremendous positive impact on the attitude toward amalgamation.

### **C) Conclusion**

In conclusion, it is the view of the Consultant Team that the opportunity exists for the amalgamation process to commence. Initially, it is suggested that the process commence with the inclusion of Hawke's Bay, Port Saunders and Port au Choix. These communities share many of the common concerns and deliver and share similar services. In addition, given the reasonable close proximity of these communities to each other and the existence of stronger economic ties among the three communities, success in the amalgamation process would appear to be quite possible.

The exclusion of River of Ponds at this stage would have no negative impact on the process, or in the future success of the new governance structure. River of Ponds is somewhat separated from the other three communities. In addition, from the information gathered by the Consultant Team, it is evident that the Town Council of River of Ponds and its citizens see no value in amalgamating and fail to see where amalgamation could benefit their communities. Given the scenario as was presented to the Consultant Team, it is advised that the process commence without the inclusion of River of Ponds at this time. The possible inclusion of River of

Ponds into the new municipality is best left for consideration at some future date.

If the process is to proceed to a successful completion, it is essential that the amalgamation process be accompanied by a clear and transparent implementation plan that engages the support and acceptance of the public.

## APPENDIX "A"

### DATA COLLECTION INSTRUMENTS:

INITIAL SURVEY – ADMINISTRATORS

INITIAL SURVEY – COUNCILLORS / ADMINISTRATORS

DETAILED ASSET SURVEY

Town: \_\_\_\_\_

1. FIRE PREVENTION & PROTECTION

a) Buildings

Number of Buildings \_\_\_\_\_

For each building, please insert the appropriate information as it is available:

Bldg#	Location	Condition	Size	Age	Usage(s)
1					
2					
3					
4					
5					
6					

b) Vehicles

Number of Vehicles \_\_\_\_\_

For each vehicle, please insert the appropriate information as it is available:

Model	Year	Condition	Equipment on vehicle (i.e. ladder, pumping system, other)

c) Fire Fighting/Prevention Equipment

Please insert the appropriate quantity of additional fire fighting and prevention equipment. Please list additional equipment as it is available.

Equipment	#
Pumps	
Generators	
Special Suits (Protective Clothing)	
Protective Head Gear	
Ladders	
Tools	
Other	

d) Personnel

Personnel Category	#	Special Skills/Training (i.e. first aid, specialized equipment, etc.)
Paid Full-Time		
Paid Part-Time		
Volunteer		
Contractual		

### h) Geographical Coverage

Please list any training programs that Fire Prevention staff participate in:

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100	101	102	103	104	105	106	107	108	109	110	111	112	113	114	115	116	117	118	119	120	121	122	123	124	125	126	127	128	129	130	131	132	133	134	135	136	137	138	139	140	141	142	143	144	145	146	147	148	149	150	151	152	153	154	155	156	157	158	159	160	161	162	163	164	165	166	167	168	169	170	171	172	173	174	175	176	177	178	179	180	181	182	183	184	185	186	187	188	189	190	191	192	193	194	195	196	197	198	199	200	201	202	203	204	205	206	207	208	209	210	211	212	213	214	215	216	217	218	219	220	221	222	223	224	225	226	227	228	229	230	231	232	233	234	235	236	237	238	239	240	241	242	243	244	245	246	247	248	249	250	251	252	253	254	255	256	257	258	259	260	261	262	263	264	265	266	267	268	269	270	271	272	273	274	275	276	277	278	279	280	281	282	283	284	285	286	287	288	289	290	291	292	293	294	295	296	297	298	299	300	301	302	303	304	305	306	307	308	309	310	311	312	313	314	315	316	317	318	319	320	321	322	323	324	325	326	327	328	329	330	331	332	333	334	335	336	337	338	339	340	341	342	343	344	345	346	347	348	349	350	351	352	353	354	355	356	357	358	359	360	361	362	363	364	365	366	367	368	369	370	371	372	373	374	375	376	377	378	379	380	381	382	383	384	385	386	387	388	389	390	391	392	393	394	395	396	397	398	399	400	401	402	403	404	405	406	407	408	409	410	411	412	413	414	415	416	417	418	419	420	421	422	423	424	425	426	427	428	429	430	431	432	433	434	435	436	437	438	439	440	441	442	443	444	445	446	447	448	449	450	451	452	453	454	455	456	457	458	459	460	461	462	463	464	465	466
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100

Extended Response Coverage: Please list each of the towns, communities, and/or local service districts that you provide with extended response coverage:

Does your Fire Prevention and Protection Unit operate under the jurisdiction of the Town? Yes ☐ No ☐

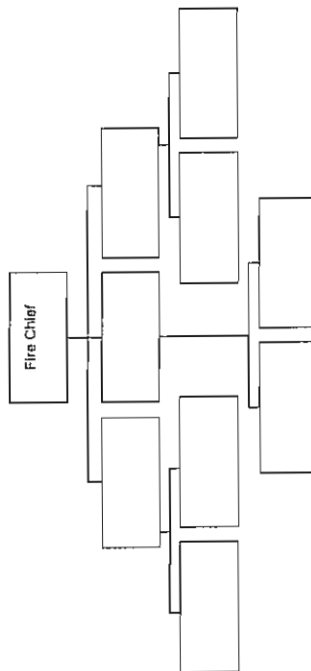
Does your Fire Prevention and Protection Unit operate independently? ☐ Yes ☐ No

## Who does your Fire Chief report to?

Employer (i.e. Town, Fire Unit): \_\_\_\_\_

i) Other Services Provided:

Please complete the following chart to reflect the operating structure of the Fire Prevention and Protection Unit in your town. Each block should identify the name and position of the individual who assumes this role. Please leave blocks empty, or extend the chart as required.



Please list any other services that your Fire Prevention and Protection Unit provides (i.e. animal control, ambulance and paramedic services, maintenance (flushing of water lines), etc.)

## j) Financial Information

### Sources of Funding

Operating Budget: \_\_\_\_\_

**Fundraising Activities:**

[illegible]

Other: \_\_\_\_\_

## Spending

Please provide the indicated financial information for the Fire Prevention and Protection Unit in the spaces provided:

	2005	2006
Wages/Salaries		
Assets, Equipment		
Other		
<b>Total</b>		

**b) Vehicles**

## Number of Vehicles \_\_\_\_\_

For each vehicle (i.e. Including ATV's, cars, trucks, buses, boats, etc), please insert the appropriate information as it is available:

[illegible]

Model	Year	Condition	Equipment on vehicle
-------	------	-----------	----------------------

[illegible][illegible]

d) Personnel

Please insert the appropriate quantity of recreational equipment. Please list additional equipment as it is available.

[illegible]

d) Personnel

Personnel Category	#	Special Skills/Training (i.e. first aid, coaching, instruction, etc.)
Paid Full-Time		
Paid Part-Time		
Volunteer		
Contractual		

**Training Programs**

Please list any training programs that Recreational Staff participate in:

**Internal:**

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**External:**

[illegible]

**Reporting Structure**

Do your Recreational Facilities operate under the Jurisdiction of the Town?      Yes ☐      No ☐

Do your Recreational Facilities operate under the Jurisdiction of the Town? ☐ Yes ☐ No

Do your Recreational Facilities operate independently? ☐ Yes ☐ No

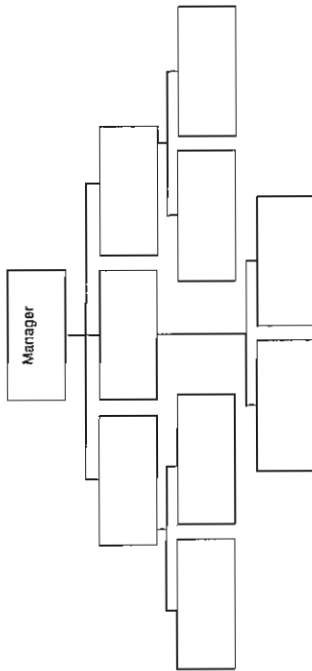
Yes ☐ No ☐

### Who does your Manager report to?

Name: \_\_\_\_\_  
Position: \_\_\_\_\_  
Employer (i.e. Town, Recreational Entity): \_\_\_\_\_

### g) Operating Structure

Please complete the following chart to reflect the operating structure of the Recreational Facilities and Operations in your town. Each block should identify the name and position of the individual who assumes this role. Please leave blocks empty, or extend the chart as required.



### h) Geographical Coverage

**Designated Coverage:** Please list each of the towns, communities and/or local service districts to which your Recreational Facilities are available:

**Extended Coverage:**

Please list each of the towns, communities, and/or local service districts to which your Recreational Facilities are available for special events/activities:

**i) Other Services Provided:**

Please list any other services that your Recreational Facilities provide (i.e. entertainment events, community service events, social events, sporting events such as tournaments, library, training & education, etc.)

## J) Participation Statistics (If available)

[illegible]

### k) Partnership Arrangements

Are there any agreements or arrangements between your Town's Recreational Facilities/Operations and other entities? Yes ☐ No ☐

If you answered "Yes" to the previous question, please identify and explain the nature and extent of these relationships:

[illegible]

**1) Financial Information (if available)**

Please provide the indicated financial information for the Fire Prevention and Protection Unit in the spaces provided:

	2005	2006
Wages/Salaries		
Assets, Equipment		
Supplies		
Miscellaneous		
Other		
<b>Total</b>		

### Sources of Funding

Operating Budget: \_\_\_\_\_

**Fundraising Activities:**

[illegible]

Other:

### External Monitoring & Testing:

Frequency  
(daily/weekly/monthly/quarterly/yearly)

---

---

☐ No

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- | Table | Please note that both order information |
|-------|-----------------------------------------|
|-------|-----------------------------------------|

(days/weeks/months)

[illegible]

100

### External Monitoring & Testing:

Frequency  
(daily/weekly/monthly/quarterly/yearly)

**Bail Orders:**

Please fill in the appropriate information as it is available. Please note that boil order information pertaining only to 2005 and 2006 is required.

[illegible][illegible]

**Personnel & Training:**

Personnel Category	#	Special Skills/Training (i.e. water testing, specialized equipment, etc.)
Paid Full-Time		
Paid Part-Time		
Volunteer		
Contractual		

Please list any training programs that Water System staff participate in:

Internal: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

External: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**Specialized Equipment:**

Please list any specialized equipment owned by the Town for use in activities associated with the Water System:

**b) Sewer System**

Please identify the type of treatment system that your Town uses:

Please identify the following information as it is available:

Outfalls	
# of Outfalls	
Lift Stations	
# of Lift Stations	
Equipment Type	Servicing Agent

**c) Financial Information**

Please provide the indicated financial information for the Water and Sewage Infrastructure in the spaces provided:

	2005	2006
Wages/Salaries		
Assets, Equipment		
Supplies		
Miscellaneous		
Other		
Total		

### b) Degree of Usage

Please specify the amount of time devoted to each public works service by either your Town

- Please specify the amount of time devoted to each public works service by either your Town and/or participation of Federal and Provincial government agencies. Please specify additional items:

[illegible]

## Personnel

Personnel Category	#	Special Skills/Training (i.e. equipment licences, materials handling, etc.)	operation, driving
Paid Full-Time			
Paid Part-Time			
Volunteer			
Contractual			

**d) Training Programs**

Please list any training programs that Recreational Staff participate in:

Internal: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

External: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**e) Buildings**

Blug#	Location	Condition	Size	Age	Usage(s)
1					
2					
3					
4					
5					
6					

**f) Financial Information**

Please provide the indicated financial information for the Public Works in the spaces provided:  
2005

Wages/Salaries	_____	_____
Assets, Equipment	_____	_____
Supplies	_____	_____
Miscellaneous	_____	_____
Other	_____	_____
_____	_____	_____
_____	_____	_____
<b>Total</b>	_____	_____

5. ANIMAL CONTROL

Town: \_\_\_\_\_

a) Animal Control Services

Is Animal Control an issue for your Town? Yes ☐ No ☐

If you answered "Yes," please explain why:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Does your Town currently have an Animal Control Officer? Yes ☐ No ☐

b) Personnel & Training:

Personnel Category	#	Special Skills/Training (i.e. capture techniques, animal behaviour, animal first aid, animal diseases, etc.)
Paid Full-Time		
Paid Part-Time		
Volunteer		
Contractual		

Please list any training programs that Animal Control staff participate in:

Internal: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

External: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

c) Animal Registry

Does your Town currently maintain a registry of pets? Yes ☐ No ☐

If you answered "Yes," please identify the following:

Animal	# of
Cats	
Dogs	
Other (please specify)	

d) Equipment

Please identify all equipment that the Town has for the purpose of Animal Control Activities:

Equipment	#

e) Shelters/Buildings

Bldg#	Location	Condition	Size	Age	Usage(s)
1					
2					
3					

Are there any other SPCA or external shelters in your area? Please list:

Does your Town have any arrangements and/or agreements with other animal shelters?  
Yes ☐ No ☐

If you answered "Yes" to the previous question, please identify the nature of any agreement and/or relationships.

f) Vehicles

Model	Year	Condition	Equipment on vehicle

g) Financial Information

Please provide the indicated financial information for the Animal Control in the spaces provided:

	2005	2006
Wages/Salaries		
Assets, Equipment		
Supplies		
Other		
Total		

## 6. ACCOUNTING & BILLING PROCESSES

**d) Existing Method/System**

**Please identify the method(s) and/or systems utilized for accounting and billing processes:**

Manual System



Computerized System



Condition of Computerized Equipment:

[illegible]

## b) Personnel

Personnel Category	#	Special Skills/training (i.e. accounting, computer skills, administration, etc.)
Paid Full-Time		
Paid Part-Time		
Contractual		

### c) Training Programs

Please list any training programs that Accounting & Billing Staff participate in:

**Internal:**

**External:**

If you answered "No" to the previous question, please explain why your Town does not employ

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**Recreation Personnel:**

Does your Town employ Recreation Personnel?      Yes      ☐      No      ☐

Personnel Category	#	Special Skills/Training (i.e. first aid, specialized equipment)

[illegible]

Paid Part-Time

I reserve the right to modify or discontinue this program at any time without notice.

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P.O. Box 241  
216 Airport Blvd  
Suite 203  
Gander | NL  
A1V 1W6

July 12, 2007

E: consulting@wheygroup.com  
T: 709.651.7733  
F: 709.651.3197

Dear Administrator:

In accordance with the requirements of a Feasibility Report that is currently being prepared concerning the matter of exploring the impact of amalgamating the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds, we ask that you compile the following information and forward it to us at the following address:

CENTRAL Consulting  
P. O. Box 241  
216 Airport Blvd., Suite 203  
Gander, NL A1V 1P1  
ATTENTION: Mr. George Whey

To assist in our preparations to analyze the feasibility of amalgamating the four aforementioned municipalities and conduct public consultations, we require the following materials at your earliest convenience:

1. Audited Financial Statements (For the year ending December 31, 2006)
2. Audited Financial Statements (For the year ending December 31, 2005)
3. Audited Financial Statements (For the year ending December 31, 2004)
4. List of Capital Assets + Current Value (Buildings, properties, equipment, vehicles, etc.)
5. Tax Rates: Property, Poll, Water, Sewer, etc.
6. Please complete the attached questionnaire regarding municipal services provided by your municipality and return to our office by fax (1.709.651.3197)

Please contact myself or Darren Simms by telephone at 1.709.651.7733 (Ext. 225) or by e-mail at [dsimms@wheygroup.com](mailto:dsimms@wheygroup.com) if you have any questions about the information we are seeking.

Yours sincerely,

George Whey, B.Comm., C.A.  
President & CEO

Please identify your Municipality: \_\_\_\_\_

Please complete each of the following questions. If you would like to provide an optional comment on any particular question, please do so in the space provided.

