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**REPORT OF COMMISSIONERS**

**MADE PURSUANT TO THE**

**MUNICIPALITIES REPORTS REGULATIONS, 1980, AS AMENDED**

**IN RELATION TO THE PROPOSED AMALGAMATION OF THE**

**TOWN OF WHITEWAY AND THE LOCAL SERVICE DISTRICT OF CAVENDISH**

**Commissioners: Donald C. Peckham  
James Reid**



**Oct. 1990**

## SECTION 3

### 3.0 - Background

These communities are located on Highway 80 in Trinity South and are immediately adjacent to one another.

Note: All data and costing used are at the date of the study in 1990.

### 3.1 - Whiteway

Whiteway is incorporated as a community and has a population of 329 living in 81 residences and it does not have a town plan. It comprises of 5.2 kms of road and, in addition, other town assets include a ball field, a town hall/fire hall, a pick up, a pump and some hose.

The community is serviced 98% with water. The town charges a water and sewer rate of \$70.00 per year, a poll tax of \$40.00 per year and its annual revenue and expenditure is \$51,594.00.

### 3.2 - Cavendish

Cavendish is a Local Service District. It charges a fee of \$30.00 for garbage collection and \$5.00 for fire protection per year.

The population is 320 with 89 residences. Other town assets include a ball field, a fire pump and a town hall.

Both towns share a landfill site located in Cavendish.

## SECTION 4

### 4.0 - Public Hearings

A joint feasibility public hearing was held in the Town of Whiteway on April 4, 1990 and commenced at 7:00 p.m. with approximately 80 people present.

#### 4.1 - Written briefs were presented by:

1. A proposal for amalgamation by Mr. Ron Ozon, Senior Planner, Department of Municipal and Provincial Affairs.
2. Mayor Gordon Rowe, Whiteway.
3. Mr. Ken Jackson, Chairman, Local Service District of Cavendish.
4. Bruce Williams, Cavendish.

#### 4.2 - Oral Presentations were made by the following:

1. Walter Brown, Cavendish.

## SECTION 5

### 5.0 - Record of Briefs

5.1 (i) A brief was presented by Mayor Gordon Rowe, Community Council of Whiteway.

Mayor Rowe's written brief contained eight points which expressed the community's main concerns. Amongst those concerns were:

- would Government funding increase with the proportionate size of towns;
- would a total five year plan be submitted for a new town and would this mean that Whiteway would require a longer period of time to complete its requirements;
- would recreational funding for a Centre in Whiteway be turned down because Cavendish has a centre;
- would fire departments benefit if communities joined;
- what will happen to the landfill site;
- the majority of residents of Whiteway are in favour of amalgamating with Cavendish as long as they do not lose any progress because of amalgamation;
- council is afraid that amalgamation will not work unless at least 75% of Cavendish residents are also in favour;
- Whiteway Council wishes for Government to make it clear that residents of Whiteway did not initiate the feasibility study;
- it wished to clarify that the Municipality of Whiteway is not bankrupt as has been expressed by residents of Cavendish;
- Whiteway Council is concerned that Cavendish residents feel Whiteway has improperly taken control of the Long Pond Water Supply and wished to clarify that this use was done properly

in accordance with all Government regulations;

- Whiteway intends to improve its roads in the near future. These were not done in the past because of lack of funding within the town;

In conclusion, Whiteway Council feels that the pros and cons of the proposed amalgamation must be carefully considered before a decision is made, as the forcing of amalgamation where either party is opposed would only create a disastrous situation.

5.0 (ii) Mr. Ken Jackson, Chairman, Local Service District of Cavendish.

Mr. Jackson said that Cavendish called a public meeting on September 18th at which time there was a turnout of 60 residents. The meeting resulted in a motion being passed for the community not to participate in the amalgamation or even the feasibility study. He pointed out that this was relayed to Municipal Affairs, but in a response dated January 10th, they were notified that they have to participate in the public meeting on amalgamation. Mr. Jackson said that he received many questions from residents about amalgamation and he has answered as many as he could and he has listed the other ones. He indicated that the town circulated a petition and received over 180 names against amalgamation. With a voting total of 229, this represents over 80%.

