

**A Study on  
Prince Edward Island Local Governance**

**For  
The PEI Rural Team**

**By  
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## **Table of Contents**

<b>Executive Summary</b>	<b>1</b>
<b>1.0 Introduction</b>	<b>5</b>
<b>2.0 The Broad Context</b>	<b>5</b>
<b>3.0 Study Methodology</b>	<b>6</b>
<b>4.0 Literature Review</b>	<b>7</b>
4.1 The Evolution of Local Governance in PEI	8
4.2 Local Governance in PEI Today	10
4.3 The Evolution of Local Governance Issues	11
<b>5.0 A Comparative Look at Two Other Jurisdictions</b>	<b>15</b>
5.1 Nova Scotia	16
5.2 Iceland	17
<b>6.0 Definition of the Concept of Local Governance</b>	<b>19</b>
<b>7.0 Areas of Service Delivery Working Well in the Current Model</b>	<b>19</b>
<b>8.0 What Role Should Municipalities Play in Community Development?</b>	<b>20</b>
<b>9.0 Issues Associated with the Current Local Governance System</b>	<b>20</b>
9.1 Land-locked Municipalities	21
9.2 Provincial Policies	21
9.3 Environmental and Health Concerns	22
9.4 Population and Participation Issues	23
9.5 Unincorporated Areas	23
<b>10.0 Mechanisms for Working Together</b>	<b>24</b>
10.1 Some Potential Solutions	24
10.2 Advantages of Larger Municipal Units	25
<b>11.0 The Path Forward for the Rural Team on Public Discussion of Governance Issues</b>	<b>26</b>
11.1 Vision for Change	26
11.2 Basic Principles	27
11.3 Don't Let This Report Gather Dust!	27
11.4 Cost-Benefit Analysis of Present System	27
11.5 Regional Consultation Meetings Throughout the Island	28
11.6 Build on the Work of the Community Development Bureau	28
11.7 Potential Models from Comparable Jurisdictions	28
11.8 Detailed Study of Several Island Regional Communities	28
11.9 Pilot Projects: Models for Innovation	29
<b>12.0 Conclusion: Rural Governance at a Crossroads</b>	<b>31</b>
<b>Appendix One: Bibliography</b>	<b>33</b>
<b>Appendix Two: Backgrounder, PEI Municipalities</b>	<b>35</b>
<b>Appendix Three: List of Key Informants &amp; Focus Groups</b>	<b>38</b>
<b>Appendix Four: Municipal Boundaries Legislation</b>	<b>40</b>
<b>Appendix Five: New Deal for Cities and Communities - Gas Tax Revenue</b>	<b>44</b>
<b>Appendix Six: The Community Development Bureau</b>	<b>46</b>

## **Executive Summary**

This report explores the pros and cons of the present governance model in rural Prince Edward Island, including municipalities and the substantial unincorporated areas. It is intended as the starting point in determining what level of advocacy and further study may be required.

### **Literature Review**

The literature reveals the evolution of local-governance structures and processes, and a growing awareness of the fundamental importance of addressing policy issues through strengthened governance. Local governance has evolved to create a diverse and complex system, which could be likened to a quilt, pieced together over a century and a half.

Today there is a tremendous diversity in municipalities which range in size from less than a square kilometer to some 230 square kilometers, and in population from 72 residents to over 32,000. PEI has two cities, seven towns and 66 communities. The municipalities also differ in their powers, and in the extent to which they exercise those powers. Despite the large number of municipalities, substantial areas of the province some 70% of its land mass, home to 30% of Islanders remain unincorporated.

In the early 1990s local governance came to the forefront of policy debate. The Province established the *Municipalities Act* Review Committee whose 2005 report called for significant changes to the Act, to:

- " Define the purpose of municipalities
- " Strengthen and standardize processes to form a new municipality
- " Clarify and strengthen processes to restructure existing municipalities
- " Clarify and expand the duties, roles, responsibilities and operating processes of municipal councils and of administrators
- " Enable all municipalities to provide a full range of services if desired
- " Strengthen requirements for financial management and accountability
- " Standardize and strengthen election processes
- " Strengthen municipal powers to pass and enforce by-laws

The Committee also called for the provincial government to prepare an implementation plan to expand the present geographical coverage of municipal government to all areas of the province.

### **A Comparative Look at Two Other Jurisdictions**

To provide context, local government structures and processes were examined in the jurisdictions of Nova Scotia and Iceland. Both are unlike PEI in that neither has any unincorporated communities.

In geographical proximity and political culture, **Nova Scotia** is closer to PEI than any other jurisdiction. There has been major consolidation of municipal governance in the main urban areas: in 1995 the Cape Breton Regional Municipality was formed from eight

municipalities in industrial Cape Breton, and in 1995 the Halifax Regional Municipality replaced Halifax, Dartmouth, Bedford and the County of Halifax.

Perhaps the most relevant new development from the PEI perspective is the regional government in Queen s County, Nova Scotia, a bottom-up initiative. A decade ago the municipal governments of the town of Liverpool and the County of Queen s decided to amalgamate, with the town and rural areas retaining different tax rates. The town was stagnating and much of the new development was occurring outside its boundaries.

**Iceland** has one of the oldest democratic traditions in the world. Although it is geographically much larger than PEI, the population is only 300,000 people. Starting in 1990 there has been major reform of local government to address the geography and functioning of municipal authorities. The reforms encouraged amalgamation, but did so through a thoroughly democratic process.

Several lessons can be learned from the coherent Icelandic reform process:

- " A clear vision and framework are required
- " Both greater local democracy and enhanced governance efficiency should be kept in mind
- " The process should be broadly democratic in nature
- " Creatively funded pilot projects for enhanced local governance would encourage sound local models

### **The Situation in PEI**

The research team conducted **consultation** with key informants, focus groups and public meetings. Participants were from municipalities as well as unincorporated areas.