1. What municipal services do you currently provide (*Select all that apply*)?

- |                                                            |                                                        |
|------------------------------------------------------------|--------------------------------------------------------|
| <input type="checkbox"/> Animal Control                    | <input type="checkbox"/> Sewer / Wastewater Collection |
| <input type="checkbox"/> Animal Licensing                  | <input type="checkbox"/> Signs                         |
| <input type="checkbox"/> Environmental / Recycling Program | <input type="checkbox"/> Snow Clearing                 |
| <input type="checkbox"/> Fire Protection                   | <input type="checkbox"/> Water                         |
| <input type="checkbox"/> Garbage Collection                | <input type="checkbox"/> Other (Please specify _____)  |
| <input type="checkbox"/> Municipal Police / Enforcement    | <input type="checkbox"/> Other (Please specify _____)  |
| <input type="checkbox"/> Recreational Programs             | <input type="checkbox"/> Other (Please specify _____)  |
| <input type="checkbox"/> Road Maintenance                  | <input type="checkbox"/> Other (Please specify _____)  |

Comment: \_\_\_\_\_

2. What services, if any, are shared with neighbouring municipalities? Please select the service that is shared and identify the municipality/municipalities with whom it is shared, where *PC* = Port Au Choix; *PS* = Port Saunders; *HB* = Hawke's Bay; and *RP* = River of Ponds.

Service	Municipalities	Comments
<input type="checkbox"/> Animal Control	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Animal Licensing	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Environmental / Recycling Program	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Fire Protection	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Garbage Collection	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Municipal Police / Enforcement	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Recreational Programs	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Road Maintenance	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Sewer / Wastewater Collection	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Signs	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Snow Clearing	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Water	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Other (Please specify _____)	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Other (Please specify _____)	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Other (Please specify _____)	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____
<input type="checkbox"/> Other (Please specify _____)	<input type="checkbox"/> PC <input type="checkbox"/> PS <input type="checkbox"/> HB <input type="checkbox"/> RP	_____

3. What resources do you currently draw upon to manage your municipality and deliver municipal services (*Select all that apply*)?

- |                                                            |                                                                 |
|------------------------------------------------------------|-----------------------------------------------------------------|
| <input type="checkbox"/> Computerized Municipal Accounting | <input type="checkbox"/> Local Government Management Expertise  |
| <input type="checkbox"/> Water Infrastructure              | <input type="checkbox"/> Occupational Health & Safety           |
| <input type="checkbox"/> Sewer Infrastructure              | <input type="checkbox"/> Fleet Maintenance                      |
| <input type="checkbox"/> Public Works Fleet                | <input type="checkbox"/> Fleet Management & Coordination        |
| <input type="checkbox"/> Engineering Expertise             | <input type="checkbox"/> Fire Protection & Prevention Expertise |
| <input type="checkbox"/> Water Supply Management Expertise | <input type="checkbox"/> Other (Please specify _____)           |

Comment: \_\_\_\_\_

Thank you - Please fax completed questions to 709.651.3197

n Councillor

Municipality (Optional): \_\_\_\_\_

Please complete each of the following questions. If you would like to provide an optional comment on any particular question, please do so in the space provided.

1. Do you feel, as your municipality currently exists, that you are adequately equipped to deliver the services expected of a municipal council? ☐ Yes ☐ No

Comment: \_\_\_\_\_

2. Do you feel your municipality has the appropriate staff personnel to manage your municipality and deliver municipal services? ☐ Yes ☐ No

Comment: \_\_\_\_\_

3. Do you feel that an amalgamation will help improve the municipality's ability to invest in improvement of staff personnel expertise? ☐ Yes ☐ No

Comment:

4. Do you feel your municipality has the appropriate technology to manage your municipality and deliver municipal services? ☐ Yes ☐ No

Comment:

5. Do you feel that an amalgamation will help improve the municipality's ability to invest in improvement of technology? ☐ Yes ☐ No

Comment:

6. Do you feel your municipality has the appropriate infrastructure to manage your municipality and deliver municipal services? ☐ Yes ☐ No

Comment:

7. Do you feel that an amalgamation will help improve the municipality's ability to invest in improvement of infrastructure (i.e. Buildings, Water/Sewer, Equipment, Vehicles, etc.)? ☐ Yes ☐ No

Comment: \_\_\_\_\_

8. In your view, will an amalgamation of the four communities result in a higher quality of service delivery than is possible for each municipality alone? ☐ Yes ☐ No

Comment:

9. In your view, will an amalgamation result in (Please check ONE only):
- ☐ Increased savings due to economies of scale ☐ Increased Cost

Comment:

10. If communities were to amalgamate, what do you feel would be the impact on taxpayer accessibility?  
(Please use the following scale where 1 indicates the most negative impact and 5 indicates the most positive impact)

1	2	3	4	5	6
Negative Impact		Little to No Impact		Positive Impact	No Opinion

Comment: \_\_\_\_\_

11. Do you have any further comments? \_\_\_\_\_

**Thank You – Please Return in Attached Self Addressed, Stamped Envelope**

## APPENDIX "B"

### PUBLIC MEETING LOCATIONS, DATES & ATTENDANCE STATISTICS

Initial Public Meeting - August 2007

Ingornachoix Bay Amalgamation Feasibility Study Public Meeting Attendance Statistics			
	Total Population	Total Attendance	Approximate Representation
Port au Choix	893	30	3.4%
Port Saunders	747	100	13.4%
Hawke's Bay	391	28	7.2%
River of Ponds	251	38	15.1%
	2282	186	8.2%

2nd Public Meeting - November 2007

Ingornachoix Bay Amalgamation Feasibility Study Public Meeting Attendance Statistics			
	Total Population	Total Attendance	Approximate Representation
Port au Choix	893	13	1.5%
Port Saunders	747	27	3.6%
Hawke's Bay	391	20	5.1%
River of Ponds	251	13	5.2%
	2282	73	3.2%

# Onsite Municipal Consultations

RE: Exploration of Impact of Amalgamation on Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds

We would like to thank you for your participation in the ongoing feasibility study exploring the impact of amalgamating the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds.

It is important to note that it is never easy to accommodate meeting availability in larger groups. Every effort has been made to accommodate as many municipal officials as possible in this process. If an individual is unable to meet in the specified time, every effort will be made for that individual to consult with the consultant team.

CENTRAL Consulting will be conducting onsite consultations with both your municipal council and administration. These sessions are expected to take approximately **1.5 hours** of uninterrupted time and can be scheduled at any time during the following time slots:

Date: Monday, August 13, 2007

Municipality: Town of Port Saunders

9:00 AM – 2:00 PM Onsite meeting with Municipal Administration

2:00 PM – 7:45 PM Onsite meeting with Municipal Council

A public meeting will be held in your municipality on the same day, and will begin at 8:00 PM.

We request that you respond to us by e-mail, fax or by telephone to confirm who will participating in your Municipal Council session. It is important to confirm attendance as soon as possible to accommodate other important stakeholders meetings that are to be scheduled.

Please confirm attendance details by August 3, 2007

# **Notice of Public Meeting**

**Subject:** Exploring the Impact of  
Amalgamating Towns of  
Port au Choix, Port  
Saunders, Hawke's Bay and  
River of Ponds

**Where:** Port Saunders Recreation Centre  
Port Saunders

**When:** Monday, August 13, 2007  
8:00 PM

Please see reverse for important  
information about this meeting.

## Meeting Discussion Points

CENTRAL Consulting is currently undertaking a feasibility study exploring the impact of amalgamating governance structures of the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds. Your participation is important to the feasibility study process and to residents of municipalities involved, regarding the following discussion points:

- Thoughts on amalgamated governance structure for Ingornachoix Bay, Access, Representation, Simplicity)
- Ideas about how an amalgamated governance structure would work (Fire Protection & Other Municipal Services / Functions)
- Impact of amalgamation on delivery of municipal services (Suitability, Needs, Physical Constraints)
- Impact of amalgamated governance on the issue of community identity
- Financial implications of an amalgamated governance structure (Fairness, Equality, Efficiency)
- Role of the Provincial Government in an amalgamation process
- Overall level of readiness for amalgamated governance
- If Amalgamation were to occur, what are suggestions for naming amalgamated governance structure
- Other considerations, issues & concerns

## Meeting Process

### Written Presentations / Briefs

Written presentations / briefs will be accepted by CENTRAL Consulting at the public meeting. Written presentations / briefs will also be accepted up to and including September 10, 2007 by the following:

E-mail: [ingornachoixbay@whevgroup.com](mailto:ingornachoixbay@whevgroup.com) (MS Word, WordPerfect or PDF formats)

Fax: 709.651.3197

Mail: CENTRAL Consulting  
P. O. Box 241  
Gander, NL A1V 1W6

### Oral Presentations

Individuals or groups will be provided with an opportunity to address issues of concern during the public meeting.

All individuals / groups making oral presentations will be required to state their name and who they represent (if other than self representation).

All oral presentations / questions are to be kept to an approximate duration of up to 5 minutes.

### Other Considerations

An audio recording will be made of all public meeting proceedings in its entirety to ensure accuracy of records.

The moderator will conduct the meeting in accordance with the following principles:

- Respect one another's viewpoints and perspectives
- Keep an open mind and suspend judgement of others' ideas
- Seek first to understand and then be understood
- State your views clearly

# **Notice of Public Meeting**

**Subject:** Exploring the Impact of  
Amalgamating Towns of  
Port au Choix, Port  
Saunders, Hawke's Bay and  
River of Ponds

**Where:** United Towns Lion's Club  
Port Au Choix

**When:** Wednesday, August 15, 2007  
8:00 PM

Please see reverse for important  
information about this meeting.

# Onsite Municipal Consultations

RE: Exploration of Impact of Amalgamation on Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds

We would like to thank you for your participation in the ongoing feasibility study exploring the impact of amalgamating the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds.

It is important to note that it is never easy to accommodate meeting availability in larger groups. Every effort has been made to accommodate as many municipal officials as possible in this process. If an individual is unable to meet in the specified time, every effort will be made for that individual to consult with the consultant team.

CENTRAL Consulting will be conducting onsite consultations with both your municipal council and administration. These sessions are expected to take approximately 1.5 hours of uninterrupted time and can be scheduled at any time during the following time slots:

Date: Wednesday, August 15, 2007

Municipality: Town of Port Au Choix

9:00 AM – 2:00 PM Onsite meeting with Municipal Administration →

2:00 PM – 7:45 PM Onsite meeting with Municipal Council

A public meeting will be held in your municipality on the same day, and will begin at 8:00 PM.

We request that you respond to us by e-mail, fax or by telephone to confirm who will participating in your Municipal Council session. It is important to confirm attendance as soon as possible to accommodate other important stakeholders meetings that are to be scheduled.

Please confirm attendance details by August 3, 2007

# **Notice of Public Meeting**

**Subject:** Exploring the Impact of  
Amalgamating Towns of  
Port au Choix, Port  
Saunders, Hawke's Bay and  
River of Ponds

**Where:** Torrent River Inn  
Hawke's Bay

**When:** Tuesday, August 14, 2007  
8:00 PM

Please see reverse for important  
information about this meeting.

# Onsite Municipal Consultations

RE: Exploration of Impact of Amalgamation on Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds

We would like to thank you for your participation in the ongoing feasibility study exploring the impact of amalgamating the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds.

It is important to note that it is never easy to accommodate meeting availability in larger groups. Every effort has been made to accommodate as many municipal officials as possible in this process. If an individual is unable to meet in the specified time, every effort will be made for that individual to consult with the consultant team.

CENTRAL Consulting will be conducting onsite consultations with both your municipal council and administration. These sessions are expected to take approximately 1.5 hours of uninterrupted time and can be scheduled at any time during the following time slots:

Date:	Tuesday, August 14, 2007
Municipality:	Town of Hawke's Bay
9:00 AM – 2:00 PM	Onsite meeting with Municipal Administration
2:00 PM – 7:45 PM	Onsite meeting with Municipal Council

A public meeting will be held in your municipality on the same day, and will begin at 8:00 PM.

We request that you respond to us by e-mail, fax or by telephone to confirm who will participating in your Municipal Council session. It is important to confirm attendance as soon as possible to accommodate other important stakeholders meetings that are to be scheduled.

Please confirm attendance details by August 3, 2007

# **Notice of Public Meeting**

**Subject:** Exploring the Impact of  
Amalgamating Towns of  
Port au Choix, Port  
Saunders, Hawke's Bay and  
River of Ponds

**Where:** St. Peter's Anglican Church  
River of Ponds

**When:** Thursday, August 16, 2007  
8:00 PM

Please see reverse for important  
information about this meeting.

# Onsite Municipal Consultations

RE: Exploration of Impact of Amalgamation on Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds

We would like to thank you for your participation in the ongoing feasibility study exploring the impact of amalgamating the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds.

It is important to note that it is never easy to accommodate meeting availability in larger groups. Every effort has been made to accommodate as many municipal officials as possible in this process. If an individual is unable to meet in the specified time, every effort will be made for that individual to consult with the consultant team.

CENTRAL Consulting will be conducting onsite consultations with both your municipal council and administration. These sessions are expected to take approximately 1.5 hours of uninterrupted time and can be scheduled at any time during the following time slots:

Date:	Thursday, August 16, 2007
Municipality:	Town of River of Ponds
9:00 AM – 2:00 PM	Onsite meeting with Municipal Administration
2:00 PM – 7:45 PM	Onsite meeting with Municipal Council

A public meeting will be held in your municipality on the same day, and will begin at 8:00 PM.

We request that you respond to us by e-mail, fax or by telephone to confirm who will participating in your Municipal Council session. It is important to confirm attendance as soon as possible to accommodate other important stakeholders meetings that are to be scheduled.

Please confirm attendance details by August 3, 2007

## Meeting Discussion Points

CENTRAL Consulting has finalized the preliminary report for the feasibility study exploring the impact of amalgamating governance structures of the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds. Your participation is important to the feasibility study process. Please visit your local Town Office for a copy of the preliminary feasibility study report. This preliminary report addresses the following topics:

- Amalgamated governance structure for Ingornachoix Bay (Access, Representation, Simplicity)
- How an amalgamated governance structure would work (Fire Protection & Other Municipal Services / Functions)
- Impact of amalgamation on delivery of municipal services (Suitability, Needs, Physical Constraints)
- Impact of amalgamated governance on the issue of community identity
- Financial implications of an amalgamated governance structure (Fairness, Equality, Efficiency)
- Role of the Provincial Government in an amalgamation process
- Overall level of readiness for amalgamated governance
- Other considerations, issues, & concerns

## Meeting Process

The meeting process will follow in the same manner as the initial public consultations in August, and presentations can be made as follows:

### Written Presentations / Briefs

Written presentations / briefs will be accepted by CENTRAL Consulting at the public meeting. Written presentations / briefs will also be accepted up to and including December 7, 2007 by the following:

E-mail: [ingornachoixbay@wheygroup.com](mailto:ingornachoixbay@wheygroup.com) (MS Word, WordPerfect or PDF formats)

Fax: 709.651.3197

Mail: CENTRAL Consulting  
P. O. Box 241  
Gander, NL A1V 1W6

### Oral Presentations

Individuals or groups will be provided with an opportunity to address issues of concern during the public meeting.

All individuals / groups making oral presentations will be required to state their name and who they represent (if other than self representation).

All oral presentations / questions are to be kept to an approximate duration of up to 5 minutes.

### Other Considerations

An audio recording will be made of all public meeting proceedings in its entirety to ensure accuracy of records.

The moderator will conduct the meeting in accordance with the following principles:

- Respect one another's viewpoints and perspectives
- Keep an open mind and suspend judgement of others' ideas
- Seek first to understand and then be understood
- State your views clearly

# Notice of Public Meeting

- Subject:** Exploring the Impact of  
Amalgamating Towns of Port au  
Choix, Port Saunders, Hawke's  
Bay and River of Ponds
- Where:** Port Saunders Recreation Centre  
Port Saunders
- When:** Tuesday, November 20, 2007  
7:00 PM

Please see reverse for important  
information about this meeting.