Mr. Jackson pointed out that the Local Service District finds it difficult to take sides due to many differing opinions. The Local Service District has to keep an open mind on the process. Nevertheless, the majority of residents are opposed to amalgamation. Mr. Jackson said he didn't like the way amalgamation was being pushed on the people and preferred if the people could make the decision themselves.

Another concern of residents of Cavendish is that they have never had a council other than

a Local Service District where they pay only for services provided. The community is not ready to join a full council and have property tax, poll tax and be charged for permits etcetera.

He said that what residents of Cavendish need is more facts and figures of what a council and indeed amalgamation will mean to them and what it will cost them and what they will get for services. Some of the questions raised in the brief from the Local Service District of Cavendish are as follows:

- Will their petition have any bearing on the outcome of the decision of the commission;
- When the feasibility study is finished, will the residents of Cavendish be able to vote on the issue;
- When the amalgamation is to be decided, will it be done by the Lieutenant Governor;
- If they do have a choice as a community, how long will they have after the study to make that choice;
- If the communities are joined, will they be guaranteed water and sewer for the entire community or how long will they have to wait for this to be completed;
- How did Whiteway get the Long Pond declared as a Watershed Area without permission of residents of Cavendish;
- In the case of Whiteway, if there are any outstanding debts, how will this affect Cavendish;
- If Cavendish does not join Whiteway, how can they protect their boundaries from Towns in either side from moving in;
- Whiteway has no property tax at the present time. If amalgamated, will the new town be obligated to implement a property tax;
- How will the election process work and how will a mayor be chosen;
- Will Cavendish be brought up to the same standard as Whiteway with water and sewer servicing;
- Whiteway has a five or ten year plan, how will this effect Cavendish;
- How come other areas such as New Harbour, Dildo, South Dildo, Old Shop and Blaketown are

not being considered for amalgamation; and

- Did Municipal Affairs initiate the amalgamation or were they approached by Whiteway Council to include Cavendish in the process.

Mr. Jackson provided a copy of the petition, signed by residents of the Town which was referred to earlier in the brief.

5.0 (iii) Bruce Williams, Cavendish.

Mr. Williams' brief noted that the people of Cavendish, at a public meeting, rejected by vote any idea of amalgamation with Whiteway. He had heard that Whiteway has had continuing problems and discontent. The roads maintained by their Council are in ridiculous condition, street lighting was discontinued and only recently has a sewer system been started for the area.

It expressed a concern that annexation would not provide a better service unless Cavendish pays more and it would gain nothing. He indicated that identity is not a problem and also indicated that at present Cavendish has a good or better service than Whiteway. It also expressed a concern that Whiteway wished to charge a higher rate for water connection from its system to residents in Cavendish than Cavendish presently charges and feels that this indicates Whiteway would not be fair to the Cavendish area if they were amalgamated together. He feels that a larger population does not help anything as the major problems are related to financial resources. He indicated that the tax base in the area is only residential, as they have no industrial base from which to seek new revenue sources.

Mr. Williams said the communities could combine efforts to reduce waste in a number of areas such as fire protection. He feels that this can be done without community councils, except for

Government policy, which will not accept proposals from communities without councils.

In summary, Mr. Williams indicated that Cavendish provides a number of services to its residents and owns a number of community assets and that there would be no advantages to it of joining with Whiteway.



## SECTION 6

### 6.0 - Feasibility Evaluation

#### 6.0.1 - General

Commissioners examined the proponents brief presented on behalf of the Department of Municipal and Provincial Affairs and also reviewed the three written submissions presented at the hearing and also considered the oral statement made to the Commission. In addition, Commissioners reviewed financial data relating to the municipalities.

These two towns are located immediately adjacent to one another without any physical separation between the two. Except for road signage, it is difficult to determine when one leaves one municipality and enters the other.