While there are complaints about the current governance in rural areas, the system does work in the existing municipalities in that people offer for office and Councils get elected. There are some services such as fire protection that generally work well, and the 26 water/sewer utilities are effectively run. People who live in the unincorporated area are generally there either because they want to avoid municipal taxes or because they like the quiet and spaciousness of rural living. However, many travel to incorporated communities to do their shopping and banking and to take advantage of health care and recreational services.

There is support for municipalities playing a major role in development within their boundaries. An item of concern is the lack of consultation by the Province for the development permits it issues in municipalities that do not have official plans. Also, if development occurs outside the boundaries of a municipality, it often has a major impact on the municipality in that these non-rate-payers will be looking for services in the municipality.

### **Issues Associated with the Current Local Governance System**

In the rural area there are basically two forms of governance. One is the municipality or incorporated area and the other is the unincorporated area which has no local government and which is administered directly by the Province. Some issues are:

- " Many municipalities are land-locked and have no room to grow
- " Provincial policies can have a major impact on them
- " Environmental and health concerns are looming
- " De-population is occurring
- " It is often difficult to get participation on Councils from the business sector

Unincorporated areas have even more challenges such as un-sustainability for volunteers, lack of political clout, no mechanism for consensus, ribbon development, lost opportunities including limited access to Gas Tax funds, lack of control over their own destiny and a sense of crisis in the rural area.

### **Mechanisms for Working Together**

While there was a sense by some that amalgamation of smaller units and unincorporated areas is inevitable, it was also felt that many would resist, especially if they felt it was being thrust upon them. Some suggested pre-empting top-down amalgamation by coming together on their own terms. Potential solutions are regional cooperation, self-selecting their own larger municipal units, or moving to a two-tier system of governance. Larger municipal units would give greater capacity for long-term planning, administration and coping with emergencies. It would mean more resources to work with, a stronger collective voice and becoming a major player in development.

### **Vision and Process**

While it is outside the Terms of Reference of this Report to make recommendations about Provincial Government policy, we do believe that the Province needs to provide a basic enabling local-governance framework. Three elements of that might include:

- " That a commitment be made that all areas of the province must be incorporated by a particular date (2017? 2022?)
- " That it be mandatory for all Island municipalities to be members of the Federation of PEI Municipalities
- " That the role and capacity of the Federation of PEI Municipalities be strengthened

As the process continues, we suggest following general principles:

- " Time, patience and tenacity will be required
- " The process must be bottom up, not top down
- " Citizen consultation and support are necessary
- " The FPEIM has a central role as a catalyst

### **Pro-active Steps**

- " Use this report as a catalyst for conversation and action
- " Conduct a cost-benefit analysis of the economics of the present governance system and other options

- " Conduct regional consultation meetings throughout the Island
- " Build on the work of the Community Development Bureau
- " Look at potential models from comparable jurisdictions
- " Study several Island *regional* communities interested in considering expansion
- " Investigate setting up pilot projects to assist regional communities test out new experiments in local governance

### **Conclusion**

Some far-sighted policy decisions are required. Strong vision and leadership must come from the provincial government. Does the Province intend to continue acting as the *de facto* local government in that 70% of the Island which is unincorporated? Or, would it prefer to oversee the evolution of effective local government which includes all the Island?

The majority of Islanders consulted would prefer the second option. While major change is seen as inevitable, it is greatly feared. Indeed, most individuals living in unincorporated areas prefer the status quo. There is general unanimity on one point, however: reform should not be dictated. Thus, the approach should be primarily bottom-up, not top-down. A catalyst is required if the process is to move ahead. This role can be assumed by the PEI Rural Team in association with the Federation of PEI Municipalities.

There seems to be general agreement about the ultimate goal: effective local government units covering the whole of the Island. But between here and there, an enormous amount of debate and consultation is required over such matters as size, boundaries, powers and tax base. These are decisions which cannot be rushed. At the same time, the consideration of these issues cannot be delayed.

## **1.0 Introduction**

The purpose of this report is to explore the pros and cons of the present governance model in rural Prince Edward Island, including incorporated communities and towns, as well as the substantial unincorporated areas. Attention is given to significant challenges and missed opportunities, including those related to service delivery and community development. The objective of this report is not to recommend changes to the existing governance model, but rather it is intended as the starting point in determining what level of advocacy and further study, if any, may be required.

The Prince Edward Island Rural Team is a group of individuals representing federal, provincial and municipal governments, as well as non-government organizations which works to assist departments and agencies in developing partnerships for facilitating rural community building. Recently a Governance Sub-committee of the Rural Team has been established and tasked with exploring local governance in rural Prince Edward Island and the current and future impacts on those Islanders who choose to live in rural areas. The Sub-committee is examining the positive and negative economic, social, cultural and environmental implications of the current local governance model. To this end, The IRIS Group has been engaged to undertake research and public consultation, and to prepare a report on its findings.

## **2.0 The Broad Context**

Major changes are afoot in rural Prince Edward Island. Familiar patterns and ways of living are rapidly giving way to new technologies, better transportation, larger farming units and different ways of making a livelihood. The people are moving too many to larger urban centres within the province, others to find opportunity in distant parts of the country, such as the tar sands of Alberta. And for those who continue to live in rural PEI, a significant number commute to jobs in Summerside and Charlottetown.

At the same time, people from elsewhere are attracted to live in our rural areas. Often they are drawn by the quality of life and the beauty of our countryside. For them, too, place of residence can be divorced from place of work, for with the aid of modern communications-technology, individuals find it possible to live here and work just about any place in the world. This is life in the age of the global economy.

These changes are reflected in the demographic profile of rural Prince Edward Island. While the population of our larger urban centres is growing, that of many other areas is in decline; and generally the more rural, the greater the decline. This trend is accompanied by a falling birth rate. The result is a dearth of young families, and, increasingly, insufficient children to sustain local schools. Many people feel that the Island's traditional rural way of life is at risk.