## Meeting Discussion Points

CENTRAL Consulting has finalized the preliminary report for the feasibility study exploring the impact of amalgamating governance structures of the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds. Your participation is important to the feasibility study process. Please visit your local Town Office for a copy of the preliminary feasibility study report. This preliminary report addresses the following topics:

- Amalgamated governance structure for Ingornachoix Bay (Access, Representation, Simplicity)
- How an amalgamated governance structure would work (Fire Protection & Other Municipal Services / Functions)
- Impact of amalgamation on delivery of municipal services (Suitability, Needs, Physical Constraints)
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- Role of the Provincial Government in an amalgamation process
- Overall level of readiness for amalgamated governance
- Other considerations, issues, & concerns

## Meeting Process

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### Written Presentations / Briefs

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E-mail: [ingornachoixbay@whevqgroup.com](mailto:ingornachoixbay@whevqgroup.com) (MS Word, WordPerfect or PDF formats)

Fax: 709.651.3197

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- State your views clearly

# Notice of Public Meeting

**Subject:** Exploring the Impact of  
Amalgamating Towns of  
Port au Choix, Port  
Saunders, Hawke's Bay and  
River of Ponds

**Where:** Twin Towns Arena  
Port Au Choix

**When:** Monday, November 19, 2007  
7:00 PM

Please see reverse for important  
information about this meeting.

## Meeting Discussion Points

CENTRAL Consulting has finalized the preliminary report for the feasibility study exploring the impact of amalgamating governance structures of the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds. Your participation is important to the feasibility study process. Please visit your local Town Office for a copy of the preliminary feasibility study report. This preliminary report addresses the following topics:

- Amalgamated governance structure for Ingornachoix Bay (Access, Representation, Simplicity)
- How an amalgamated governance structure would work (Fire Protection & Other Municipal Services / Functions)
- Impact of amalgamation on delivery of municipal services (Suitability, Needs, Physical Constraints)
- Impact of amalgamated governance on the issue of community identity
- Financial implications of an amalgamated governance structure (Fairness, Equality, Efficiency)
- Role of the Provincial Government in an amalgamation process
- Overall level of readiness for amalgamated governance
- Other considerations, issues, & concerns

## Meeting Process

The meeting process will follow in the same manner as the initial public consultations in August, and presentations can be made as follows:

### Written Presentations / Briefs

Written presentations / briefs will be accepted by CENTRAL Consulting at the public meeting. Written presentations / briefs will also be accepted up to and including December 7, 2007 by the following:

E-mail: [ingornachoixbav@wheygroup.com](mailto:ingornachoixbav@wheygroup.com) (MS Word, WordPerfect or PDF formats)

Fax: 709.651.3197

Mail: CENTRAL Consulting  
P. O. Box 241  
Gander, NL A1V 1W6

### Oral Presentations

Individuals or groups will be provided with an opportunity to address issues of concern during the public meeting.

All individuals / groups making oral presentations will be required to state their name and who they represent (if other than self representation).

All oral presentations / questions are to be kept to an approximate duration of up to 5 minutes.

### Other Considerations

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- Seek first to understand and then be understood
- State your views clearly

# Notice of Public Meeting

**Subject:** Exploring the Impact of  
Amalgamating Towns of Port au  
Choix, Port Saunders, Hawke's  
Bay and River of Ponds

**Where:** Torrent River Inn  
Hawke's Bay

**When:** Wednesday, November 21, 2007  
7:00 PM

Please see reverse for important  
information about this meeting.

## Meeting Discussion Points

CENTRAL Consulting has finalized the preliminary report for the feasibility study exploring the impact of amalgamating governance structures of the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds. Your participation is important to the feasibility study process. Please visit your local Town Office for a copy of the preliminary feasibility study report. This preliminary report addresses the following topics:

- Amalgamated governance structure for Ingornachoix Bay (Access, Representation, Simplicity)
- How an amalgamated governance structure would work (Fire Protection & Other Municipal Services / Functions)
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- Role of the Provincial Government in an amalgamation process
- Overall level of readiness for amalgamated governance
- Other considerations, issues, & concerns

## Meeting Process

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E-mail: [ingornachoixbay@wheyqgroup.com](mailto:ingornachoixbay@wheyqgroup.com) (MS Word, WordPerfect or PDF formats)

Fax: 709.651.3197

Mail: CENTRAL Consulting  
P. O. Box 241  
Gander, NL A1V 1W6

### Oral Presentations

Individuals or groups will be provided with an opportunity to address issues of concern during the public meeting.

All individuals / groups making oral presentations will be required to state their name and who they represent (if other than self representation).

All oral presentations / questions are to be kept to an approximate duration of up to 5 minutes.

### Other Considerations

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- Seek first to understand and then be understood
- State your views clearly

# Notice of Public Meeting

**Subject:** Exploring the Impact of  
Amalgamating Towns of Port au  
Choix, Port Saunders, Hawke's  
Bay and River of Ponds

**Where:** St. Peter's Anglican Church  
River of Ponds

**When:** Thursday, November 22, 2007  
7:00 PM

Please see reverse for important  
information about this meeting.

## Meeting Discussion Points

CENTRAL Consulting has finalized the preliminary report for the feasibility study exploring the impact of amalgamating governance structures of the Towns of Port Au Choix, Port Saunders, Hawke's Bay and River of Ponds. Your participation is important to the feasibility study process. Please visit your local Town Office for a copy of the preliminary feasibility study report. This preliminary report addresses the following topics:

- Amalgamated governance structure for Ingornachoix Bay (Access, Representation, Simplicity)
- How an amalgamated governance structure would work (Fire Protection & Other Municipal Services / Functions)
- Impact of amalgamation on delivery of municipal services (Suitability, Needs, Physical Constraints)
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- Financial implications of an amalgamated governance structure (Fairness, Equality, Efficiency)
- Role of the Provincial Government in an amalgamation process
- Overall level of readiness for amalgamated governance
- Other considerations, issues, & concerns

## Meeting Process

The meeting process will follow in the same manner as the initial public consultations in August, and presentations can be made as follows:

### Written Presentations / Briefs

Written presentations / briefs will be accepted by CENTRAL Consulting at the public meeting. Written presentations / briefs will also be accepted up to and including December 7, 2007 by the following:

E-mail: [ingornachoixbay@whevgroup.com](mailto:ingornachoixbay@whevgroup.com) (MS Word, WordPerfect or PDF formats)

Fax: 709.651.3197

Mail: CENTRAL Consulting  
P. O. Box 241  
Gander, NL A1V 1W6

### Oral Presentations

Individuals or groups will be provided with an opportunity to address issues of concern during the public meeting.

All individuals / groups making oral presentations will be required to state their name and who they represent (if other than self representation).

All oral presentations / questions are to be kept to an approximate duration of up to 5 minutes.

### Other Considerations

An audio recording will be made of all public meeting proceedings in its entirety to ensure accuracy of records.

The moderator will conduct the meeting in accordance with the following principles:

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- State your views clearly

**APPENDIX "C"**  
**PUBLIC MEETING POWERPOINT PRESENTATION**

## Exploring the Impact of Amalgamation of Municipalities in Ingornachoix Bay

## Profile of Ingornachoix Bay

- What do Municipalities of Ingornachoix Bay have to offer?

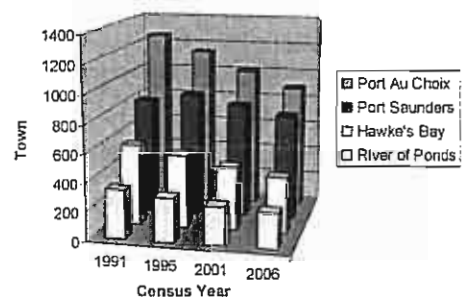


## Profile of Ingornachoix Bay

- Potential of Ingornachoix Bay Area
  - Tourism
  - Fishery
  - Logging
  - Other economic development opportunities?

## Profile of Ingornachoix Bay

Population - Ingornachoix Bay Municipalities



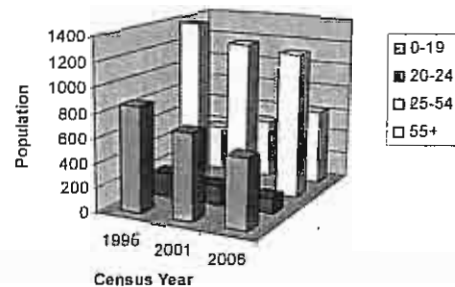
## Profile of Ingornachoix Bay

	2006		2001		1996		1991	
PaC	893	39%	1010	40%	1146	40%	1260	42%
PS	747	33%	812	32%	876	31%	822	26%
HB	391	17%	445	18%	514	18%	564	19%
ROP	251	11%	274	11%	308	11%	341	11%
Total	2282	100%	2541	100%	2844	100%	2987	100%

Decline of:            259            303            143

## Profile of Ingornachoix Bay

Ingornachoix Bay - Age Trends



## Amalgamation in Newfoundland & Labrador

- Amalgamation of Governance
  - Meanings
    - Amalgamation
      - ~ To combine together into a unified or integrated whole
    - Governance
      - A method or system of government or management

## Review of Process

- Written presentations and / or briefs will be accepted up and including September 10, 2007
- All those wishing to make oral presentations or pose questions must do so at the designated area
- All those making oral presentations will introduce themselves and who they represent (if other than self representation)
- All oral presentations / questions are to be kept to a approximate duration of up to 5 minutes
- An audio recording will be made of all public meeting proceedings in its entirety to ensure accuracy of records

## Review of Process

- Respect one another's viewpoints and perspectives
- Keep an open mind and suspend judgement of others' ideas
- Seek first to understand and then be understood
- State your views clearly



## Discussion Points

- Thoughts on amalgamated governance structure for Ingornachoix Bay (Access, Representation, Simplicity)



## Discussion Points

- Ideas about how an amalgamated governance structure would work (Fire Protection & Other Municipal Services / Functions)



## Discussion Points

- Impact of amalgamation on delivery of municipal services (Suitability, Needs, Physical Constraints)



## Discussion Points

- Impact of amalgamated governance on the issue of community identity



## Discussion Points

- Financial implications of an amalgamated governance structure (Fairness, Equality, Efficiency)



## Discussion Points

- Role of the Provincial Government in an amalgamation process



## Discussion Points

- Overall level of readiness for amalgamated governance



## Discussion Points

- If amalgamation were to occur, what are suggestions for naming amalgamated governance structure?



## Discussion Points

- Other considerations, issues & concerns



## Discussion Points

- Amalgamated Governance Structure & Operation
- Amalgamation & Service Delivery
- Amalgamation & Community Identity
- Amalgamation & Financial Impact
- Role of Government
- Readiness of the Community
- Naming Amalgamated Governance Structure
- Other



## Conclusion

- Thank you for your participation
- Reminder – Written presentations / briefs can be submitted up to and including September 10, 2007 by:

Email: [ingornachoixbay@wheygroup.com](mailto:ingornachoixbay@wheygroup.com)

Fax: 709.651.3197

Mail: CENTRAL Consulting  
P. O. Box 241  
Gander, NL A1V 1W6



## APPENDIX "D"

### WRITTEN SUBMISSIONS FROM THE PUBLIC

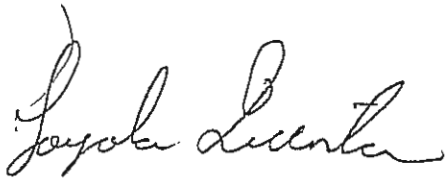
## AMALGAMATION ISSUES

1. New water/sewer service from Bud House's to Roland Patey's and across the road to Lyman House, etc. (Bayview Drive from Cindy Mouland's to Lydia Sheppard's and Ivy Patey's to Suzanne Perry House's)
2. Water/sewer service for the Industrial Area of town & fire hydrants
3. Sewer service for Valley Drive
4. Extend the road from Valley Drive to Valley Drive Extension and develop land for sale, with water and sewer and road completed.
5. Water/sewer service for Aurelle and Jamie
6. THM concerns, need water intake, pumphouse, organized to reduce these to the acceptable levels.
7. Town Roads, all upgraded/repared and paved
8. Firehall upgrades, fire department locations
9. Snow clearing issues
10. Ore Shed/Arena - taken down/or upgraded ?
11. Town beautification
12. Some type of wharf structure in the vicinity of the Industrial Area for economical development
13. Tax rates
14. Playground/ballfield upgrades
15. Tourist Information Centre upgrades
16. Nature Park upgrades
17. Take over all loans for the town
18. Economical development/Torrent River Hydro/Forestry/Tourism, etc.
19. Research other economic development ideas
20. Salaries comparable to provincial standards for employees
21. Need Town Manager or CEO, Town Clerk/payables Clerk, Accounts Receivable Clerk and Development Officer, Maintenance persons, water quality person
22. Where is the Office going to be located?
23. Job security
24. Beach Front Development
25. Street Lights?
26. Location for new school?
27. Extra fire hydrants throughout the town (4)
28. Other issues that come to mind

Aug. 13/07  
Port Saunders

- Will the cost of our house insurance increase if our Fire Department is moved outside of this town.
- Will there be an increase in taxes?
- Is this issue being brought to us now because it makes it easier on the people in St. John's?
- Because the newest Town Office and Fire Dept. Is in Port Au Choix, would all of our services be moved there?
- Will services decrease? Right now we have a good garbage collection good snow clearing service. How will this change? Will be have to wait for a plough to come from Port Au Choix or Hawkes Bay during stormy weather?
- With the history between Port Saunders and Port Au Choix, at this point, it would be hard to see them agreeing on anything.
- Are we only going to get promises from Government the same as other towns that have amalgamated (same as Nicholsville)?
- Do we have to assume all of the bills from Port Au Choix and Hawkes Bay or will it be written off?

- How will a new Council be formed? Will Port Au Choix get the most Councillors because they have the biggest town?
- How would amalgamation benefit us?
- Why was the issue of amalgamation brought forward, for this town anyway, because we are financially stable, unlike the surrounding towns?
- Will there be job loss?
- Will we have to go to Port Au Choix or Hawkes Bay to pay our Council bills?

  
Loyola Quintan

In response to your request for feedback from members of the public that attended one or another of your presentations regarding the reorganisation of the governing system in the four communities of River Of Ponds, Hawke's Bay, Port Saunders, and Port aux Choix. I strongly believe the time has come to stop the process of having a town council in each community for the following reasons:

1. The population of each town has decreased over the past few years due to outmigration, low birth rate and lack of economic opportunity for employment.
2. This will not improve in the future, therefore the area will continue to decline in population but increase in the number of senior citizens, lowering the tax base further.
3. The area is losing its pool of young community leaders, making it difficult to attract enough people to maintain 28 counsellors plus 4 mayors.
4. Each council is struggling to maintain its tax base, thereby creating internal competition in the region in areas of economic development.
5. The cost of maintaining four town offices, four senior staff positions, and extra support staff is too much for a population of 2200 people, with about 60% on a fixed income.
6. The Area in question needs a unified voice in dealing with government, and in promoting regional development;

Reorganization or amalgamation of the four town councils into one is desirable for the following reasons;

1. One governing body or town council with approximately 9 members would be more cost effective, ie one town administration, one office, one town manager, one or two part time office workers, and two or three support staff in garbage collection, maintenance, and other outside duties.
2. It would be much easier to attract 9 qualified community leaders than 28.
3. Animosity or rivalry between towns would decrease, making the area more attractive for economic development and other services.
4. Government and other agencies would be dealing with one group of leaders making it easier to support regional services.
5. People will begin to feel stewardship of natural resources in the area as well as the major attractions, regardless of location.
6. A equal tax base would be created making it fair to all residents.

If reorganization takes place there are some services that must be maintained in the four towns such as fire fighting. Services must be located in each town as is now, but improved so that instead of pagers having different frequencies all four fire stations would have the same pager frequency, and all stations would have training exercises together. Also, each town would maintain snow clearing capability, co-operating in sharing equipment where needed. The towns would not be losing their identity, but forging a new one. We are all inter-married, educated, play, and pray together. We share workplaces and recreational pursuits together. The biggest obstacle to common governance is the misunderstanding and misinformation about other towns within the area.

In conclusion, the make up of the new council should be one councillor elected by each town, four elected at large and the mayor elected at large. The town office should be located as close to the center of the area as possible, but not outside of a populated area.