There was an apparent concern expressed by residents of Cavendish that if amalgamated, they would not be well managed. There is no reason for a unified single town not to have good management as, if combined, they would have a larger population base from which to draw councillors and staff to administer the town. Management of any town will be only as good as the people elected and hired to carry out the functions of council.

Many of the concerns raised by the Community of Whiteway deal with procedure or raise questions to which they asked for answers. Commissioners will address the majority of these concerns as follows:

- **Will Government funding increase with the proportionate size of towns?**

Under the existing grant structures of Government, the combined area would be entitled to receive the general municipal assistance grants and, if they adopt a property tax, they will be entitled to receive the tax incentive grants. Capital Works are applied for by towns and this would not change if the towns were brought together, except that the new town would need to develop a financial plan and request capital works in accordance with the priority requirements of the entire area.

- **Would a total five year plan be submitted for a new town and would this mean that Whiteway would be required a longer period of time to complete its requirements?**

A total five year plan would have to be developed by the new town with the requirements of the entire area prioritized over the five year period. This would not necessarily mean that Whiteway would have to wait a longer period of time to complete its requirements. Government considers all capital works requests on a need basis and both areas of the town would continue to be considered in accordance with the priorities ranked against other communities as is presently the case.

- **Would recreational funding a for a centre in Whiteway be turned down because Cavendish has a centre?**

Consideration of recreation funding for either town would be done on a need basis whether the towns continue to maintain their separate identity or if brought together. The same criteria will be used to judge the need of an additional recreation complex for one portion of the new town. It is not felt that funding will be jeopardized if a centre is warranted for the area merely because the towns amalgamate.

- **Would fire departments benefit if communities joined?**

If the two municipalities amalgamate, it is suggested that they meet together with the Fire Commissioner to develop a firefighting plan and strategy that would meet the new municipalities' needs. There should only be one Department in a new town but it may be that there would be two separate stations depending on what the fire commissioner might recommend for the area.

- **What will happen to the landfill site?**

Commissioners understand that the landfill site in Cavendish is presently used by both towns. There would be no change in this status as long as the landfill site continues to be approved for operation by the Department of Environment and Lands. Should it be inadequate to take care of the needs, then the new town should work with the Department of Environment and Lands to develop alternate disposal facilities. This is no different than if the towns remain separate.

- **The majority of residents of Whiteway are in favour of amalgamating with Cavendish as long as they do not lose any progress because of amalgamation.**

Commissioners feel that there will be no loss of progress if these towns are amalgamated and in fact there will be a substantial benefit as the area can work together as one and would be in a better position to plan the entire area and demonstrate to Government the proper needs of the area and have these addressed as funding becomes available.

- **Council is afraid that amalgamation will not work unless at least 75% of Cavendish residents area also in favour.**

Commissioners believe that an amalgamated town will work if both communities are represented on the council to ensure that the special needs of each council are brought forward for consideration. Amalgamation has occurred in many other areas, such as Islington-Heart's Delight which has proven to be very workable.

- **Whiteway Council wishes for Government to make it clear that residents of Whiteway did not initiate the feasibility study.**

Commissioners can confirm that the feasibility study was initiated solely and entirely by the Department of Municipal and Provincial Affairs.

- **It wished to clarify that the municipality of Whiteway is not bankrupt as has been expressed by Cavendish.**

The revenue and expenditure statements for Whiteway indicate that the town operates with a balanced budget and commissioners have noted that there has been an improvement in municipal management in this area.

- **Whiteway Council is concerned that Cavendish residents feel Whiteway has improperly taken control of Long Pond Water Supply and wished to clarify that this use was done properly in accordance with all Government regulations.**

Commissioners can confirm that the use of water supplies for municipalities is regulated by Government and watersheds must be properly approved by the Department of Municipal and Provincial Affairs and the Department of Environment and Lands. Both Departments have approved of the use of the watershed area for the municipality of Whiteway. It should be noted that Watersheds

are not owned exclusively by any particular municipality and can be designated for use by one or more municipalities as the need arises at any time.