The rural landscape is also changing. For various reasons, people now find it both convenient and economically feasible to build homes along our highways, outside serviced municipal areas. This has resulted in significant strip development in all parts of the province. A similar trend is evident with cottage-lot proliferation along our shoreline.

Added to these considerable challenges are environmental threats which may bring about still greater changes and demand a capacity to adjust even more rapidly. Some of these threats such as high nitrate levels in watersheds and in individual family wells are already a fact of life. Others, like rising sea-level, are predicted for the not-so-distant future. The implications for shoreline communities are profound.

All of these changes will put an increasing stress on our governance capacity, our ability to act wisely and efficiently at the federal, provincial and community levels. This brings us back to the main focus of this report, the rural governance structure in Prince Edward Island, its strengths and its weaknesses. What's working? And what isn't?

And finally, an essential question: Has the structure and capacity of local governance adjusted adequately to cope with these present and impending challenges?

### **3.0 Study Methodology**

In the preparation of this report, the study team proceeded through both formal research and direct consultation with individuals and communities. The formal research took the form of a literature review, examining the issues raised and concerns addressed in various key reports, studies, statistical reviews and academic papers.

To help provide context, we thought it useful to examine local government structures and processes in several comparable jurisdictions Nova Scotia and Iceland. Many others could have been chosen, but time and resources were limited.

Public engagement formed an important element of the study process as it is important to document citizen perceptions of the pros and cons of the current model of governance. It also serves to increase public awareness of and interest in issues related to local governance.

A list of key informants was selected by the research team in consultation with the client. The objective was to consult with knowledgeable people who:

- " Run municipal governments and realize the benefits and challenges that are faced by incorporated areas in providing services not only to their residents but to a greater unincorporated area
- " Live in unincorporated areas and access services in nearby incorporated communities

- " Represent a rich cross-section of perspectives and experience, and live in various parts of the Island.

Focus groups were conducted in Wellington, Victoria and St. Peters. The goal was to keep the groups small enough to be functional but to represent a variety of interests and to achieve geographical balance. Participants were from municipalities as well as unincorporated areas so that both the benefits and challenges of either circumstance could be documented.

In addition, public meetings were held in O Leary and Montague. These meetings were advertised in the local press and the one in O Leary was covered by the *Journal-Pioneer*. Each was attended by about 15 people, representing a cross-section of municipal council members and other interested people from the nearby region. In fact, regional issues became a major theme of these public meetings.

The following questions were used to guide the discussions with key informants, focus group participants and the people who attended the public meetings:

- " What does the term or concept of local governance mean to you? That is, how would you define the concept of local governance?
- " What are the main disadvantages of the current local governance system?
- " What are its advantages?
- " What areas of service delivery are working well or working best in the current model?
- " What areas of service delivery are not working well in the current model?
- " What role should municipalities play in community development?
- " What do you think is the most pressing immediate issue (or two or three) with our current system of local governance?
- " What do you think is/are the most important long-term issue(s)?
- " How best do you think the PEI Rural Team can move forward with a public discussion on local governance issues in PEI?

The information and opinions thus gathered were analyzed and summarized based on the key questions above. This forms the main section of this report. Based on this, potential next steps were identified for consideration by the Rural Team, as it contemplates future initiatives related to local governance in Prince Edward Island.

#### **4.0 Literature Review**

A review of the literature related to local governance in Prince Edward Island reveals both the fascinating evolution of local governance structures and processes, and a growing awareness of the fundamental importance of strengthened local governance as the key to addressing many of the most important policy issues facing the Island. These two are interrelated, for the historical evolution of local governance has left us with a

system that is difficult to change. Yet change it must, for the unsustainability of the present system, and the implications of inaction, are more apparent with every passing year.

#### **4.1 The Evolution of Local Governance in PEI**

Local governance has evolved in a series of bursts of change and development, interspersed with long periods of seeming stability. Each burst of change has begun with legislative measures providing for a new category of local governance. These various Acts responded, in an incremental way, to the evolving needs and structures of Island communities.

Over time, these measures have created a diverse and complex system of local governance, which could be likened to a crazy quilt, pieced together over a century and a half, of patches ranging from huge to tiny, from silk to canvas, with multiple layers of patches in some areas and threadbare sections in others, fairly warm and serviceable in some sections, merely ornamental in others. The diversity of Island communities is discussed further in the following section, and detailed in the *spreadsheet/background* in Appendix Two. Currently, momentum is building strongly toward yet another round of change, which, if fulfilled, will move the system towards greater consistency.

As described in Andrew Cousin's excellent study, *The Geography of Governance*, the history of local governance in PEI dates back to the mid-1800s. In 1852, the *Free Education Act* created a provincial board of education and a system of school districts. These districts were determined by the distance students needed to walk to school, as well as informal boundaries of ethnic background and religion, and provided a tax base to support free public education. At peak, PEI had over 500 school districts. Although the one-room schools have passed into history, the districts remain in use as a geographical unit of property tax assessment and as building blocks in the various overlapping administrative units of modern-day service delivery. As well, they continue to define the local community in the minds of many residents.

In 1855, the colonial government incorporated Charlottetown as PEI's first municipality, and until 1995 its only city, with powers similar to those it holds today. In 1858, Summerside gained the power to elect a Board of Assessors and Fire Wardens, and thus the power to collect taxes, a first step toward local government. In 1870, the *Towns and Villages Act* was passed, forming the basis for incorporation of municipalities to the mid-1900s. In 1873, Summerside gained the power to make by-laws, and in 1875, it incorporated under the new Act. Two years later, it gained its own Act of incorporation.