William Morgan

# PROPOSED AMALGAMATED FIRE SERVICES

TOWNS OF  
PORT AU CHOIX  
PORT SAUNDERS  
HAWKES BAY  
RIVER OF PONDS

Written Brief Presented to  
Central Consulting  
August 15<sup>th</sup>, 2007

Presented By:  
James MacKinnon  
Fire Chief  
Town of Port au Choix



**PORT AU CHOIX VOLUNTEER FIRE DEPT.**

119 Fisher Street  
Port au Choix, NL  
A0K 4C0  
Phone: (709) 861-3409 Fax (709) 861-3061

August 12, 2007

Central Consulting  
P.O. Box 241  
Gander, NL  
A1V 1W6

Dear Central Consulting:

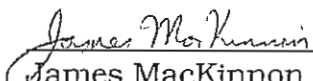
Attached I have compiled a written presentation on the proposed amalgamating governance structure of the Towns of Port au Choix, Port Saunders, Hawkes Bay and River of Ponds. This presentation only pertains to the Fire Protection capabilities of the area identified by the feasibility study.

I have been originally requested to compile a brief by our former Town Administrator Dan Noseworthy, and further encouraged to continue with it under the new Commission of Government appointed recently, chaired by Ms. Carolyn Lavers.

The information contained in this presentation should be considered that it represents my views from the position of Fire Chief for the Town of Port au Choix. It is a position that I have held from 1995 to present. Casual conversations with the other Fire Chiefs and firefighters from the area assisted me in coming up with the information and proposals contained herein. I am not representing the views of the other three fire departments or towns outside of the Town of Port au Choix.

Should you wish to contact me for clarification or questions, I can be reached at home at (709) 861-3648, work 861-3780, or cell 861-7911. My e-mail address is: [jmackinnon@nlh.nl.ca](mailto:jmackinnon@nlh.nl.ca).

Yours truly,

  
James MacKinnon  
Fire Chief  
/jpm

## TABLE OF CONTENTS

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## OVERVIEW OF EXISTING FIRE SERVICES

- Four firehalls, one in each community of Port au Choix (PAC), Port Saunders (PS), Hawkes Bay (HB) and River of Ponds (ROP).
- Each hall has its own Fire Truck(s), equipment, radio/paging system and Fire Chief and Firefighters, all independent of each other.
- Starting at ROP, the next firehall is HB – 19km or 15 minutes normal drive.  
HB to PS is 16.3km or 14 minutes normal drive.  
PS to PAC is 9.3 km or 10 minutes normal drive.  
Times vary against distance due to various speed zones on route. Wintertime conditions would increase travel times greatly.
- All members are volunteer, with no compensation for their time or expenses, with the exception of the Fire Chiefs in Port Saunders and Port au Choix who receive a small honorarium to offset some of their additional incurred expenses.
- Existing Mutual Aid Agreement in place between the Towns of PAC, PS, and HB. ROP did not have a fire department in place when the agreement was signed in 1996. See agreement in Appendix 'A'.
- Existing response times are excellent, normally between 5 and 8 minutes, due to the short travel distances between the volunteers homes and firehall, and emergency scene. All halls are normally un-manned and members are notified via pager. Industry response time standards can be seen in Appendix 'B'.
- Existing setup working well, at a minimal cost the towns, a small percentage of the Towns Budgets are for fire protection, in comparison to many other towns of similar size, and much less cost than the other services provided by the Towns (water/sewer/snowclearing/etc).

## EXISTING HALL SETUPS

### Port au Choix Firehall:

- Operates one 1999 - 840 gpm pumper, one 1999 Utility crewcab 4x4 pickup and one 1994 cube van rescue truck. Currently has 25 members.
- All equipment in relatively good shape, has been regularly updated to keep equipment current, through cost-sharing with the Town, Municipal Government and the Fire Department.
- Annual Budget \$10,500.00 of Town Council funds. Normally came in on budget or less.
- Firehall consists of large section of Town Council building, two large bays, large upstairs meeting/training room and offices.
- Fire Dept. provides rescue services to other Towns in surrounding areas in water rescue, auto-extrication, collapse, etc., and has the only truck/equipment to provide these types of responses in area.

### Port Saunders Firehall:

- Operates one 1991 - 625 gpm pumper, one 1988 (?) cube van for fire response with approx. 20 members.
- All equipment in relatively good shape, with regular upgrades and replacement of worn out equipment. Good relationship and funding from Town Council in addition to Fire Dept. fundraising.
- Firehall is stand alone building, good shape and size. Has the regional smokehouse, used by all four departments, located behind the firehall.

## EXISTING HALL SETUPS (con't)

### Hawkes Bay Firehall:

- Operates one 1989 – 625 gpm pumper with approx. 18 members.
- Most equipment in good shape, needs some equipment replaced or upgraded. Very limited funds from the Town to operate and upgrade sufficiently.
- Fire Hall structure in poor condition, needs to be replaced. Size not adequate for existing department.

### River of Ponds Firehall:

- Operates one 1978 – 625 gpm pumper with approx. 18 members.
- Most equipment new or in very good shape.
- Pumper truck is 29 years old and in need of replacement as its their only response vehicle.
- Firehall is in good shape, however, would need to be enlarged with one new bay to accommodate a modern pumper truck when the existing truck gets replaced.

## **POSSIBLE RE-ALIGNMENT OPTIONS:**

### **Proposal #1:**

River of Ponds and Hawkes Bay Firehalls to remain in their current locations.

Construct a new joint firehall midway between Port Saunders and Port au Choix.

A Regional Fire Chief would be appointed over the whole Department. The three halls would each have a District Fire Chief over each hall, reporting the Regional Fire Chief.

### **Advantages:**

- Combine equipment, including trucks under one roof in PS and PAC, as a Central Fire Hall. By combining two halls into one, would allow for the closing of two buildings and future savings of operating only one building and less duplication of equipment purchases or maintenance.
- Would allow for a larger group of firefighters to respond to either PS or PAC, or could send one of two pumper trucks to a call for assistance in HB or ROP and still have one truck back to cover PS or PAC in the event of a second emergency.

### **Disadvantages:**

- Response time would increase by approx. 10-12 minutes in clear weather conditions, hence total response time would increase to 15 to 20 minutes. This is due to the hall being un-manned and members having to drive out to the hall to retrieve the trucks and equipment and return to the town to the emergency.
- Capital costs of building a new hall versus using existing structures. As well, the location lacks water and sewer services.
- Lack of regular snowclearing of parking lot to access building, normally now when the roads are plowed, the lot is opened at the existing buildings. Snowclearing of the highway at the new proposed location is done by the Provincial Government. Neither Town has snowclearing done in this area.
- \*\*\*Main disadvantage making this proposal unacceptable is able to access the firehall in the winter season within a reasonable amount of time. The section of road between PS and PAC is arguably the worst section for weather on the Northern Peninsula, normally many nights in the winter the road is blocked or unsafe to be on due to poor visibility and snow drifting conditions. Since the hall is not accessible at all times, or response times greatly increased above the estimated 15 to 20 minutes at this site due to weather, then this should not be considered a viable option.

## Proposal #2

Port au Choix hall to be a fire response only, current or smaller hall required.

River of Ponds to remain as is, but relocate HB pumper to ROP hall.

New Central Fire Hall to be located at the intersection of Route 430 and Route 430-28, to combine the two Departments of Hawkes Bay and Port Saunders. Relocate ROP pumper and PAC Rescue truck to new central fire hall.

A Regional Fire Chief would be appointed over the whole Department. The three halls would each have a District Fire Chief over each hall, reporting the Regional Fire Chief.

### **Advantages:**

- Would eliminate capital costs of replacing HB hall and ROP truck.
- Can eliminate halls in PS and HB, hence operating one hall instead of two.
- More firefighters/equipment in central area and avoids upgrading HB equipment.
- Downsize from 4 halls to 3 to improve operating costs.
- Rescue truck and equipment in more central location to better service area and region.

### **Disadvantages:**

- Response time would increase greatly from new central firehall to 20 to 23 minutes, under clear weather conditions. Greater times during poor weather conditions.
- Capital costs of building new firehall, lack of water/sewer service in area. Lack of snowclearing of parking lot in area for winter access.
- PS Dept. has always made it clear that they do not want to provide rescue services (ie. water rescue, auto-extrication) and would not participate in training for such over the years. Since members are volunteer, this cannot be forced upon them without risking losing members. Second, this PAC rescue truck and equipment was paid for partly through the hard work of PAC firefighters/ firettes fundraising, hence, they would not want to give up their hard work.

### **Proposal #3**

Four halls to be maintained as is now, however, a Regional Fire Chief would be appointed over the whole Department. The four halls would each have a District Fire Chief over each hall, reporting the Regional Fire Chief.

Should the other tenants be removed from the Port au Choix Town Office, then a new, stand alone fire hall should be built to replace the existing hall of equivalent size (approx. 36,000 sq ft). The new hall should be relocated more central location in Town.

Port Saunders Hall to remain as is.

Hawkes Bay to have a new, slightly larger hall.

River of Ponds requires a new pumper/tanker truck. The tanker truck would be able to supplement the more remote areas of the new town that does not have hydrant access.

#### **Advantages:**

- Response times to calls would be maintained at 5 to 8 minutes on average.
- More sharing of equipment as one Dept. instead of seldom used tools all purchased for each hall. Avoids over-duplication which returns in purchasing savings and maintenance savings.
- Purchasing tools and equipment in bulk and standardizing same for common use among four halls. Allows for better budgeting and long term planning for tools and equipment purchases, or sharing of equipment where there may be surplus in a hall.
- More total number of firefighters available as halls are closer in proximity to the community itself.

#### **Disadvantages:**

- Some duplication is present and will continue in four halls.
- Capital funds in near future to replace Fire Truck in ROP and firehall in HB, along with some newer equipment in HB.

## CONCLUSIONS AND OBSERVATIONS

In reviewing of the three proposals above, option #3 is the most practical option for a new municipality. It will build on the very good service available in the region now and not degrade it through amalgamation. Currently, the four halls have a total volunteer force of approx. 80 firefighters to call upon in the event of an emergency, which is quite good or better for an area of the population that it protects and for a very low budget operation as well.

It must be considered that the biggest cost savings is the 80 members who do not get paid for their services, hence, relocation or closure of firehalls may cause problems in retaining members or some may just quit if not in agreement with downsizing. Relocating equipment from one hall to another may also cause problems as the members were the ones who fundraised to pay for the equipment in the first place. In other municipalities, closures and restructuring of the Fire Services may have been accepted easier as the membership was low anyways, or the members were called volunteers but are actually part time employees that are compensated for their time and do not fundraise for the purchase of equipment. Hence, in dealing with volunteers, this must be considered as new members are hard to come by.

Having the firehalls located close to the members homes improves response times, which is of the utmost importance. Some areas have one hall for many surrounding communities, however, the response time is so long that the role of the fire dept. is to protect the surrounding buildings and are not expected to save the one that has caught fire. Even with our quick response time, history has shown that if we were a minute or two later, the adjoining structures would have become involved as well. In the Town of Port aux Basque, the town has one fire dept., but has two fire halls located within the Town, only a mere 3km apart. The Town has recognized the importance of having its halls close to the volunteer staff to improve response times as the members located close to the firehall do not have as far to travel to respond.

The position of Regional Fire Chief should be a part-time position, ideally meshed with another part time position within the new Town (ie. Public Works Foreman, Economic Development) to keep the equipment in proper maintained condition, set up and provide training and other administrative functions that are ever increasing due to new laws and standards evolving in the Provincial Fire Service. With the new provincial training standards coming in, the part-time Regional Fire Chief would be able to dedicate more necessary time to training members to meet the standard. Lacking as well in the area is Fire Prevention and Fire Inspections as required under the Municipalities Act which could be done more by a part-time Chief. With a combined total of well over a million and a half dollars in equipment and trucks, maintenance levels should be increased to ensure the equipment works or gets prompt necessary repairs when needed by the Regional Fire Chief. If this meshed position does not come to fulfillment, then the Regional Fire Chief should be compensated well, along with the District Chiefs, to ensure more time is spent on organizing training, completing maintenance and conducting fire prevention inspections in the communities to improve the Fire Services.

## APPENDIX 'A'

### MUNICIPAL FIRE PROTECTION

#### MUTUAL AID AGREEMENT

This Mutual Aid Fire Protection Agreement entered into this 11<sup>th</sup> day of JANUARY 1996 between the Municipalities of Port au Choix, Port Saunders and Hawkes Bay is for the purpose of servicing, Fire Protection of Life and Property and in Firefighting, provided:

1. This Agreement shall remain in full force and effect until such time as it is revoked, in writing, by all parties or replaced by a new agreement.
2. All parties to this Agreement, shall, with three (3) months written notice from either party, meet and negotiate changes or amendments to the Agreement.
3. Failure to pay, where applicable, the agreed cost-sharing funding for services within three (3) months of the agreed date of payment in the Agreement shall render this Agreement null and void.

#### PART 1-AGREEMENT BETWEEN MUNICIPALITIES HAVING FIREFIGHTING EQUIPMENT AND ORGANIZED FIRE DEPARTMENTS.

##### IT IS AGREED THAT:

1. Upon request, THROUGH A PRE-DETERMINED FIRE ALARM SYSTEM, either party to this Agreement shall provide Mutual Aid assistance to the other party as deemed necessary by the Requesting Party.
2. All firefighting equipment and personnel shall be under the full control of the Officer-in-Charge of the jurisdiction to which the firefighting equipment and personnel is responding.
3. The Requesting Party shall release the Responding Party when their services are no longer required or when the Responding Party is needed within the area for which it normally provides fire protection.
4. Each Party waives all claims against the other Party for compensation for any loss, damage, personal injury, or death occurring as a consequence of the performance of this Agreement.
5. Each Party to this Agreement shall have the full protection of the applicable Sections of the Municipalities Act.

APPENDIX 'A' (con't)

6. Neither Party shall be reimbursed for any costs incurred pursuant to this Agreement.

Signed by the proper officers of the Parties in the presence of the witness hereto subscribing:

TOWN OF PORT AU CHOIX  
MUNICIPALITY

*[Signature]*  
MAYOR

*[Signature]*  
CLERK

*James MacKinnon*  
WITNESS/FIRE CHIEF

TOWN OF PORT SAUNDERS  
MUNICIPALITY

*Tommy Ryan*  
MAYOR

*Judy Dunsen*  
CLERK

*[Signature]*  
WITNESS/FIRE CHIEF

TOWN OF HAWKES BAY  
MUNICIPALITY

*Wanda Payne*  
MAYOR

*[Signature]*  
CLERK

*John H. Brown*  
WITNESS/FIRE CHIEF

## APPENDIX 'B'

### Why Response Time is Important

An early aggressive and offensive primary interior attack on a working fire, where feasible, is usually the most effective strategy to reduce loss of lives and property damage. In the figure below, the line represents a rate of fire propagation, which combines temperature rise and time. It roughly corresponds to the percentage of property destruction. Hence, response time is critical to be within accepted standards to prevent loss of life and property. It should be noted that data shows the loss of life statistics increases greatly once the fire has grown to beyond the room of origin.

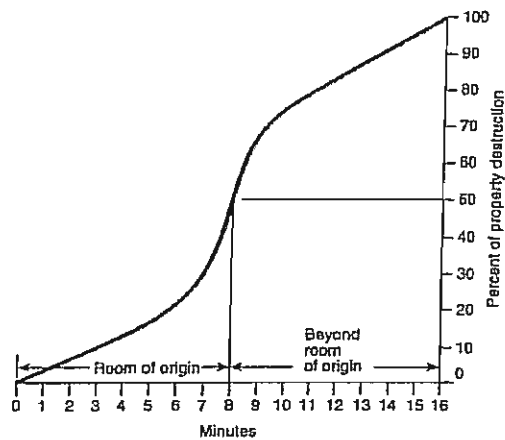


Figure 1  
Fire Propagation Curve

The two NFPA standards that apply to response time are quoted as follows:

1. National Fire Protection Agency Standard 1710( Standard for Organization and Deployment of Career Fire Departments) states:

- First four personnel required to be on scene in 6 minutes or less.
- Total of 15 personnel required to be on scene in 10 minutes or less.

2. National Fire Protection Agency Standard 1720 (Standard for Organization and Deployment of Volunteer Fire Departments) states:

- No minimum response time requirements
- Four members must be on scene before interior attack occurs.
- Must apply water to the fire within 2 minutes of arriving on scene.

Hence, the suggested standard for Volunteers does not provide any guideline on response times. It is left up to the municipalities to decide on the level of service. In the Province of Ontario, the Ontario Office of the Fire Marshall has provided a benchmark for all departments to strive to attain:

- Total of 10 personnel required to be on scene in 10 minutes or less.