Commissioners also addressed the individual questions raised by the Local Service District of Cavendish and offer the following comments on these:

- **Will their (Cavendish) petition have any bearing on the outcome of the decision of the Commission?**

The Commissioners certainly considered the petition which was presented to them expressing the views of the residents. However, a petition is not one of the criteria prescribed in accordance with the Municipalities Act for conducting a feasibility study. The commissioners have noted that petitions generally have a weakness in that the person signing a petition are responding only to the questions asked on the petition and generally, they do not have adequate information on which to assess the entire situation. In addition, there is no indication of the age of the persons signing the petition or whether every individual signed the petitions themselves. Commissioners must, in addition to considering the petition, consider all fourteen other items outlined under the Feasibility Studies Regulations in making their assessment.

- **When the feasibility study is finished, will the residents of Cavendish be able to vote on the issue?**

There is no provision for residents in municipalities to vote on recommendations of feasibility study commission reports. These reports are made pursuant to public hearings and after receiving all of the input possible through this process, the commissioners' recommendations are made, pursuant to the Municipalities Act, to the Minister of Municipal and Provincial Affairs. It is then up to the

Minister how he uses the report and recommendations submitted to him.

- **When the amalgamation is to be decided, will it be done by the Lieutenant Governor?**

As noted above, the recommendations of the Commission are made to the Minister of Municipal and Provincial Affairs. The Minister is required, by the Municipalities Act, to submit recommendations to the Lieutenant Governor in Council for consideration and approval.

- **If the community does have a choice, how long after the study will they have to make a choice?**

As noted above, the timing of any decision making opportunity available to the community will depend solely on time that the Minister is able to allocate for this process. The community will be notified of this directly by the Minister at an appropriate time.

#### **6.0.2 - Financial**

The revenue and expenditure of Whiteway is \$51,594. This is based upon a poll tax of \$40.00 per year and a water and sewer rate of \$70.00 per year. Cavendish, while not incorporated, charges a garbage collection fee of \$30.00 per year and \$5.00 for fire protection. If both communities have a uniform poll tax, adequate revenues could be collected to deliver the existing basic general municipal services to the combined town.

#### **6.0.3 - Other Criteria**

The following additional criteria has been evaluated in accordance with the Municipalities

Feasibility Reports Regulations 1980 as amended:

i. **Access of People to Elected and Appointed Officials.**

The combined areas of Cavendish and Whiteway are sufficiently small so as to allow adequate access to elected and appointed officials throughout the area. The total distance from end to end of both municipalities is only 10.5 kms and therefore residents will be able to contact either town officials or councillors with relative ease.

ii. **Representation in accordance with the distribution of population.**

If combined, the total population of the two municipalities will be approximately 650. This is sufficiently small to allow a council to be elected at large and still be representative of the whole area. However, notwithstanding that, commissioners are recommending, that if the communities are amalgamated, the initial council be comprised of a ward council with a total of nine members. Each municipality should have two ward councillors and the other four councillors and a mayor would be elected at large. This would ensure that there are councillors from both areas to bring the special needs of each municipality to a new council.

The new council would decide after its first term in office whether it wished to continue a ward system or to recommend a full council at large depending on its operating experience during its first term of operation.

iii. **Community Identity.**

There is no reason why an amalgamation of these two towns should cause a loss of community

identity. A new town could be called "Whiteway-Cavendish" and each community would maintain its local geographic identification as well.

**iv. Suitability and need of the area for municipal servicing.**

Commissioners note that the poll tax rates charged are very low and there is considerable opportunity to increase the rates charged in order to obtain additional revenue to provide an improved level of services to a combined town.

Both areas need general municipal services as well as additional water and sewer improvements. These capital needs can be made available on a planned and prioritized basis as funding is available.

**v. Physical Constraints to Municipal Servicing.**

There are no obvious physical constraints to municipal servicing. As previously noted, both areas are connected through the main road system and general municipal services can easily be delivered to the two municipalities by a single unified council. In addition, there are no physical constraints to the development of water and sewer systems. Such infrastructural services can be developed as additional Government subsidies are available to provide these over time.