A lull of several decades followed. Then, in the years leading up to and during World War I, a number of the Island's largest rural communities incorporated as towns: Alberton, Kensington, Montague, Souris and Georgetown. Those communities range in size from 1.7 to 4.5 square kilometers, and in population from 634 to 1,802 as of the 2006 census. These things rested until after World War II.

The post-war period saw a renewed round of legislative changes. In 1948, the *Towns Act* standardized the powers and responsibilities of local governments. Following this, a series of Acts differentiated those powers and responsibilities again. The *Village Services Act* was passed in 1950, permitting small communities to appoint commissioners for local improvements and services, and to make bylaws. In the decade that followed, 14 of today's villages were established, followed by a further four villages in the 1960s. These villages range in size from less than a square kilometer to just under six square kilometers, and in population from 158 to 877 as of the 2006 census.

This decade also saw the founding of the Federation of PEI Municipalities, in May 1957, with a mandate to promote and foster efficient, accountable and effective municipal governments. Since its founding, the FPEIM has fulfilled this mandate through both internal and external action supporting its members to strengthen and enhance their operations, and advocating for provincial and federal policies, programs and legislation that advance municipal interests and goals. From an initial membership of 12 communities, the Federation grew to 30 members by the late 1990s, and to 45 today, representing more than 85% of the municipal population.

In the late 1960s, with the advent of school consolidation under the Development Plan, the school districts and their boards were slated to disappear. Partly filling this void of local self-determination, the *Community Improvement Act* was passed in 1968, empowering rural areas to create Community Improvement Committees. These bodies had limited formal powers, but did fill a perceived vacuum by providing a community voice.

From 1972 to 1974, with assistance from staff of the Rural Development Council, 27 such bodies were formed across PEI. With the demise of the RDC in 1975, activity slowed; however, a further seventeen CICs were founded in the decade that followed eight during the last half of the 1970s, and nine from 1980 to 1986. Two additional communities were founded in 1991. These communities range widely in size, up to some 230 square kilometers for Belfast, and also in population, from 72 to over 1800.

In 1983, the *Municipalities Act* was passed, creating two categories of municipality, towns and communities. Although villages and CICs were both categorized as communities, their powers remained defined by their founding legislation. Those are further discussed in the following section.

In the early 1990s, as PEI struggled with the challenges of a recession and rising deficits, the government of the day undertook a range of reform initiatives to health, education, agriculture, the electoral system and other areas of public policy including local governance. The multiplicity of small, often competing municipalities in the capital region, and to a lesser extent in the Summerside area 20 in total was seen as holding back the capacity of those urban regions to grow and develop. The Task Force on Municipal Reform released its *White Paper on Municipal Reform* in 1993, calling for amalgamation of those municipalities to create a single city of Summerside and three

municipalities in the Charlottetown area. Those Acts were passed in the summer of 1994. In 1995, the community of Borden-Carleton was created to facilitate the construction and operation of the Confederation Bridge.

Since that time, no further municipalities have been established in PEI. However, a new round of municipal reform is currently underway. In 2003, the Minister of Community and Cultural Affairs appointed the Municipalities Act Review Committee, which consulted widely and submitted its report in 2005. The report, discussed further below, calls for a number of changes to enhance the functioning of existing municipalities and to strengthen the process for future establishment or expansion of municipalities. Amendments to the *Municipalities Act* are expected to be introduced in the fall of 2007.

Any discussion of local governance in PEI would be incomplete without reference to the array of local, regional and provincial agencies, boards, and commissions that provide various services traditionally seen as municipal in many other jurisdictions. These are addressed in the description of our current system which follows below.

## **4.2 Local Governance in PEI Today**

The evolutionary process described above has resulted in a tremendous diversity in the scope and scale of PEI's municipalities. As touched on above, they range in size from less than a square kilometer to some 230 square kilometers, and in population from 72 residents to over 32,000. In total, PEI has two cities, seven towns and 66 communities. Despite this relatively large number of municipalities, substantial areas of the province some 70% of its land mass, home to 30% of Islanders remain unincorporated.

PEI's municipalities also differ somewhat in their powers, and significantly in the extent to which they exercise those powers. Charlottetown and Summerside provide a broad range of municipal functions, accounting for 80% of all municipal expenditures. The seven towns provide fire protection and sewer services and (with one exception) water to their residents. All cities and towns have official plans. Among the 19 communities originally incorporated as villages, 17 provide fire protection, 13 provide sewer services and four provide a municipal water system. Only eight have official plans.

Communities incorporated under the *Community Improvement Act* from 1970 to 1983 have a much more limited range of powers, being restricted to fire protection, street lights, recreation and administration. Only a small number of communities exercise these powers, however. Fifteen have official plans.

These variations in scope mean that many of the functions of local government are performed partly or wholly by agencies, boards and commissions:

- " With regard to utilities, both water and sewer are provided by both cities, six of the towns and three communities. Sewer only is provided by one town and 13 communities, and water only is provided by two communities. In all cases, these utilities are provided by corporations separate from the local government and

expected to be self-financing through user fees. All utilities, except Charlottetown, Summerside, Stratford and Cornwall, are regulated by the Island Regulatory and Appeals Commission.

- " Fire protection is provided by some three dozen fire departments throughout the province, most associated with municipalities, but some structured as private companies and some located in unincorporated areas. Each department services a district, including the community in which it is based.
- " Responsibility for land use planning and development is split between the 32 municipalities with official plans and the provincial Department of Communities, Cultural Affairs and Labour.
- " Until 2002, all types of community were mandated to provide garbage collection; at that time, waste management became a provincially administered service through the Island Waste Management Corporation.
- " Police services are provided in most areas by the Royal Canadian Mounted Police. There are four local police forces in the two cities, and in Kensington and Borden-Carleton.
- " Sport and recreation services are provided through various provincial, regional and municipal facilities and services. Eight municipalities have recreation staff.
- " Roads and streets are provided by the Province for 67 out of 75 municipalities.