This Ontario standard is a good guideline to follow to ensure a quality, reasonable, and economical standard can be obtained for its residential communities. Anything outside of that standard would result in major losses of property and lives.

River of Pond.  
Aug - 21<sup>st</sup> 1907.

Dear Sirs or Madam,

With reference to a meeting held in our community (River of Pond) concerning Amalgamation of Four Towns, Port au Choix, Port Saunders, Hawker Bay and River of Pond.

I am not in favour of this Amalgamation, the way I see it we have enough problems now, although that doesn't mean, in complaining, it simply means there are always things to get done, and room for improvement, I can see no way Towns with more problems than (we) our Town has, can see of any Benefit to us and anyone with any common sense must realize, who might benefit from this.

We have Water, Harbour, Street Lights, Fire Hall and the Lowest Water & Harbour rates of the Four Towns, we don't need it any higher (Cost). We also have a Town Clerk & a Wonderful crew of Firefighters. Who could ask for more? (Not a Raise in Taxes)

Sincerely  
Shirley Patey.

## APPENDIX "E"

### CURRENT TAX RATES

**TOWN OF PORT AU CHOIX  
2007 TAX RATES**

PROPERTY TAX	12 MILS
POLL TAX	\$300.00
WATER TAX RESIDENTIAL	\$260.00
WATER TAX COMMERCIAL	\$305.00
WATER TAX INDUSTRIAL	\$2.00/1000 GALLONS
WATER & SEWER TAX RESIDENTIAL	\$404.00
WATER & SEWER TAX COMMERCIAL	\$449.00
GARBAGE COLLECTION FEE	\$800.00

**BUSINESS TAX RATES:**

AMUSEMENT CENTER, SHIPYARDS, COTTAGES, HARDWARE STORES	14 MILS
BEAUTY SALONS, FUNERAL PARLORS, TAKEOUTS, LAUNDROMATS	24 MILS
CONVENIENCE STORES, BAKERIES, PHARMACIES	21 MILS
DISTRIBUTORS, GIFTS & CRAFTS, RECYCLING CENTERS	10 MILS
DRYGOOD STORES, FURNITURE STORES	22 MILS
ENGINE REPAIRS, WELDING SHOPS, PLUMBING/HEATING	16 MILS
ELECTRONIC REPAIRS, FISHING SUPPLIES, LAW FIRMS	29 MILS
FISH BUYERS	44 MILS
FISH HARVESTERS	16 MILS
LENDING COMPANIES	52 MILS
MOTELS & LOUNGES & B & B'S	8 MILS
MAIL ORDER COMPANIES, UTILITY CO. FISH BUYERS	54 MILS
OIL COMPANIES	30 MILS
SERVICE STATION, OFFICE SUPPLIES, GENERAL STORES	19 MILS
SUPERMARKETS, COMMUNICATIONS	19 MILS
TRUCKING COMPANIES	9 MILS
THEATERS	7 MILS
RESTAURANTS	12 MILS
SURVEY COMPANIES, INSURANCE COMPANIES	54 MILS
ELECTRONIC SALES	29 MILS
UTILITY TAX	2.5 MILS

**BUSINESS TAX RATE FOR THOSE WHO OPERATE FROM NO FIXED ADDRESS SHALL  
BE 1/4 OF 1% OF GROSS REVENUE.**

**A 20% DISCOUNT IS AVAILABLE TO SENIORS ON PROPERTY TAX.  
DUE DATE FOR 2007 TAXES  
BY JUNE 30, 2007**



# TOWN OF PORT SAUNDERS

P.O. Box 39 • Port Saunders • NL • A0K 4H0 • Phone: (709) 861-3105 • Fax: (709) 861-2137

July 18, 2007

Central Consulting  
P.O. Box 241  
216 Airport Blvd  
Gander, NL  
A1V 1W6

Attn: Mr. George Whey

Dear Mr. Whey:

The Tax Rate for the Town of Port Saunders is as follows.

<b>Property Tax</b>	10 mils
<b>Poll Tax</b>	\$280.00
<b>Water &amp; Sewer Tax</b>	\$400.00
<b>Water Tax</b>	\$280.00

Enclosed you will find a copy of our insurance policy outlining the list of capital assets of the Town of Port Saunders.

If you require additional information, please contact the Town Office at 861-3105.

Sincerely,

Helen Hamlyn  
Asst. Clerk



## Town Council of Hawke's Bay

---

P. O. Box 33  
22 Main Street  
Hawke's Bay, NL  
AOK 3B0

Phone: 709 248 5216  
Fax: 709 248 5201  
E-mail: [hbcouncil@nf.aibn.com](mailto:hbcouncil@nf.aibn.com)



Property Tax	10mils, minimum of \$350.00 (2006)
Water/Sewer	\$360.00
Water	\$280.00
Poll Tax	None since Jan. 2007

River of Ponds

Box 10

NL. AOK 4MO

Tax rates:

Water tax	_____	300.00 / house
Garbage tax		200.00 / house

## APPENDIX "F"

### FINANCIAL ANALYSIS:

MUNICIPAL AUDITED FINANCIAL STATEMENTS  
MUNICIPAL OPERATING GRANT ANALYSIS  
DEBT SERVICE RATIO ANALYSIS

Impact of Amalgamation in Ingornachoix Bay Debt Service Ratio Calculation				
	Port au Choix	Port Saunders	Hawke's Bay	River of Ponds
Total Revenue per '07 Budget	1,223,405	672,179	427,091	145,045
Less:				
Province portion of debt charges	(416,995)	(232,027)	(121,670)	(9,803)
Federal grants & subsidies	(35,915)	0	(47,527)	(13,685)
Surplus of prior year	0	0	0	(11,484)
Total Local Revenue	770,495	440,152	257,894	110,073
Total debt charges per Table 6 (Town portion)	412,054	79,717	60,182	24,226
Total Debt Service Ratio	53.48%	18.11%	23.34%	22.01%

**Municipal Operating Grant Calculation**

	River of Ponds	Port Saunders	Hawke's Bay	Port au Choix	Total
Equalization Component					
Property value per household	3,912	26,033	7,991	17,600	55,536
Households Component	8,160	24,820	13,940	34,000	80,920
Local Revenue Incentive Component (LRIC)	1,344	37,668	24,272	80,000	143,284
Roads Subsidy Component	1,300	4,600	2,800	8,050	16,750
	14,716	93,121	49,003	139,650	296,490
<b>LESS:</b>					
30.92% Grant Reduction	416	11,647	7,505	24,736	44,304
17.83% 1996/97 total of 34,100,000	14,300	81,474	41,498	114,914	252,186
6.60% to reduce 1996 total of 31,850,000	2,550	14,527	7,400	20,490	44,965
4.30% LRIC	11,750	66,947	34,098	94,424	207,221
30.00% to reduce 2004 total of 21,483,000	775	4,419	2,250	6,231	13,676
	10,975	62,528	31,848	88,193	193,545
	57	1,619	1,043	3,440	6,161
	10,918	60,909	30,805	84,753	187,384
	3,275	18,273	9,242	25,426	56,215
<b>Total MOG for Year</b>	<b>7,642</b>	<b>42,636</b>	<b>21,563</b>	<b>59,328</b>	<b>131,169</b>
Population	251	747	391	893	2,282
<b>MOG per Capita</b>	<b>\$ 30.45</b>	<b>\$ 57.08</b>	<b>\$ 55.15</b>	<b>\$ 66.44</b>	<b>\$ 57.48</b>

TOWN OF PORT AU CHOIX

FINANCIAL STATEMENTS

December 31, 2006

TOWN OF PORT AU CHOIX  
FINANCIAL STATEMENTS  
December 31, 2006  
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**KEITH A. PENNEY**  
CHARTERED ACCOUNTANT

TELEPHONE: (709) 634-2213  
FAX: (709) 634-2769

57 Humber Road  
P. O. Box 741  
Corner Brook  
Newfoundland  
A2H 6G7

AUDITOR'S REPORT

The Mayor and Councillors  
Town of Port au Choix  
Port au Choix, Newfoundland Labrador

I have audited the balance sheet of the Town of Port au Choix as at December 31, 2006, and the statement of deficit, revenue and expenditure, cash flow and investment in property and equipment for the year then ended. These financial statements are the responsibility of the Town. My responsibility is to express an opinion on these financial statements based on my audit.

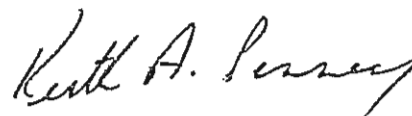
I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Town, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2006, and the results of its operations and cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

In compliance with the requirements of Section 91 of The Municipalities Act, 1999, my report on the statutory requirements is included herewith.

CORNER BROOK,  
NEWFOUNDLAND LABRADOR

7 February 2007



CHARTERED ACCOUNTANT

**KEITH A. PENNEY**  
CHARTERED ACCOUNTANT

TELEPHONE: (709) 634-2213  
FAX: (709) 634-2769

57 Humber Road  
P. O. Box 741  
Corner Brook  
Newfoundland  
A2H 6G7

AUDITOR'S REPORT

The Mayor and Councillors  
Town of Port au Choix  
Port au Choix, Newfoundland Labrador

In compliance with the requirements of Section 91 of The Municipalities Act, 1999, I report as follows on my examination of the Town of Port au Choix for the year ended December 31, 2006.

EXPENDITURE IN RELATION TO BUDGET

No budget was prepared for the Town of Port au Choix for the fiscal year 2006. As a result I am unable to report on expenditure in relation to budget.

ARREARS OF REVENUE

Taxes and rates receivable totalled \$94,961 at December 31, 2006. Of this amount \$46,941 has been outstanding for one year or longer. The allowance for doubtful accounts amounted to \$41,677 at December 31, 2006. In my opinion the allowance is adequate.

THE MANNER IN WHICH THE ACCOUNTS HAVE BEEN KEPT  
AND THE ADEQUACY OF SAFEGUARDS AGAINST FRAUD

The position in these respects is considered satisfactory.

SUFFICIENCY OF BONDS

Fidelity bond coverage of \$50,000 is carried on employees of the Town who are in a position of trust. In my opinion, the coverage provided is sufficient.

CORNER BROOK,  
NEWFOUNDLAND LABRADOR

7 February 2007

  
CHARTERED ACCOUNTANT

TOWN OF PORT AU CHOIX  
BALANCE SHEET  
December 31, 2006

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
<u>CURRENT</u>		
Cash	\$ --	22,503
Accounts receivable (Note 3)	57,527	59,802
Land for resale, at cost	<u>19,049</u>	<u>19,049</u>
	76,576	101,354
<u>PROPERTY AND EQUIPMENT</u> (Note 2 and 4)	15,506,391	15,495,113
<u>DEFERRED CHARGES</u> (Note 5)	<u>156,762</u>	<u>178,960</u>
	<u>\$15,739,729</u>	<u>15,775,427</u>
<u>LIABILITIES</u>		
<u>CURRENT</u>		
Due to bank - current account overdraft	\$ 24,559	--
Accounts payable	17,389	77,394
Accrued interest payable	4,767	7,613
Current portion of long-term debt	<u>570,323</u>	<u>736,843</u>
	617,038	821,850
<u>OTHER</u>		
Accrued severance pay payable	47,533	45,598
<u>LONG-TERM</u> (Note 6)	<u>3,940,871</u>	<u>4,588,714</u>
	<u>4,605,442</u>	<u>5,456,162</u>
<u>EQUITY</u>		
<u>INVESTMENT IN PROPERTY AND EQUIPMENT</u>	11,329,284	10,524,804
<u>DEFICIT</u>	<u>(194,997)</u>	<u>(205,539)</u>
	<u>11,134,287</u>	<u>10,319,265</u>
	<u>\$15,739,729</u>	<u>15,775,427</u>

ON BEHALF OF THE COUNCIL:

D. D. Senechal Mayor Administrator

\_\_\_\_\_  
Town Clerk

TOWN OF PORT AU CHOIX  
STATEMENT OF DEFICIT  
Year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
<u>SURPLUS (DEFICIT)</u> , beginning of year	\$ (205,539)	(145,850)
<u>SURPLUS (DEFICIT) FOR THE YEAR</u>	<u>10,542</u>	<u>(59,689)</u>
<u>DEFICIT</u> , end of the year	<u>\$ (194,997)</u>	<u>(205,539)</u>

TOWN OF PORT AU CHOIX  
STATEMENT OF REVENUE AND EXPENDITURE - REVENUE  
Year ended December 31, 2006

REVENUE

	<u>2006</u>	<u>2005</u>
<u>TAXATION</u>		
Property	\$ 246,544	251,301
Business	119,995	119,849
Poll	15,749	22,324
Water and sewer	191,082	187,639
Utility tax	48,589	48,092
Industrial water tax	<u>41,890</u>	<u>30,209</u>
	<u>663,849</u>	<u>659,414</u>
<u>GRANT IN LIEU OF TAXES</u>		
Grant in lieu of taxes	<u>9,475</u>	<u>8,894</u>
<u>SALE OF GOODS AND SERVICES</u>		
Other sales of goods and services	<u>11,109</u>	<u>56,561</u>
<u>GOVERNMENT TRANSFERS</u>		
Province of Newfoundland Labrador:		
Municipal operating grant	59,327	59,328
Special grant - debt charges	489,196	785,066
- operating grant	21,000	30,928
Other	<u>7,309</u>	<u>28,564</u>
	<u>576,832</u>	<u>903,886</u>
<u>OTHER</u>		
Contribution from capital fund	3,936	--
Licences and permits	350	600
Rentals	10,650	10,500
Other	<u>2,500</u>	<u>2,750</u>
	<u>17,430</u>	<u>13,850</u>
	1,278,701	1,642,605
<u>DEFICIT FOR THE YEAR</u>	<u>--</u>	<u>59,689</u>
	<u>\$1,278,701</u>	<u>1,702,294</u>

TOWN OF PORT AU CHOIX  
STATEMENT OF REVENUE AND EXPENDITURE - EXPENDITURE  
Year ended December 31, 2006

EXPENDITURE

	<u>2006</u>	<u>2005</u>
<u>GENERAL GOVERNMENT</u>		
Council	\$ 14,636	14,312
Government and administration	91,350	163,664
Property assessment services	10,920	15,935
Municipal elections	--	964
	<u>116,906</u>	<u>194,875</u>
<u>PROTECTIVE SERVICES</u>		
Fire protection	<u>7,329</u>	<u>8,388</u>
<u>TRANSPORTATION SERVICES</u>		
Equipment operating	16,601	10,806
Road services	14,368	29,278
Snow removal	37,060	37,433
Street lighting	<u>12,896</u>	<u>12,730</u>
	<u>80,925</u>	<u>90,247</u>
<u>ENVIRONMENTAL HEALTH</u>		
Water supply	77,645	80,946
Sewerage collection and disposal	28,529	14,771
Garbage and waste disposal	<u>24,140</u>	<u>25,104</u>
	<u>130,314</u>	<u>120,821</u>
<u>FISCAL SERVICES</u>		
Debt charges	905,965	1,259,435
Provision for uncollectibles	<u>5,720</u>	<u>4,363</u>
	<u>911,685</u>	<u>1,263,798</u>
<u>RECREATION AND CULTURAL SERVICES</u>	<u>--</u>	<u>3,281</u>
<u>OTHER</u>		
Costume project	--	1,557
Chaloupe project	--	11,605
Twin Towns Arena	21,000	--
Seal disaster	<u>--</u>	<u>7,722</u>
	<u>21,000</u>	<u>20,884</u>
	1,268,159	1,702,294
<u>SURPLUS FOR THE YEAR</u>	<u>10,542</u>	<u>--</u>
	<u>\$1,278,701</u>	<u>1,702,294</u>

TOWN OF PORT AU CHOIX  
STATEMENT OF INVESTMENT IN PROPERTY AND EQUIPMENT  
Year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
<u>BALANCE</u> , beginning of year	\$10,524,804	9,781,268
<u>ADD</u>		
Capital fund debt principal retired out of revenue	598,251	630,294
Contributions:		
Province of Newfoundland Labrador	232,363	--
Government of Canada	<u>--</u>	<u>134,047</u>
	<u>11,355,418</u>	<u>10,545,609</u>
<u>DEDUCT</u>		
Contribution to revenue fund	3,936	--
Amortization of deferred interest	<u>22,198</u>	<u>20,805</u>
	<u>26,134</u>	<u>20,805</u>
<u>BALANCE</u> , end of year	<u>\$11,329,284</u>	<u>10,524,804</u>

TOWN OF PORT AU CHOIX  
STATEMENT OF CASH FLOW  
Year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
<u>OPERATING ACTIVITIES:</u>		
Surplus (deficit) for the year	\$ 10,542	(59,689)
Debt charges - principal	<u>598,251</u>	<u>630,294</u>
	608,793	570,605
Net change in non-cash current assets and liabilities	<u>(60,576)</u>	<u>(58,994)</u>
	<u>548,217</u>	<u>511,611</u>
<u>INVESTING ACTIVITIES:</u>		
Purchase of property and equipment	<u>(11,278)</u>	<u>(121,629)</u>
<u>FINANCING ACTIVITIES:</u>		
Contribution to revenue fund	(3,936)	--
Repayment of long-term debt	(814,363)	(630,294)
Contributions:		
Province of Newfoundland Labrador	232,363	--
Government of Canada	--	134,047
Increase in accrued severance payable	<u>1,935</u>	<u>1,935</u>
	<u>(584,001)</u>	<u>(494,312)</u>
<u>DECREASE IN CASH</u>	<u>(47,062)</u>	<u>(104,330)</u>
<u>CASH</u> , beginning of year	<u>22,503</u>	<u>126,833</u>
<u>CASH (DEFICIENCY)</u> , end of year	<u>\$ (24,559)</u>	<u>22,503</u>
<u>CASH (DEFICIENCY)</u> consists of:		
Cash	\$ --	22,503
Current account overdraft	<u>(24,559)</u>	<u>--</u>
	<u>\$ (24,559)</u>	<u>22,503</u>

TOWN OF PORT AU CHOIX  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006

1. Nature of business:

The Town of Port au Choix is a municipality incorporated under The Municipalities Act. On April 1, 2006 the Minister of the Department of Municipal and Provincial Affairs dismissed the Town Council of Port au Choix and placed the Town under the control of his department. An administrator was appointed to handle the affairs of the Town until such time as the Minister deems to turn the municipality back to a Council representation of the residents of the Town of Port au Choix.