**vi. Administrative capability of the municipality.**

Commissioners feel that adequate expertise is readily available in the area to provide capable administrative support to fulfil the council's needs. A combination of the two towns would facilitate a greater choice of people from which to chose employees.



**vii. Coordination of municipal services and functions throughout the area concerned.**

The basic services presently delivered by each area such as garbage collection and street lighting could be more effectively and economically done on a combined basis. Also, other general municipal services as they are developed would be better delivered through a coordinated approach rather than provided individually under separate contracts.

**viii. Cost efficiency of the type of administration proposed for the scale of services required.**

The cost of running a combined town would be similar to the cost of running other towns of comparable size. The standard arrangement of towns having the number of employees needed depending on the level of services developed and the revenue attained by it is relatively efficient and can be used for these two communities.

**ix. Feasibility in terms of revenues and expenditures.**

Both municipalities are currently delivering general municipal services to the residents for very low taxes and service charges. It is felt that on a combined basis, a new council could charge a uniform rate to provide general services and also charge a separate water and sewer rate to residents who receive these additional services and have adequate revenue available to adequately manage the new town. The levels presently charged are extremely low and there is room to increase these if required in order to raise adequate revenues to better manage the town and deliver the level of services required to support it.

**x. Equity in terms of both the taxpayers ability to pay and the benefit he receives.**

A new town would only charge a taxation level adequate to deliver general services throughout the entire municipality. This would ensure that there is equity in terms of the services delivered for the rate paid throughout the entire area. In areas where additional services, such as water and sewer are provided, the council would charge separately for these to ensure that residents who do not have this service would not have to pay for them.

**xi. Response of tax yields to changes in economic activities.**

The area has the ability to adjust its expenditures to deal with normal external influences which may affect its ability to raise revenue. However, the Council could not adjust to respond to major economic influences. In this regard, they are no different than most other municipalities in the Province and in such circumstances, they would seek assistance from the Province.

**xii. Equity amongst adjoining municipalities considering their different needs and assets.**

Both towns are in need of additional services. A new town council should develop a plan to ensure that the areas are developed pursuant to identified needs which are prioritized to ensure that the varying needs of each area is properly addressed as the resources are available.

**xiii. Simplicity of proposed municipal structure.**

The combination of these two communities would make one, still relatively small, well defined community using the boundaries presently encompassing both areas. Also, it would bring the Long Pond Water Supply within the boundaries of the full area which eventually require its use. Otherwise, the new town would be relatively geographically self contained and could easily be managed by a single municipal administration.

xiv. **Acceptability of proposals at local and regional levels.**

The Town of Whiteway is in favour of the proposed amalgamation, however, residents of Cavendish indicated in a poll that the majority of residents were against the concept as initially proposed. However, both communities had a number of questions which were unanswered and indicated that they were not in a position to properly take a stance on the issue. This brief addressed all of the questions asked by both municipalities and it is the feeling of the Commissioners that many of the questions were concerns which can be addressed over time and should not impede an amalgamation of the two towns.

Municipalities are too small to be viable towns in their own right and by coming together their chances of becoming viable will be greatly enhanced. It is the commissioner's feeling that residents of this area would benefit from bringing the two towns together.

## Recommendations

1. **The Town of Whiteway and the Local Service District of Cavendish be amalgamated into a single town.**
2. **The new town be called Whiteway-Cavendish.**
3. **The boundaries of the Town be as outlined on the plan attached as Appendix "A".**
4. **The new town be effective on a date to be proclaimed by the Lieutenant Governor in Council.**
5. **The Council be comprised of nine members (eight plus a mayor). There be two wards, one each from Whiteway and one from Cavendish, each having two ward councillors. The other four councillors and the mayor to be elected at large.**
6. **The Department of Works, Services and Transportation continue to maintain and snow clear any roads in the area that it presently maintains, for a period of five years. This will provide adequate time for the council to prepare to assume these responsibilities.**
7. **All assets and liabilities of both communities become assets and liabilities of the new town.**
8. **The new council consult with the Provincial Fire Commissioner to develop an appropriate firefighting capability to properly service the town.**

APPENDIX "A"