These various bodies differ in their boundaries, their funding bases, and their governance and management systems. This fragmentation results in substantial variations across PEI in the availability of services, the degree of local control and input, and the capacity for integrated and coherent planning and action at the local level.

### **4.3 The Evolution of Local Governance Issues**

A review of the literature indicates that only since the early 1990s has local governance has come to the forefront of policy debate. Prior to that time, discussion of local governance issues arose mostly in the context of land use issues, notably the two Royal Commissions on the Land.

In 1973, the first Royal Commission on the Land (the Raymond Commission) was established to examine the implications of the rapid rate of sale of land and shorefront to non-resident owners in the wake of the structural changes flowing from the PEI Comprehensive Development Plan. The Royal Commission's broad recommendations included calls for:

- " A minimum maintenance requirement for landowners, starting with non-resident and corporate owners and eventually extending to all owners

- " A general land use plan for PEI, including planning guidelines for agriculture, forestry, recreation and a coastal land use plan
- " Greater community participation in land use planning

The Commission's rationale for the third recommendation above was that Development Plan rationalization had reduced the role of local communities and their influence on decisions involving their community. Strong public demand existed, however, for greater participation in community level decision making, and experience showed that land use plans which did not involve the local community were almost impossible to implement.

Accordingly, the Commission recommended that the Province create approximately 30 communities as blocks of old school districts, with the following powers over land use and planning:

- " Limiting subdivision activity regarding amount and location
- " Setting subdivision standards above the provincial minimum
- " Requiring minimum levels of land maintenance or protection
- " Developing long range land use plans

Almost two decades later, the land use issues first examined by the Raymond Commission had not been resolved, and indeed many had intensified. In the late 1980s, a second Royal Commission on the Land (the Boylan Commission) was initiated by the Province. The Commission carried out extensive research and consultations before releasing an extremely thorough and detailed report in 1990. Key recommendations pertinent to this study included the following:

- " Prepare a comprehensive land use plan for PEI
- " Include municipal reform in that plan
- " Abolish CICs and amend the *Municipalities Act* accordingly
- " Expand remaining municipalities through amalgamation or annexation, generally to the extent of outlying ribbon development
- " Review provincial services in unincorporated areas and review property tax structure
- " Explore ways to provide more cost-effective servicing and enhanced capacity for municipalities and their personnel
- " Expand the capital area as at present, develop an integrated land use plan for the new city, and establish a buffer zone around the new city

During the 1990s, the scope of issues broadened to take in a range of environmental and social issues. In 1995, the Round Table on Resource Land Use was established to address mounting concerns about resource land conflicts and the environmental impacts of land use patterns on the Island's soil and water. The Round Table's report, released in 1997, made a number of recommendations to address these concerns, but did not frame the issues or its recommendations in terms of PEI's system of local governance.

Over the next several years, however, local governance did come to the fore as a policy issue and as a key underlying factor in the environmental, social and economic challenges facing rural PEI. This emphasis arose in part from the work of the Institute of Island Studies at UPEI, building on its earlier involvement in the work of the Boylan Commission, its insights gained through its North Atlantic Islands Program of research, and especially its close ties with Iceland. Local governance played a major or central role in several major reports by the Institute during the late 1990s.

Late in 1998, the Employment Summit Panel was established by the PEI Legislative Assembly to examine the employment issues facing rural PEI. The Panel released its report, *Securing Our Future*, in November 1998. The report identified strengthened local governance as a key measure to promote the sustainability and well-being of rural communities. This theme was subsequently strongly repeated in the report of the PEI Population Strategy Panel, *A Place to Stay?*, released in 2000.

In 1999, the Institute commissioned Andrew Cousins to prepare a report on PEI's system of local governance. The report, *The Geography of Governance*, provided a clear and comprehensive description of PEI's crazy quilt of local governance, and remains a key reference document.

*The Geography of Governance* was made public at a workshop in March 1999 which brought many key players together to discuss local governance issues and to hear a speaker from Iceland, Dr. Sigfus Jonsson, who had been leader of Iceland's process of municipal reform. Dr. Jonsson made a number of far-reaching recommendations to strengthen local governance in PEI:

- " Give municipalities an independent tax base
- " Establish an equalization fund for municipalities
- " Download functions to municipalities
- " Establish larger municipal units through a democratic process
- " Carry out experimental pilots as part of the process
- " Strengthen the role of municipalities in local economic development

The proceedings of the workshop were widely circulated and served to stimulate debate on local governance issues, systems and approaches.

Several years later, the Institute hosted a visiting researcher, Denbeigh Armstrong, who carried out doctoral research comparing approaches to local government in Prince Edward Island and her home jurisdiction of Tasmania. Ms. Armstrong lived in Tignish for several months to conduct her research. Her findings are being published as chapters in two forthcoming books on development and governance in Atlantic Canada. In a particularly useful insight, she identified several significant barriers to reform of local governance in PEI:

- " Lack of provincial political will for reform
- " Lack of a shared vision for change

- " Little support for municipal reform among the public
- " No clear champions of reform
- " Sense of a risk of identity loss
- " Deeply held beliefs about private property rights
- " Public mindset about municipal government in PEI given lack of strong historical role

Over the past several years, the Federation of PEI Municipalities has played a strong and effective advocacy role in challenging these barriers by bringing local governance issues to the attention of decision-makers and the public at large. Key issues, identified in a variety of submissions to government, include the following:

- " Outdated legislation (being addressed)
- " Fiscal capacity and sustainability challenges
- " Differences in scale and role
- " Fragmentation of functions
- " Limits to growth of municipalities
- " Different incentives to development within versus outside municipalities
- " Deteriorating infrastructure (also being addressed)