2. Accounting policies:

- (a) Revenue is recognized when billed.
- (b) No provision for amortization of property and equipment is recorded in the financial statements of the Town.
- (c) Property and equipment disposed of are deleted from the accounts at their original cost.
- (d) Property and equipment purchased out of general revenue are fully charged against revenue in the year of acquisition.
- (e) The annual installments of principal and interest on long-term borrowings, obtained to finance the purchase of property and equipment, is recorded in the statements as current expenditures.
- (f) The equity of the Town in the property and equipment is represented by a credit account "Investment in Property and Equipment".

3. Receivables consist of:

	<u>2006</u>	<u>2005</u>
(a) Taxes and rates	\$ 94,961	98,017
Less: Allowance for doubtful accounts	<u>(41,677)</u>	<u>(47,261)</u>
	53,284	50,756
(b) Other		
GST receivable	<u>4,243</u>	<u>9,046</u>
	<u>\$ 57,527</u>	<u>59,802</u>

4. Property and equipment consist of:

	<u>2006</u>	<u>2005</u>
Buildings	\$ 3,312,121	3,312,121
Equipment	764,064	764,064
Roads and improvements	2,579,962	2,579,962
Water and sewer utility	8,642,981	8,631,703
Waste disposal site	<u>207,263</u>	<u>207,263</u>
	<u>\$15,506,391</u>	<u>15,495,113</u>

TOWN OF PORT AU CHOIX  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006

5. Deferred charges:

During 1998 the Town refinanced its portion of the debentures to Newfoundland Municipal Financing Corporation and Canada Mortgage and Housing Corporation. The Town incurred penalties and paid accrued interest amounting to \$318,381. This amount has been deferred and will be written off to the investment in property and equipment account in the same proportion as the new loan is being repaid over the next fifteen years. An amount of \$22,198 was amortized in 2006 (2005 - \$20,805).

6. Long-term debt consists of:

	<u>Original Amount</u>	<u>2006</u>	<u>2005</u>
(a) Newfoundland Municipal Financing Corporation			
(i) 7.375% loan, due in blended semi-annual installments of \$6,961 to 2007	97,276	19,433	31,263
(ii) 11 1/2% loan, due in blended semi-annual installments of \$39,436 to 2010	557,662	22,375	63,541
(iii) 11 1/2% loan, due in blended semi-annual installments of \$6,037 to 2010	85,362	4,047	11,493
(iv) 11 1/2% loan, due in blended semi-annual installments of \$48,336 to 2010	683,518	32,407	92,030
(v) 10 1/4% loan, due in blended semi-annual installments of \$30,497 to 2010	462,208	58,745	93,291
(vi) 10 5/8% loan, due in blended semi-annual installments of \$6,551 to 2010	97,211	19,936	26,573
(vii) 10 5/8% loan, due in blended semi-annual installments of \$28,774 to 2010	427,003	<u>87,568</u>	<u>116,723</u>
		244,511	434,914

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TOWN OF PORT AU CHOIX  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006

## 6. Long-term debt (Cont'd):

	<u>Original Amount</u>	<u>2006</u>	<u>2005</u>
Brought forward		\$ 244,511	434,914
(viii) 9.75% loan, due in blended semi-annual installments of \$9,868, maturing in 2006	124,295	--	9,410
(ix) 9.75% loan, due in blended semi-annual installments of \$7,866, maturing in 2011	122,667	39,864	46,633
(x) 7.5% loan, due in semi- annual installments of \$2,298, maturing in 2009	40,971	26,002	28,506
(b) Bank of Montreal			
(i) 5.47% term loan, due in blended monthly install- ments of \$14,694, maturing in 2012	1,768,611	857,824	983,426
(ii) 7.36% term loan, repayable blended monthly install- ments of \$11,948, maturing in 2015	1,245,231	930,511	1,005,633
(iii) Temporary financing at prime plus 1%, to be refinanced by Newfoundland Municipal Financing Corporation		--	216,112
(iv) 7.36% term loan, repayable in blended semi-annual installments of \$72,286, maturing in 2016	1,245,231	899,137	965,380
(v) 6.18% term loan, due in blended monthly install- ments of \$837, maturing in 2009	80,000	15,184	23,993
(vi) 5.52% term loan, due in blended monthly install- ments of \$8,271, maturing in 2018	1,011,000	<u>736,802</u>	<u>794,621</u>
		3,749,835	4,508,628

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TOWN OF PORT AU CHOIX  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006

6. Long-term debt (Cont'd):

	<u>Original Amount</u>	<u>2006</u>	<u>2005</u>
Brought forward		\$3,749,835	4,508,628
(vii) 5.52% term loan, due in blended semi-annual installments of \$49,993, maturing in 2018	1,011,000	<u>761,359</u>	<u>816,929</u>
		4,511,194	5,325,557
Less: Current portion		<u>570,323</u>	<u>736,843</u>
		<u>\$3,940,871</u>	<u>4,588,714</u>

7. Financial instruments:

The Town's financial instruments consist of current account overdraft, accounts receivable, accounts payable and long-term debt. Unless otherwise noted, it is the Administrator's opinion that the Town is not exposed to significant interest, currency or credit risks from these financial instruments. The fair values of these financial instruments approximates their carrying values, unless otherwise noted.

TOWN OF PORT SAUNDERS

FINANCIAL STATEMENTS

December 31, 2006

TOWN OF PORT SAUNDERS  
FINANCIAL STATEMENTS  
December 31, 2006  
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**BRIAN N. HILLIER**  
CHARTERED ACCOUNTANT

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Newfoundland  
A2H 6G7

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AUDITOR'S REPORT

The Mayor and Councillors  
Town of Port Saunders  
Port Saunders, Newfoundland Labrador

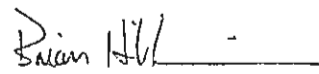
I have audited the balance sheet of the Town of Port Saunders as at December 31, 2006, and the statements of revenue, expenditure, deficit, cash flow and investment in property and equipment for the year then ended. These financial statements are the responsibility of the Town. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit also includes assessing the accounting principles used and significant estimates made by the Town, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2006, and the results of its operations and its cash flow for the year then ended in accordance with Canadian generally accepted accounting principles.

In compliance with the requirements of Section 91 of The Municipalities Act, 1999, my report on the statutory requirements is included herewith.

CORNER BROOK,  
NEWFOUNDLAND LABRADOR  
12 June 2007

  
CHARTERED ACCOUNTANT

TOWN OF PORT SAUNDERS  
BALANCE SHEET  
December 31, 2006

	<u>2006</u>	<u>2005</u>
<u>ASSETS</u>		
<u>CURRENT</u>		
Cash	\$ 66,266	27,712
Accounts receivable (Note 2)	<u>92,012</u>	<u>98,015</u>
	158,278	125,727
<u>SEVERANCE FUNDS</u> (Note 3)	2,800	10,037
<u>PROPERTY AND EQUIPMENT</u> (Note 4)	<u>7,766,784</u>	<u>7,741,144</u>
	<u>\$7,927,862</u>	<u>7,876,908</u>
<u>LIABILITIES</u>		
<u>CURRENT</u>		
Current account overdraft	\$ 8,804	--
Accounts payable and accrued liabilities	50,462	40,577
Current portion of long-term debt	<u>191,976</u>	<u>243,750</u>
	251,242	284,327
<u>LONG-TERM</u> (Note 5)	1,976,959	2,143,325
<u>SEVERANCE RESERVE</u> (Note 3)	<u>2,800</u>	<u>10,037</u>
	<u>2,231,001</u>	<u>2,437,689</u>
<u>EQUITY</u>		
<u>INVESTMENT IN PROPERTY AND EQUIPMENT</u>	5,697,573	5,453,792
<u>DEFICIT</u>	<u>(712)</u>	<u>(14,573)</u>
	<u>5,696,861</u>	<u>5,439,219</u>
	<u>\$7,927,862</u>	<u>7,876,908</u>

COMMITMENTS (Note 6)

ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

\_\_\_\_\_ Town Clerk

TOWN OF PORT SAUNDERS  
STATEMENT OF DEFICIT  
Year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
<u>DEFICIT</u> , beginning of year	\$ (14,573)	(23,683)
<u>SURPLUS FOR THE YEAR</u>	<u>13,861</u>	<u>9,110</u>
<u>DEFICIT</u> , end of year	<u>\$ (712)</u>	<u>(14,573)</u>

TOWN OF PORT SAUNDERS  
STATEMENT OF REVENUE AND EXPENDITURE - REVENUE  
Year ended December 31, 2006

REVENUE

	<u>Budget</u>	<u>2006</u>	<u>2005</u>
<u>TAXATION</u>			
Property tax	\$150,405	156,782	148,282
Business tax	84,338	78,450	78,258
Water rates	131,440	130,829	122,428
Service levy	16,800	20,525	24,169
Grants in lieu of taxes	<u>6,200</u>	<u>7,888</u>	<u>7,973</u>
	<u>389,183</u>	<u>394,474</u>	<u>381,110</u>
<u>OTHER</u>			
Investment interest	--	266	1,001
Rentals	4,800	5,119	7,548
Garbage fees	10,500	7,700	10,500
Property revenue	--	3,200	5,000
Miscellaneous	<u>7,575</u>	<u>1,906</u>	<u>7,259</u>
	<u>22,875</u>	<u>18,191</u>	<u>31,308</u>
<u>CONTRIBUTIONS</u>			
Province of Newfoundland Labrador:			
Debt charges grant	295,211	295,211	302,746
Municipal operating grant	39,491	42,635	46,237
Other	--	4,046	13,580
	<u>334,702</u>	<u>341,892</u>	<u>362,563</u>
	<u>\$746,760</u>	<u>754,557</u>	<u>774,981</u>

TOWN OF PORT SAUNDERS  
STATEMENT OF REVENUE AND EXPENDITURE - EXPENDITURE  
Year ended December 31, 2006

EXPENDITURE

	<u>Budget</u>	<u>2006</u>	<u>2005</u>
<u>GENERAL GOVERNMENT</u>			
Wages and benefits	\$ 44,249	47,912	41,692
Council	9,150	9,150	10,775
General administration	36,195	43,919	33,742
Property assessment services	12,506	12,600	12,341
Insurance	12,200	12,996	12,116
Other	4,110	5,776	4,739
	<u>118,410</u>	<u>132,353</u>	<u>115,405</u>
<u>PROTECTIVE SERVICES</u>			
Fire protection	13,700	12,333	7,296
Other	5,707	1,936	501
	<u>19,407</u>	<u>14,269</u>	<u>7,797</u>
<u>TRANSPORTATION SERVICES</u>			
Roads and other	13,647	27,733	32,406
Snow removal	74,010	66,394	68,725
Street lighting	15,800	15,653	15,132
	<u>103,457</u>	<u>109,780</u>	<u>116,263</u>
<u>ENVIRONMENTAL HEALTH</u>			
Water supply	62,182	56,383	48,069
Garbage and waste collection and disposal	28,618	27,640	30,218
	<u>90,800</u>	<u>84,023</u>	<u>78,287</u>
<u>FISCAL SERVICES</u>			
Principal	240,000	239,011	250,908
Interest	140,280	135,693	155,941
Interest and bank charges	2,000	1,655	984
Provision for doubtful accounts	5,000	10,000	6,000
Severance reserve	2,800	3,606	10,037
	<u>390,080</u>	<u>389,965</u>	<u>423,870</u>
<u>RECREATION AND COMMUNITY SERVICES</u>	<u>12,173</u>	<u>10,306</u>	<u>24,249</u>
	734,327	740,696	765,871
<u>SURPLUS FOR THE YEAR</u>	<u>12,433</u>	<u>13,861</u>	<u>9,110</u>
	<u>\$746,760</u>	<u>754,557</u>	<u>774,981</u>

TOWN OF PORT SAUNDERS  
STATEMENT OF INVESTMENT IN PROPERTY AND EQUIPMENT  
Year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
<u>BALANCE</u> , beginning of year	\$5,453,792	5,197,884
<u>ADD</u>		
Capital debt reduction	239,011	250,908
Capital debt reduction - Sports Complex	<u>4,770</u>	<u>5,000</u>
<u>BALANCE</u> , end of year	<u>\$5,697,573</u>	<u>5,453,792</u>

TOWN OF PORT SAUNDERS  
STATEMENT OF CASH FLOW  
Year ended December 31, 2006

	<u>2006</u>	<u>2005</u>
<u>OPERATING ACTIVITIES:</u>		
Surplus for the year	\$ 13,861	9,110
Adjustments for:		
Debt repayment	<u>239,011</u>	<u>250,908</u>
	252,872	260,018
Net changes in non-cash working capital	<u>15,889</u>	<u>3,691</u>
	<u>268,761</u>	<u>263,709</u>
<u>FINANCING ACTIVITIES:</u>		
Debt reduction - Twin Towns Sports Complex	4,770	5,000
Proceeds from long-term borrowings	25,640	58,815
Repayment of long-term debt	(243,781)	(255,908)
Net change in other accounts payable	<u>--</u>	<u>(55,682)</u>
	<u>(213,371)</u>	<u>(247,775)</u>
<u>INVESTING ACTIVITIES:</u>		
Net change in capital funds	--	59,094
Acquisition of property and equipment	<u>(25,640)</u>	<u>(30,948)</u>
	<u>(25,640)</u>	<u>28,146</u>
<u>INCREASE IN CASH</u>	29,750	44,080
<u>CASH (DEFICIENCY), beginning of year</u>	<u>27,712</u>	<u>(16,368)</u>
<u>CASH, end of year</u>	<u>\$ 57,462</u>	<u>27,712</u>
<u>CASH consists of:</u>		
Cash	\$ 66,266	27,712
Current account overdraft	<u>(8,804)</u>	<u>--</u>
	<u>\$ 57,462</u>	<u>27,712</u>

TOWN OF PORT SAUNDERS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006

1. Accounting policies:

- (a) No provision for amortization of property and equipment is recorded in the financial statements of the Town.
- (b) Property and equipment purchased out of general revenue are fully charged against revenue in the year of acquisition.
- (c) Property and equipment disposed of are deleted from the accounts at their original cost.
- (d) The annual installments of principal and interest on long-term borrowings, obtained to finance the purchase of property and equipment, is recorded in the statements as current expenditures.
- (e) The equity of the Town in the property and equipment is represented by a credit account "Investment in Property and Equipment".
- (f) The financial statements do not account for all programs and committees of the Town.
- (g) The comparative figures have been modified to conform to the current year presentation.

