



PRESIDENT'S REPORT **2010-2011**

Municipal governments, large and small, are trying to cope in a constantly changing and increasingly complex environment. As the Commission on Land and Local Governance reported last year, “We cannot afford to maintain the status quo in a world that is changing all around us.” This brief statement speaks volumes. As each year goes by the need for meaningful change becomes more obvious. We have two choices – we can move ahead or we can be left behind.

Fortunately, we now have the Commission’s recommendations to help us move ahead. Those recommendations call for better financial arrangements, stronger land use planning, a serious reconsideration of municipal boundaries, and a modern municipal act. This echoes what municipal leaders have been saying for a very long time.

We are very pleased that the Province has chosen to partner with us to address those recommendations. This began with the appointment joint provincial-municipal committees to draft a new municipal act and to recommend a new revenue sharing framework. The work of those committees is now well underway. That work will take time, but it offers a tremendous opportunity for positive change.

As we move beyond the current phase, we are counting on the Province to implement the necessary solutions, including a financial framework that provides adequate, predictable and stable revenue for the foreseeable future.

Taking steps to incorporate all areas of the province is also of great importance. Currently, only 30% of PEI is covered by municipalities and the small size and tax base of most municipalities is creating enormous challenges. The existing structure is undermining municipal governments and has negative economic, social, and environmental implications province-wide. This situation isn’t equitable or sustainable and it will become progressively worse if it is not dealt with.

The Commission concluded that full incorporation is achievable and recommended public engagement through an information and consultation process. The Minister of Finance and Municipal Affairs has advised the Board that his Department intends follow that recommendation.

The Province has also begun working toward implementation of the recommendations related to municipal land use planning. With an outdated Planning Act and only 10 percent of the province covered by municipal land use plans, major changes are required. Municipal governments will be engaged as this important file moves ahead.

The Province has demonstrated a spirit of collaboration that fosters an intergovernmental relationship built on mutual respect. I believe we have entered a new era of decision-making.

We value and appreciate this modern and progressive approach, but we must take it a step further. A requirement for the Province to consult municipal government on matters that impact them needs to be enshrined in legislation, and we need to enter into a memorandum of understanding to establish a framework for dialogue. Discussions with the Province have been encouraging.

Moving forward with mandatory consultation will preserve the progress that has been made. It will result in better decisions and reduce the likelihood of unintended consequences. FPEIM is currently working with the Province to resolve a signage issue that likely would have been avoided if we had a framework for consultation in place.

This signage issue has serious implications for both the provincial government and municipalities. The Province has indicated that the Highway Signage Act, which came into force in 2003, eliminated municipal authority to regulate signage, except in Charlottetown, Summerside, and the Resort Municipality, which have been exempted by regulation. Several other municipalities regulate signage through their development bylaw.

The Board has called for this matter to be resolved quickly, and in a manner that respects municipal authority and recognizes municipal development bylaws as an appropriate and effective means of regulating signage. Resolving this situation has been more difficult and time consuming than I had hoped. FPEIM continues to work hard on behalf of affected municipalities.

Infrastructure funding continues to be a top municipal priority. We appreciate federal and provincial investments in our cities, towns and communities. These extremely important programs have shown how well the three orders of government can work together, and over the past year, this partnership helped boost the economy during tough economic times.

As the economy improves and the higher stimulus funding levels come to an end, municipal infrastructure must continue to be a long-term priority for all orders of government. We cannot afford to repeat the mistakes of the past when downloading and a lack of infrastructure funding contributed the staggering national infrastructure deficit that we're faced with today.

Municipalities need the federal and provincial governments on board as infrastructure funding partners on a long-term basis. Replenishing cost-shared infrastructure programs is necessary to support our economy through its recovery and tackle the overwhelming infrastructure needs of our cities, towns and communities. A cost-shared plan is also needed to help municipalities implement the new national wastewater standards that are expected to be adopted this year. Municipal leaders support taking steps to protect our water, however, the financial responsibility for new standards must not be offloaded to

municipalities.

This year, FPEIM completed the development of several new resources for municipalities, including model bylaws, policies and agreements, a model code of conduct, a municipal self assessment toolkit, quick notes for municipal decision-makers, and training workshops. The FPEIM website has also been redesigned to provide quick and easy access to an abundance of useful information. I encourage municipalities to take advantage of these resources to support municipal operations, build municipal capacity and foster collaboration. This initiative was made possible with support from the Canada – PEI Gas Tax Fund, and is one of many examples of how this tremendous program is providing lasting benefits for municipalities.

FPEIM thanks the Government of PEI again for increasing assistance to our organization last year. That support has enabled us to hire a part-time Municipal Services Officer, which will directly benefit member municipalities. The responsibilities of the Municipal Services Officer will include coordinating the delivery of our new training programs, increasing communications with members, overseeing the delivery of our new resources and expanding procurement opportunities. Today, members are saving more than 12 cents per litre on heating oil for municipal buildings by taking advantage of the provincial contract through FPEIM. We will be exploring opportunities to lower costs to municipalities through other provincial contracts for goods and services.

In closing, I want to take this opportunity to commend all municipal leaders for the outstanding work you do to make our cities, towns, and communities better places to live. Providing quality municipal services with outdated tools and resources isn't easy, but meaningful improvements appear to be within reach. Steps must be taken to move municipal governments from the tipping point to a turning point. The status quo isn't an option.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Bruce MacDougall". The signature is fluid and cursive, written in a professional style.

Bruce MacDougall
President