In the spring of 2003, in response to a formal request from the Federation of PEI Municipalities, the Province established the Municipalities Act Review Committee. This action acknowledged both the growing public consensus on the need for changes and amendments to the Act, and the fact that most other provinces had already undertaken overhauls of their municipal legislation. The Committee reviewed the Act in detail over the next 18 months, examined national trends in municipal legislation, received written submissions and consulted with municipal leaders. Its report was released in June 2005 and called for a number of significant changes to the Act, to:

- " Define the purpose of municipalities in order to clearly establish their authority and to strengthen their autonomy
- " Strengthen and standardize processes to form a new municipality to ensure that future municipalities are vibrant and sustainable
- " Clarify and strengthen processes to restructure existing municipalities
- " Clarify and expand the duties, roles, responsibilities and operating processes of municipal councils and of administrators
- " Create consistency in the roles and powers of municipalities, by enabling all municipalities to provide a full range of services if they desire and granting all municipalities the same expropriation powers; and promote equity and cost-effectiveness by facilitating sharing of services among municipalities
- " Strengthen requirements for financial management and accountability and define the areas in which municipalities may spend public funds
- " Standardize and strengthen election processes
- " Strengthen municipal powers to pass and enforce by-laws

As well, the committee made several general recommendations on broader issues requiring government attention. Of particular relevance to this study, the Committee called on the provincial government to prepare an implementation plan to expand the present geographical coverage of municipal government to all areas of the province. Citing the struggles by many small municipalities to provide local service, the Committee felt that the development of such a plan would strengthen grassroots democracy and enable citizens of unincorporated areas to address local issues and to access municipal services . . . would facilitate the creation and/or expansion of municipal governments that are better positioned to effectively and efficiently serve . . .

## **5.0 A Comparative Look at Two Other Jurisdictions**

Much can be learned by looking at practice and precedent in comparable jurisdictions. For this short study, we have decided to take a brief look at Nova Scotia and Iceland, one close by, the other an island belonging to a different democratic tradition. Both jurisdictions have a long and interesting history of local-government evolution.

It should be mentioned, at the outset, that Nova Scotia and Iceland are unlike Prince Edward Island in that neither has any unincorporated areas. In this respect, it is worthy of note that **New Brunswick**, like PEI, has a significant territory which is unincorporated (about 80%!), with about 37% of the population living in this area. The official *New Brunswick Reality Report* of The Self-Sufficiency Task Force (2006) noted this as a serious issue, and recommended that the provincial government Appoint a commissioner to review work done to date and make recommendations regarding the structure of local governments, including property taxation, unconditional grants, land-use planning and the provision of regional services.

### **5.1 Nova Scotia**

In terms of both geographical proximity and political culture, Nova Scotia is closer to Prince Edward Island than any other jurisdiction. In fact, the Island was governed from Halifax from 1763 until 1769; and both colonies were settled by much the same mix of founding peoples, including Loyalists. Also, both jurisdictions were divided by the British into counties 18 in Nova Scotia and three on the Island. As a result, the early history of local government in both places is remarkably similar.

In fact, Nova Scotia, like Prince Edward Island, had virtually no local government in the early decades apart from some decentralization of the administration of justice through the courts system. In his famous report of 1839, examining governance issues in British North America generally, Lord Durham summed up the situation thus: The utter lack of municipal institutions giving the people any control over their local affairs may indeed be considered as one of the main causes of the failure of representative government, and of the bad administration of the country .

The situation began to change in Nova Scotia with the incorporation of the city of Halifax in 1841. In general, though, there was scant enthusiasm among the colony s

population for more local government. Like in Prince Edward Island, the people assumed that more government would simply lead to more taxes . . .

A major turning point occurred in Nova Scotia in 1879 with the passing of the County Incorporation Act, which mandated the municipal incorporation of the province's existing 18 counties. In the event, only 12 incorporated as such: the remaining six were divided into two municipal districts each, yielding a total of 24 municipalities. In Prince Edward Island, on the other hand, the counties dwindled into insignificance as governance units.

After the passing of the *Towns Incorporation Act* in 1888, there were soon a number of new municipalities in Nova Scotia, where towns and cities tended to incorporate separately from the county in which they were situated. There were 38 incorporated towns in Nova Scotia by 1923.

Over the years there have been various provincial government initiatives intended to reform local government in Nova Scotia. The most ambitious was an official report by Donald C. Rowat in 1949, which advocated adding a tier of nine regional governance units for the whole province, the smallest with a population of 40,000. This was not acted upon.

Other significant 20<sup>th</sup> century developments included the founding in 1906 of the Union of Nova Scotia Municipalities, the equivalent organization of the Federation of PEI Municipalities. There has also been some major consolidation of municipal governance in the main urban areas: in 1995 the Cape Breton Regional Municipality was formed as an amalgamation of eight municipalities in industrial Cape Breton, and in 1995 the Halifax Regional Municipality replaced the cities of Halifax and Dartmouth, the town of Bedford, and the County of Halifax.

Perhaps the most relevant new development from the PEI perspective is the regional government in Queen's County, NS, a bottom-up initiative. A decade ago the municipal governments of the town of Liverpool and the County of Queen's decided to amalgamate, with the town and rural areas retaining different tax rates. The town was stagnating and much of the new development was occurring outside its boundaries. This initiative has been considered a success story and the 10<sup>th</sup> anniversary was cause for celebration.

In Nova Scotia today, there are a total of 55 municipalities – 31 towns, 21 rural municipalities, and the three regional municipalities. All are governed by the *Municipal Government Act*. In addition, they represent the full membership of the UNSM.

Villages are, indeed, incorporated, but they have scant power, being responsible mainly for fire protection. Taxes are collected for them by the relevant county or rural municipality, upon whose Council they are represented.

Land use planning is a responsibility of the municipal government, whether regional, town or county.