2. Accounts receivable consist of:

	<u>2006</u>	<u>2005</u>
Taxes and rates	\$ 178,608	187,397
HST refund	3,205	5,203
Other	<u>4,756</u>	<u>--</u>
	186,569	192,600
Less: Allowance for doubtful accounts	<u>94,557</u>	<u>94,585</u>
	<u>\$ 92,012</u>	<u>98,015</u>

3. The Town has adopted a severance pay policy which provides eligible terminated employees with ten or more years of continuous service with a one week's pay per year of service to a maximum of fifteen weeks. During 2005 the Town established a severance reserve account; amounts transferred to the account are charged to current operations and severance payments are charged to the reserve.

TOWN OF PORT SAUNDERS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006

4. Property and equipment consists of:

	<u>2006</u>	<u>2005</u>
Land	\$ 39,132	39,132
Buildings	269,971	269,971
Investment in Regional Recreation Complex	54,000	54,000
Cemetery	34,745	34,745
Subdivision	144,986	144,986
Equipment and vehicles	246,798	246,798
Roads and improvements	924,016	924,016
Water and sewerage utility	6,044,890	6,019,250
Other	<u>8,246</u>	<u>8,246</u>
	<u>\$7,766,784</u>	<u>7,741,144</u>

5. Long-term debt consists of:

	<u>2006</u>	<u>2005</u>
Newfoundland Municipal Financing Corporation:		
(i) Various loans bearing interest ranging from 6.375% to 12.75%, repayable in semi-annual installments totalling \$135,922, with maturity dates ranging from 2007 - 2020	\$1,315,134	1,519,035
Vehicle financing		
(ii) Non-interest bearing loan, repayable in monthly installments of \$553	12,155	18,785
Bank loans		
(iii) Temporary bank loans at prime, to be refinanced from proceeds of long-term borrowings	458,980	433,339
(iv) Bank loan at prime plus 1 1/2%, repayable by Twin Towns Sports Complex in monthly installments of \$417 plus interest	230	5,000
(v) 6.44% term loan, repayable in blended monthly installments of \$4,256	335,457	363,937
(vi) Other accounts payable	<u>46,979</u>	<u>46,979</u>
	2,168,935	2,387,075
Less: Current portion	<u>191,976</u>	<u>243,750</u>
	<u>\$1,976,959</u>	<u>2,143,325</u>

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TOWN OF PORT SAUNDERS  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2006

5. Long-term debt (Cont'd):

Principal repayments required over the next five years on long-term debt are as follows:

2007	\$191,976
2008	183,680
2009	175,403
2010	154,686
2011	162,420

The province provides contributions to pay required installments on NMFC financing.

6. Commitments

The Town has entered into various arrangements which require periodic payments for services rendered including:

- 1) Regional Waste Disposal
- 2) Incinerator Financing



64 MAIN STREET, CORNER BROOK,NL. A2H 1C6 (709) 639-7501 FAX 639-9220 EMAIL info@bcj.ca

## AUDITORS' REPORT

To the Mayor and Councillors of:  
The Town of Hawke's Bay,  
Newfoundland and Labrador

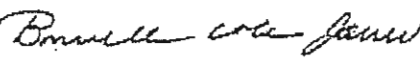
We have audited the balance sheet of The Town of Hawke's Bay as at December 31, 2006 and the statements of revenue, expenditure and surplus, investment in capital assets and cash flows for the year then ended. These financial statements are the responsibility of Council. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Council, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Town as at December 31, 2006 and the results of its operations and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

In compliance with the requirements of Section 91 of the Municipalities Act, 2000, our report on the statutory requirements is included herewith.

Corner Brook,  
Newfoundland and Labrador  
August 16, 2007

  
CHARTERED ACCOUNTANTS



64 MAIN STREET, CORNER BROOK, NL. A2H 1C6 (709) 639-7501 FAX 639-9220 EMAIL info@bcj.ca

The Mayor and Councillors,  
The Town of Hawke's Bay,  
Newfoundland and Labrador

In compliance with the requirements of Section 91 of the Municipalities Act, 2000, we report as follows on the audit of the accounts of The Town of Hawke's Bay for the year ended December 31, 2006:

#### 1. EXPENDITURE IN RELATION TO BUDGET

General section:

Expenditure at \$410,343 exceeded the limits of the adopted budget by \$ 28,665 accounted for as follows:

	<u>Actual</u>	<u>Budget</u>	<u>Over (Under)</u>
General government	\$ 89,993	\$ 89,855	\$ 138
Protective services	4,574	6,500	(1,926)
Transportation services	26,992	26,451	541
Environmental health	57,326	59,812	(2,486)
Planning and development		3,622	(3,622)
Fiscal services	231,078	195,438	35,640
Fishway Interpretation Centre	<u>380</u>	<u></u>	<u>380</u>
	<u>\$ 410,343</u>	<u>\$ 381,878</u>	<u>\$ 28,665</u>

Section 81 of the Act provides that except with the approval of the Minister, the Council's expenditure shall not exceed the estimated amount of expenditure set out in an approved budget.

## 2. ARREARS OF REVENUE

Taxes receivable totalled \$ 68,459 at December 31, 2006. Of this amount, \$29,020 has been outstanding for one year or longer, while the balance of \$39,439 represents arrears on account of taxes levied in 2006.

Sundry accounts receivable increased from \$ 6,787 at December 31, 2005 to \$18,135 at December 31, 2006.

The allowance for doubtful accounts amounted to \$32,544 at December 31, 2006. In our opinion the allowance is adequate.

## 3. THE MANNER IN WHICH THE ACCOUNTS HAVE BEEN KEPT AND THE ADEQUACY OF THE SAFEGUARDS AGAINST FRAUD.

The Town presently carries a fidelity bond on the office employees in the amount of \$10,000.

Corner Brook,  
Newfoundland and Labrador  
August 16, 2007

*Bonnell Cole Janes*  
CHARTERED ACCOUNTANTS

**THE TOWN OF HAWKE'S BAY**  
**BALANCE SHEET**  
**AS AT DECEMBER 31, 2006**

**ASSETS**

	<u>2006</u>	<u>2005</u>
<b>CURRENT</b>		
Cash	\$ 20,696	\$ 49,499
Cash - restricted use (Note: 2)	60,795	56,296
Accounts receivable (Note: 3)	54,050	36,245
Accounts receivable - restricted use (Note: 2)	<u>34,760</u>	<u>158,467</u>
	170,301	300,507
<b>CAPITAL ASSETS (Note: 4)</b>	<u>6,344,166</u>	<u>5,965,516</u>
	<u>\$ 6,514,467</u>	<u>\$ 6,266,023</u>

**LIABILITIES**

<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 9,171	\$ 15,643
Capital accounts payable	113,987	147,134
Loan payments due and unpaid	25,737	25,737
Current portion of long term debt	47,222	47,454
Current portion of capital leases	<u>1,901</u>	<u>1,686</u>
	197,998	237,654
<b>OBLIGATION UNDER CAPITAL LEASES (Note: 6)</b>	1,632	3,533
<b>LONG TERM DEBT (Note: 5)</b>	<u>194,256</u>	<u>263,079</u>
	<u>393,886</u>	<u>504,266</u>

**EQUITY**

<b>INVESTMENT IN CAPITAL ASSETS</b>	6,109,494	5,736,329
<b>SURPLUS</b>	<u>11,087</u>	<u>25,428</u>
	<u>6,120,581</u>	<u>5,761,757</u>
	<u>\$ 6,514,467</u>	<u>\$ 6,266,023</u>

**CONTINGENCIES (Note: 7)**

**ON BEHALF OF COUNCIL:**

\_\_\_\_\_ **MAYOR**

\_\_\_\_\_ **TOWN CLERK**

See accompanying notes to the financial statements

**THE TOWN OF HAWKE'S BAY**  
**STATEMENT OF REVENUE, EXPENDITURE AND SURPLUS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>BUDGET</u>	<u>2006</u>	<u>2005</u>
<b>REVENUE</b>			
Property tax	\$ 83,627	\$ 82,772	\$ 80,724
Water and sewer rates	74,344	71,557	70,883
Business tax	37,686	38,496	41,160
Poll tax	<u>14,250</u>	<u>13,828</u>	<u>13,620</u>
	<u>209,907</u>	<u>206,653</u>	<u>206,387</u>
<b>CONTRIBUTIONS</b>			
Province of Newfoundland and Labrador			
Municipal operating grant	21,563	21,563	21,563
Debt charges grant	122,828	122,828	141,811
Other grants	<u>          </u>	<u>9,860</u>	<u>          </u>
	<u>144,391</u>	<u>154,251</u>	<u>163,374</u>
<b>OTHER REVENUE</b>			
Miscellaneous	3,760	10,458	23,560
Project administration	<u>          </u>	<u>24,640</u>	<u>26,000</u>
	<u>3,760</u>	<u>35,098</u>	<u>49,560</u>
<b>OTHER TRANSFERS</b>	<u>23,620</u>	<u>          </u>	<u>          </u>
	<u>381,678</u>	<u>396,002</u>	<u>419,321</u>
<b>EXPENDITURE</b>			
General government (Schedule 1)	89,855	89,993	87,684
Protective services	6,500	4,574	5,611
Transportation services (Schedule 1)	26,451	26,992	23,519
Environmental health (Schedule 1)	59,812	57,326	56,510
Planning and development	3,622		
Recreation and cultural services			5,665
Fiscal services (Schedule 1)	195,438	231,078	227,691
Fishway Interpretation Centre (Note: 8)	<u>          </u>	<u>380</u>	<u>          </u>
	<u>381,678</u>	<u>410,343</u>	<u>406,680</u>
<b>(DEFICIT) SURPLUS FOR THE YEAR</b>	\$ <u>          </u>	(14,341)	12,641
<b>SURPLUS, beginning of the year</b>		<u>25,428</u>	<u>12,787</u>
<b>SURPLUS, end of the year</b>		\$ <u>11,087</u>	\$ <u>25,428</u>

See accompanying notes to the financial statements



**THE TOWN OF HAWKE'S BAY**  
**STATEMENT OF INVESTMENT IN CAPITAL ASSETS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>2006</u>	<u>2005</u>
BALANCE, beginning of the year	\$ 5,736,329	\$ 4,756,993
ADD: Capital expenditure out of revenue	1,323	5,856
Debt reduction	70,742	46,992
Contribution from Government of Canada	215,867	711,637
Contribution from Province of Newfoundland and Labrador	<u>85,233</u>	<u>214,651</u>
BALANCE, end of the year	<u>\$ 6,109,494</u>	<u>\$ 5,736,329</u>

See accompanying notes to the financial statements

**THE TOWN OF HAWKE'S BAY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>2006</u>	<u>2005</u>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
(Deficit) surplus for the year	\$ (14,341)	\$ 12,641
Adjustments for:		
Debt repayment	70,742	46,992
Capital expenditure out of revenue	<u>1,323</u>	<u>5,856</u>
	57,724	65,489
<b>CHANGE IN NON-CASH OPERATING WORKING CAPITAL:</b>		
(Increase) decrease in accounts receivable	(17,805)	4,261
Decrease (increase) in restricted use accounts receivable	123,707	(130,602)
Decrease in accounts payable and accrued liabilities	(6,472)	(2,726)
(Increase) decrease in restricted use cash	(4,499)	39,525
(Decrease) increase in current capital accounts payable	<u>(33,167)</u>	<u>147,134</u>
	<u>119,488</u>	<u>123,081</u>
<b>FINANCING ACTIVITIES</b>		
Capital lease		5,990
Reduction in capital lease	(1,686)	(771)
Contribution by Government of Canada	215,867	711,637
Contribution by Province of Newfoundland and Labrador	85,233	214,851
Long term borrowing		27,639
Reduction in long term debt	(69,055)	(46,654)
(Decrease) increase in long term capital accounts payable	<u>                    </u>	<u>(244,576)</u>
	<u>230,359</u>	<u>668,116</u>
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	<u>(378,650)</u>	<u>(782,694)</u>
<b>(DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(28,803)	8,503
<b>CASH AND CASH EQUIVALENTS, beginning of the year</b>	<u>49,499</u>	<u>40,996</u>
<b>CASH AND CASH EQUIVALENTS, end of the year</b>	\$ <u>20,696</u>	\$ <u>49,499</u>
<b>CASH AND CASH EQUIVALENTS CONSISTS OF:</b>		
Cash	\$ 147	\$ 120
Current account	538	49,379
Nesbitt Burns cash account	<u>20,011</u>	<u>                    </u>
	\$ <u>20,696</u>	\$ <u>49,499</u>

**SUPPLEMENTARY INFORMATION:**

During the year, the Town had cash flows arising from interest paid as follows:

Interest paid	\$ <u>17,345</u>	\$ <u>16,933</u>
---------------	------------------	------------------

See accompanying notes to the financial statements

**THE TOWN OF HAWKE'S BAY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**1. GENERAL**

The Town of Hawke's Bay provides municipal services to its residents, including water and sewer, sanitation, and street lighting.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. Outlined below are the significant policies followed.

**(a) Use of Estimates**

The preparation of the financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. By their nature, these estimates are subject to measurement uncertainty and the effect on the financial statements of changes in such estimates in future periods could be significant.

**(b) Financial Instruments**

Financial instruments of the Town consists mainly of cash, accounts receivable, accounts payable and accrued liabilities, capital accounts payable, long term debt and capital leases. The carrying values of these financial assets and financial liabilities approximate their fair value unless otherwise disclosed.

**(c) Revenue Recognition**

Revenue is recognized when services are provided to the taxpayers and ultimate collection is reasonably assured at the time of performance.

**(d) Capital Assets**

No provision for amortization of capital assets is recorded in the financial statements of the municipality. Capital assets purchased out of general revenue are fully charged against revenue in the year of acquisition. The annual installment of principal and interest on long-term borrowings, obtained to finance the purchase of capital assets, is recorded in the statements as current expenditure.

The equity of the municipality in the capital assets is represented by a credit account, "Investment in Capital Assets".

Capital assets disposed of are deleted from the accounts at their original cost.

**(e) Restricted assets**

Certain cash and accounts receivable are restricted in their use and are to be used for specific purposes only.

**THE TOWN OF HAWKE'S BAY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**3. ACCOUNTS RECEIVABLE**

	<u>2006</u>	<u>2005</u>
Taxes and rates	\$ 68,459	\$ 49,878
Other	<u>18,135</u>	<u>6,787</u>
	86,594	56,665
Less: Provision for uncollectible taxes	<u>32,544</u>	<u>20,420</u>
	<u>\$ 54,050</u>	<u>\$ 36,245</u>

**4. CAPITAL ASSETS**

	<u>2006</u>	<u>2005</u>
Community improvements	\$ 597,298	\$ 597,298
Recreation facilities	424,678	424,678
Equipment	201,679	201,679
Fishway Interpretation Centre	1,035,058	665,921
Sub-division	79,303	79,303
Roads and improvements	114,040	114,040
Buildings	100,610	100,610
Water and sewerage plant and equipment	<u>3,791,500</u>	<u>3,781,957</u>
	<u>\$ 6,344,166</u>	<u>\$ 5,965,516</u>

**5. LONG TERM DEBT**

	<u>2006</u>	<u>2005</u>
7.44% Government of Canada winter capital works loan	\$ 17,688	\$ 17,688
Bank loan at prime repayable in blended monthly installments of \$759 to 2015.	67,157	71,632
Bank loan at prime repayable in monthly installments of \$428 plus interest to 2015.	41,929	47,063
Bank loan at prime repayable in monthly installments of \$349 plus interest to 2015.	34,156	38,338
7.3% bank loan repayable in blended monthly installments of \$3,064 to 2009.	80,548	110,246
Bank loan at prime repayable in monthly installments of \$78 plus interest to 2015.		8,695
Bank loan at prime repayable in monthly installments of \$152 plus interest to 2015.		<u>16,871</u>
	241,478	310,533
Less: current portion	<u>47,222</u>	<u>47,454</u>
	<u>\$ 194,256</u>	<u>\$ 263,079</u>

(CONT'D)

**THE TOWN OF HAWKE'S BAY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**5. LONG TERM DEBT (CONT'D)**

The aggregate amount of payments required in each of the next five years to meet retirement provisions is as follows:

2007	\$ 47,222
2008	49,940
2009	30,155
2010	16,242
2011	16,596
Subsequent	<u>81,323</u>
	<u>\$241,478</u>

**6. OBLIGATION UNDER CAPITAL LEASES**

The company has entered into a lease agreement to acquire property, plant and equipment which has been financed by a long-term liability. The liability recorded under the capital lease represents the minimum lease payments payable net of imputed interest at a rate of 12% per annum.