The question has arisen about whether Nova Scotia might indeed be operating a two-tier system of local government. Ken Simpson, the Executive Director of the UNSM, is very emphatic that this is not, in fact, the case. In a recent e-mail to an author of this report, Mr. Simpson wrote, Harry, we do not have a two tier system. Villages have very limited powers and have representatives on the rural council.

## **5.2 Iceland**

Iceland has one of the oldest democratic traditions in the world, dating back to the establishment of the Althing open-air parliament in 930. However, the initial development of local government stopped with the imposition of Norwegian rule in 1262. Local authorities were reinstated by the *Royal Decree on Local Government Act* of 1872. Iceland became a sovereign republic in 1944.

Although Iceland is geographically much larger than Prince Edward Island, with an area roughly the size of the island of Newfoundland, the population is only 300,000 people, more than half of whom live in the greater Reykjavik area. Icelanders are famously hard-working and well-educated, and boast one of the highest standards of living in the world.

Iceland is a unitary state with two strong orders of government, the national and the local. In recent years, the Icelandic government has come to devote more and more of its attention to international affairs; at the same time, it has come to realize that many government functions can be carried out more efficiently at the local level. This has led to a major reform of local government, starting in 1990, which addressed both the geography and the functioning of municipal authorities.

The old boundaries of local governments originated to serve the purposes of farming and fishing communities, settled along the coast and up the fjords. In the past century, the democratic shifts in Iceland have been enormous; but the structure of local governance did not change to reflect the times. As a result, in 1990 there were more than 200 municipalities, ranging in size from just a few scattered families in an abandoned farming area to the booming, modern city of Reykjavik.

The reforms of the 1990s encouraged amalgamation, but did so through a thoroughly democratic process. Each four years, when local elections are held throughout the country, votes for amalgamation can also be held, and only through majority vote in particular municipalities are the amalgamations allowed to proceed. However, this process occurs within a national policy framework which encourages and rewards larger units which have greater governance capacity. With each successive election, the number of municipalities has decreased until it was down to 79 by 2006.

As part of the reform process, an experimental pilot governance program was established in 1994 for 12 selected local authorities. In this way local governments were subsidized to take on new responsibilities for an interim period of up to five years.

Local Icelandic municipal councils have the authority to set their own property and local income taxes. Their main areas of responsibility are threefold: 1) infrastructure and environment; 2) primary education, recreation, sport and cultural activities; and 3) social services.

The umbrella support and advocacy organization for municipal government in Iceland is called the Association of Local Authorities, established in 1945. Since 1973, *all* local governments in Iceland have been members of the Association.

While it is clear that local governments have far more authority in Iceland than they will ever have in Prince Edward Island, several important lessons can be learned from the very coherent Icelandic reform process: 1) a clear vision and framework are required for the overall process; 2) the twin objectives of both greater local democracy and enhanced governance efficiency should be kept firmly in mind; 3) the process should be broadly democratic in nature, responding to the will of the local populace; and 4) a creative provincially-funded pilot project of enhanced local governance would do much to encourage innovation and the establishment of sound local models for other Island communities.

## **6.0 Definition of the Concept of Local Governance**

**NOTE: Sections 6.0 to 10.0 are based on what we heard from people who were key informants or who participated in the focus groups or public meetings. Based on a series of questions, this is the input we heard about what is good about the current governance system in rural PEI and what the issues and problems are.**

What is governance? The term governance means different things to different people, and these differences are primarily based on their circumstances. Someone who lives in a municipality generally has a different perspective of governance than someone who lives in an unincorporated area.

When we spoke of the Island's *model* of governance, one person commented what model? This primarily reflects the fact that the Island's rural governance system seems too haphazard to be called a model: much of the province's land base is not within incorporated areas, and there is a large variety of responsibilities amongst the existing municipalities. Another person described local governance as a community being organized in some way. Yet another indicated that there is the formal understanding of a legally recognized body for a defined area with a set of by-laws, which covers certain responsibilities, and can levy taxes. It is a process where people can govern themselves. The main characteristic is elected representation.

However, in unincorporated areas, the *de facto* local government is the Provincial Government. It issues the building permits and carries out some other services.

## **7.0 Areas of Service Delivery Working Well in the Current Model**

While there are many complaints about the current governance in rural areas, some things are working. The system does function in the existing municipalities, people offer for office, councils get elected. There are some services such as fire protection that generally work well, and the 26 utilities are effectively run. Many people say they love their small communities, whether incorporated or unincorporated.

In the incorporated areas, the municipal politicians are seen as easily accessible. They are also non-partisan and not answerable to any political party.

People who live in the rural unincorporated area are generally there either because they want to avoid municipal taxes or because they like the quiet and spaciousness of rural living. However, many travel to incorporated communities to do their shopping or banking and to access health care and recreational opportunities. There are some municipalities that are large and mainly rural such as Belfast and Eastern Kings. They have lower taxes than those that provide more services such as water and sewer.

## **8.0 What Role Should Municipalities Play in Community Development?**

There is nearly unanimous support for municipalities playing a major role in development within their boundaries. Most communities are open to development and would like to have more young families moving in, not just retirees. A major item of concern is the lack of consultation by the Province for the development permits it issues in municipalities that do not have official plans. There was at least one rural municipality whose chairperson suggested the residents would be unlikely to support development: they like their quiet, pastoral landscape the way it is. (However, official plans could be used as a tool to protect the landscape and to enable municipalities to issue their own development permits.)

The point was also made that if a development occurs outside the boundaries of a municipality, it impacts the municipality, often in a negative way. That commercial enterprise, or residents of a housing subdivision, may be looking to the nearby municipality for services but are not ratepayers contributing to the provision or upkeep of the facilities.

There was generally praise for the efforts of the Provincial Community Development Bureau and the ability of its staff to work with the communities within their assigned areas to bring development opportunities. The provincial community development officers (Community Development Bureau, see Appendix Six) were noted as being helpful and knowledgeable.