The company's obligation under capital lease consists of:

	<u>2006</u>	<u>2005</u>
Minimum lease payments payable	\$ 3,933	\$ 6,156
Less: portion representing interest to be recorded over the remaining term of the lease	<u>400</u>	<u>937</u>
	3,533	5,219
Less: current portion	<u>1,901</u>	<u>1,686</u>
	<u>\$ 1,632</u>	<u>\$ 3,533</u>

Future minimum annual lease payments payable under the capital lease are as follows:

Year ending: 2007	\$ 2,223
2008	<u>1,710</u>
	<u>\$ 3,933</u>

**THE TOWN OF HAWKE'S BAY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2006**

**7. CONTINGENCIES**

The Town is contingently liable to the Newfoundland Municipal Finance Corporation for loans totalling \$748,637 as at December 31, 2006. The loans are in the name of the Town but the Province of Newfoundland and Labrador has undertaken the responsibility for the repayment of the loans. During 2006 the Province approved grants in the amount of \$122,828 to meet principal and interest charges on these loans. This amount has been recorded in the financial statements as a contribution from the Province, and the related debt charges as expenditure.

The Town is contingently liable to the Bank of Commerce for loans totalling \$104,513 at December 31, 2006. The loans are in the name of the Town but are to be refinanced by the Newfoundland Municipal Finance Corporation. The Province of Newfoundland and Labrador has undertaken to be responsible for the repayment of the loans.

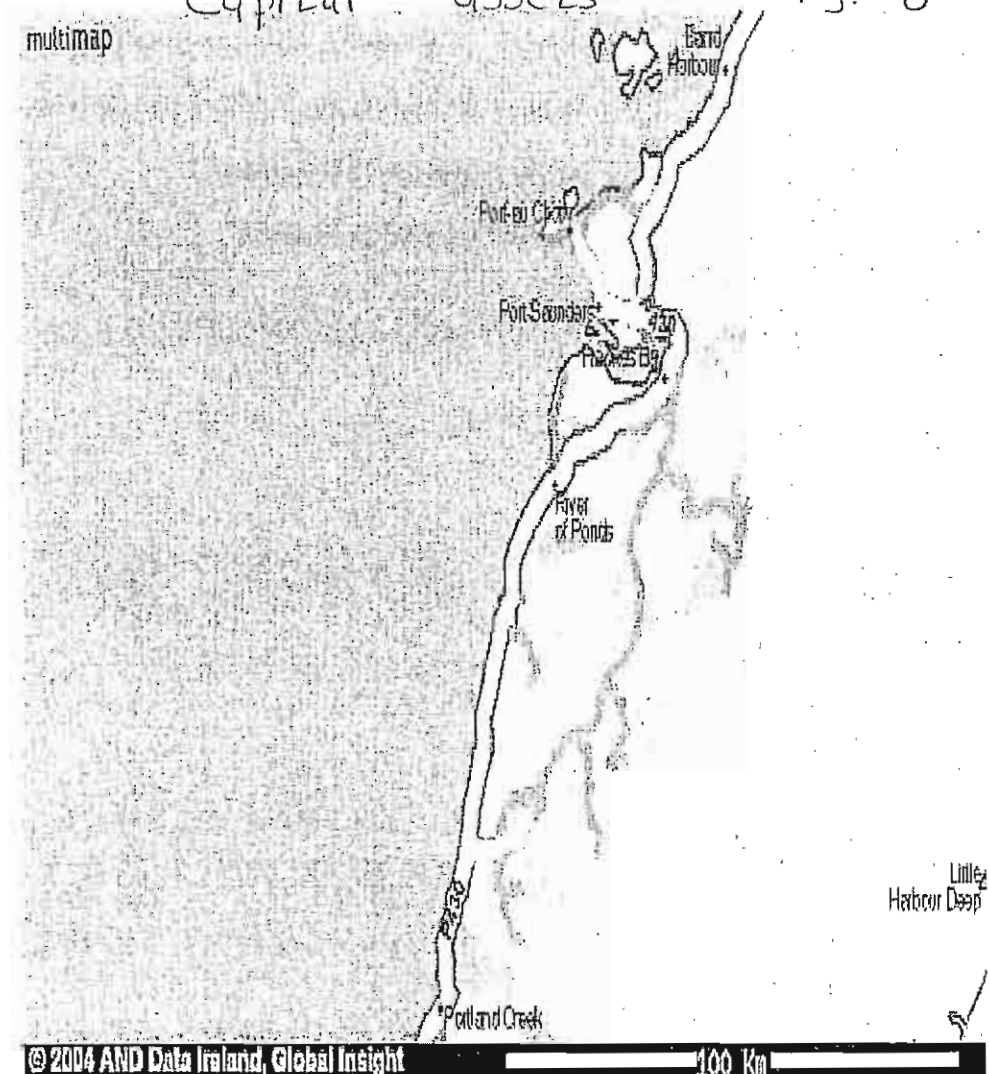
**8. FISHWAY INTERPRETATION CENTRE**

	<u>2006</u>	<u>2005</u>
<b>REVENUE</b>		
Government of Canada - Job Creation Partnership	\$ 29,639	\$
Admissions	<u>6,964</u>	<u>          </u>
	36,623	
<b>EXPENDITURE</b>	<u>37,003</u>	<u>          </u>
<b>EXCESS OF EXPENDITURE OVER REVENUE</b>	\$ <u>380</u>	\$ <u>          </u>

# Town of River of Ponds Financial Statements for the Year Ended December 31, 2006

Capital Assets

Pg. 8



THE TOWN OF RIVER OF PONDS

Financial Statements

December 31, 2006

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## AUDITOR'S REPORT - STATUTORY REQUIREMENTS

The Mayor and Councilors  
Town of River of Ponds  
River of Ponds, Newfoundland

In compliance with the requirements at Section 86 of The Municipalities Act, 1990, I report as follows on my examination of the Town of River of Ponds for the year ended December 31, 2006.

### ARREARS OF REVENUE

Accounts receivable totaled \$51,845 at December 31, 2006. The allowance for doubtful accounts amounted to \$38,150 at December 31, 2006. In my opinion, the allowance is adequate.

### THE MANNER IN WHICH THE ACCOUNTS HAVE BEEN KEPT AND THE ADEQUACY OF SAFEGUARDS AGAINST FRAUD

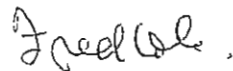
Except that the size of staff does not permit the adequate division of duties between the handling and recording of cash.

The position in these respects was considered satisfactory.

### SUFFICIENCY OF BONDS

Fidelity bond coverage of \$10,000 was carried on an employee of the Town who are in a position of trust. In my opinion, the coverage is sufficient.

PASADENA, NEWFOUNDLAND  
April 7, 2007



TOWN OF RIVER OF PONDS  
BALANCE SHEET  
December 31, 2006

	2006	2005
<b>ASSETS</b>		
CURRENT		
Cash and bank	\$ 55,213	\$ 43,863
Receivables (Note 2)	13,695	38,862
	<u>68,908</u>	<u>82,725</u>
CAPITAL ASSETS (Note 3)	768,379	768,379
	<u>\$ 837,287</u>	<u>\$ 851,104</u>
<b>LIABILITIES</b>		
CURRENT		
Payables	\$ 307	\$ 12,936
LONG TERM (Note 4)	150,732	163,648
	<u>151,039</u>	<u>176,584</u>
<b>EQUITY</b>		
INVESTMENT IN CAPITAL ASSETS	618,459	605,543
SURPLUS	67,789	68,977
	<u>686,248</u>	<u>674,520</u>
	<u>\$ 837,287</u>	<u>\$ 851,104</u>

ON BEHALF OF COUNCIL:

\_\_\_\_\_ Mayor

\_\_\_\_\_ Town Clerk

TOWN OF RIVER OF PONDS  
STATEMENT OF SURPLUS  
Year ended December 31, 2006

	2006	2005
SURPLUS, beginning of year	\$ 68,977	\$ 44,821
Surplus (deficit) for the year	<u>(1,188)</u>	<u>24,156</u>
SURPLUS, end of year	<u><u>\$ 67,789</u></u>	<u><u>\$ 68,977</u></u>

TOWN OF RIVER OF PONDS  
STATEMENT OF REVENUE AND EXPENDITURE - REVENUE  
Year ended December 31, 2006

	2006	2005
<b>TAXATION</b>		
Property	\$ 30,602	\$ 30,384
Water and sewer	23,652	20,440
Business	11,123	10,418
Poll	2,522	5,354
	<u>67,899</u>	<u>66,596</u>
<b>OTHER REVENUE FROM OWN SOURCES</b>		
Licenses and permits	<u>40</u>	<u>130</u>
<b>CONTRIBUTIONS</b>		
Province of Newfoundland and Labrador:		
Municipal Assistance Grants	7,980	5,458
Debt Grant	13,022	12,689
Other Grants	1,175	-
ACOA	-	31,604
	<u>22,177</u>	<u>49,751</u>
<b>OTHER</b>		
HST Rebate	1,739	21,266
Miscellaneous	614	355
	<u>2,353</u>	<u>21,621</u>
	<u>92,469</u>	<u>138,098</u>
<b>EXPENDITURES FOR THE YEAR</b>	<u>(93,657)</u>	<u>(113,942)</u>
<b>SURPLUS (DEFICIT) FOR THE YEAR</b>	<u>\$ (1,188)</u>	<u>\$ 24,156</u>

TOWN OF RIVER OF PONDS  
STATEMENT OF REVENUE AND EXPENDITURE - EXPENDITURE  
Year ended December 31, 2006

EXPENDITURE	2006	2005
GENERAL GOVERNMENT - Schedule I	\$ 28,991	\$ 31,019
TRANSPORTATION - Schedule I	21,732	21,148
ENVIRONMENTAL HEALTH - Schedule I	15,484	16,416
FISCAL - Schedule I	<u>27,450</u>	<u>45,359</u>
	<u>\$ 93,657</u>	<u>\$ 113,942</u>

TOWN OF RIVER OF PONDS  
STATEMENT OF INVESTMENT IN CAPITAL ASSETS  
Year ended December 31, 2006

	2006	2005
BALANCE, beginning of year	\$ 605,543	\$600,318
ADD:		
Capital expenditure out of revenue	-	19,806
Debt retirement	12,916	9,249
LESS:		
Net proceeds in long term debt	<u>-</u>	<u>(23,830)</u>
BALANCE, end of year	<u>\$ 618,459</u>	<u>\$605,543</u>

TOWN OF RIVER OF PONDS  
NOTES TO FINANCIAL STATEMENTS  
Year ended December 31, 2006

1. Accounting policies:

- (a) The Town follows the accrual basis of accounting.
- (b) No provision for amortization of capital assets is recorded in the financial statements of the Town. Capital assets purchased out of general revenue are fully charged against revenue in the year of acquisition. The annual installment of principal and interest on long-term borrowing, obtained to finance the purchase of capital assets, is recorded in the statements as current expenditures.
- (c) The equity of the Town in the capital assets is represented by a credit account entitled "Investment in capital assets."

2. Receivables consist of:	2006	2005
Taxes and rates receivable	\$ 51,845	\$ 63,758
Less: Allowance for doubtful accounts	(38,150)	(24,896)
	<u>\$ 13,695</u>	<u>\$ 38,862</u>

3. Capital assets consist of:

Land	\$ 28,373	\$ 28,373
Ballfield/Playground	28,334	28,334
Fishermen's Store	96,243	96,243
Spirity Cove	271,365	271,365
Equipment & vehicle	25,881	25,881
	<u>450,196</u>	<u>450,196</u>
 Water and sewer utility	 318,183	 318,183
	<u>\$ 768,379</u>	<u>\$ 768,379</u>

4. Long-term debt consists of:

General

Prime + 1.625% Bank of Montreal loan, repayable in blended monthly instalments of \$483.	\$ 13,509	\$ 18,073
------------------------------------------------------------------------------------------	-----------	-----------

Water and Sewerage Utility

Newfoundland Municipal Financing Corporation

\$10,072 loan at 10.875%, repayable in 30 blended semi-annual instalments of \$688, maturing in 2010	3,920	4,798
 \$157,427 loan at 6.75%, repayable blended semi-annual instalments of \$8,426.	 133,303	 140,777
	<u>\$ 150,732</u>	<u>\$ 163,648</u>

TOWN OF RIVER OF PONDS  
SCHEDULES OF EXPENDITURES  
Year ended December 31, 2006

	200 <del>6</del>	200 <del>5</del>
<b>I GENERAL GOVERNMENT</b>		
Wages	\$ 12,635	\$ 12,750
Office	7,911	6,501
Insurance	2,045	2,030
Property assessments	2,400	9,600
Other	4,000	138
	<u>\$ 28,991</u>	<u>\$ 31,019</u>
 <b>III TRANSPORTATION</b>		
Snow clearing	\$ 9,877	\$ 12,437
Road Maintenance	6,213	3,981
Street lighting	5,642	4,730
	<u>\$ 21,732</u>	<u>\$ 21,148</u>
 <b>IV ENVIRONMENTAL HEALTH</b>		
Water supply	\$ 4,957	\$ 4,325
Garbage and waste collection and disposal	10,527	12,091
	<u>\$ 15,484</u>	<u>\$ 16,416</u>
 <b>V FISCAL</b>		
Debt charges		
Principle	\$ 13,610	\$ 9,249
Interest	11,721	14,165
	<u>25,331</u>	<u>23,414</u>
 Capital expenditure out of revenue	-	19,806
Bank service charges	2,119	2,139
	<u>\$ 27,450</u>	<u>\$ 45,359</u>

TOWN OF RIVER OF PONDS  
STATEMENT OF BUDGET TO ACTUAL REVENUE AND EXPENDITURES  
Year ended December 31, 2006

	<u>Jan - Dec 06</u>	<u>Budget</u>	<u>\$ Over Budget</u>
<b>Income</b>			
1.1. · REVENUE FROM TAXATION	\$ 67,899	73,046	(5,147)
4.1. · OTHER REVENUE FROM OWN SOURCES	2,393	3,150	(757)
5.1. · PROVINCIAL GRANTS AND SUBSIDIES	22,177	19,667	2,510
<b>Total Income</b>	<u>92,469</u>	<u>95,863</u>	<u>(3,394)</u>
<b>Expense</b>			
1.2 · GENERAL ADMINISTRATION	26,591	19,866	6,725
1.4 · PROPERTY ASSESSMENT SERVICES	2,400	5,668	(3,268)
1.5 · COMMON SERVICES	-	1,675	(1,675)
2.1 · FIRE PROTECTION	-	1,000	(1,000)
3.2 · ROAD TRANSPORT	21,732	20,430	1,302
4.1 · WATER SUPPLY	4,957	6,130	(1,173)
4.3 · GARBAGE & WASTE COLLECTION	10,527	12,000	(1,473)
6.1 · RECREATION ADMINISTRATION	-	0	-
7.1 · DEBT CHARGES FROM ALL SOURCES	25,331	25,028	303
7.3 · OTHER FISCAL SERVICES	2,119	1,200	919
<b>Total Expense</b>	<u>93,657</u>	<u>92,997</u>	<u>660</u>
	<u>\$ (1,188)</u>		<u>(1,188)</u>