## **9.0 Issues Associated with the Current Local Governance System**

In the rural area there are basically two forms of governance. One is the municipality or incorporated area with Montague as the largest. The other is the unincorporated area which has no local government and which is administered by the Province. Each encounters its own set of issues.

### **8.1 Land-Locked Municipalities**

It is surprising how small the land base actually is in many municipalities. For example, Montague, a major regional hub in Kings County, the 5<sup>th</sup> largest populated municipal unit in the province with 1800 people, has a land base of only a little over two square kilometers. It and many other municipalities can't grow as they are **islands** surrounded by other municipalities or by a larger unincorporated area. This leaves such a municipality with a **small tax base** to provide services to its residents, but often also to non-residents who come into town to use some of these services. These services could be direct such as use of the rink and other recreation facilities or they could be more indirect in that a town has to pay for more policing due to the number of people passing through.

The biggest hurdle for municipalities in trying to expand their boundaries is the opposition from residents of neighbouring municipalities or unincorporated areas. These people are generally fearful of higher taxes and more land use controls.

### **8.2 Provincial Policies**

Criticism was received about the role the Province plays regarding municipal affairs. A need was seen for a stronger provincial vision on supporting municipalities.

- 1. The lack of autonomy for Councils** was a concern, especially in Community Councils where the Council does not approve the budget but it is voted upon by residents at the communities' annual meetings. Sometimes another issue having little or nothing to do with the tax rate can hijack the meeting and the budget can be defeated. This happened a few years ago in the Resort Municipality (Cavendish and area) because a

number of business operators were upset about the province's sign regulations, so they attended the community's annual meeting and defeated the budget put forth by the Council. A number of communities also expressed the desire for more autonomy in setting utility rates such as larger centres are able to do.

2. **The financial interaction of the Province and municipalities** was the subject of some definite opinions. There was a call from the public meetings and focus groups for the Province to **transfer money to the municipalities much earlier** than the traditional June date. A small municipality like Murray Harbour has a small tax base, which it has little opportunity to increase. By June they and other municipalities are halfway through their fiscal year and are financially strapped. Other areas, including Mt. Stewart and St. Peter's Bay, expressed the same concern. There are also issues related to the equalization process, both the amount of money available to the municipalities and the transparency of the process.
3. **Legislative reform is overdue for municipalities.** Although many noted that there is the promise of major legislative or regulatory change soon, there has been little progress in this area in the past decade.
4. **Provincial support for development in unincorporated areas** surfaced frequently in discussions. This relates to two main activities: the location of industrial parks and provincial facilities outside municipal boundaries, and the operation of the tax system as an economic instrument to encourage commercial development in unincorporated areas. While Bloomfield and Poole's Corner were cited as areas of concern, they are seen as not the only examples of the Provincial Government creating an un-level playing field. The present property tax structure encourages the construction of new homes and businesses outside municipalities. In West Prince County, concerns were raised about building schools outside municipalities as well as the proposal for a new regional hospital to be situated in an unincorporated area.

#### 4.1 Environmental and Health Concerns

- " **Serious environmental problems** are on the way is the prediction that was heard from some expert key informants both at the municipal and provincial level. There are thousands of septic tanks and private drinking water wells that either do not meet standards or are in areas that will not be able to handle the amount of effluent and to protect wells. This as well as use of large volumes of agricultural fertilizers are increasing the threat of unsafe drinking water because of nitrates, etc. especially for private wells. Centralized water systems promise to be both safer and more efficient. With climate change and the need to cut down on carbon emissions, it will likely be much more efficient for people to live

in communities with a range of services within walking distance. Rural, non-farming, residents are becoming increasingly vocal about agricultural pesticide spraying. Emerging environmental issues point to the need for improved and more coherent land use planning for all of PEI, including in the unincorporated rural areas.

- " **Lack of public transportation** is cited as a concern in rural areas. While Charlottetown now has a public transit system and Cornwall and Stratford are studying the feasibility and structure of potential systems, the rural area and smaller municipalities have had no public transportation available to them for about the last 20 years. In west Prince County, a new hospital has been proposed for Bloomfield, a location which would be difficult for some people to reach if public transportation was not available.
- " **Keeping and even enhancing health care** is a concern we heard throughout all rural areas, including small municipalities. In Wellington, the health care centre is no longer there; major changes are proposed for hospital and other health care facilities in West Prince; and hospital emergency room services have ceased in Tyne Valley and Souris.

#### 4.2 Population and Participation Issues

- " **De-population** is a looming problem throughout rural parts of the province but is felt most keenly in the eastern and westernmost areas primarily because of unemployment or under-employment. This is presenting challenges in maintaining the schools, health facilities and other infrastructure that adds to the quality of life and affordability of services.
- " **Attracting more business people to serve on Councils** is a concern that came up a number of times. Many business people are simply not offering to serve on Councils or they have businesses in town but live outside the municipal boundaries and are not eligible to vote or serve on Council. Souris is talking about developing a mechanism so that such people can vote. However, the small size and population base of Souris and other municipalities is likely a significant impediment in their efforts to attract candidates.

#### 9.5 Unincorporated Areas

While there are lots of challenges for municipalities, unincorporated areas are even more disadvantaged. Many people who live in unincorporated areas fear tax increases and interference in their affairs if their area were to become part of an incorporated area. However, some of the constraints they have within their current situation are:

- " **Not sustainable for volunteers** It is increasingly difficult to get enough volunteers for local activities, especially to run local not-for-profit community facilities. There are also insurance costs and liability issues that volunteers are increasingly concerned about.
- " **They do not have a lot of political clout** because there is no formal municipal Council to work through and the residents are not organized. While PEI is small enough that everyone has access to their Member of the Legislative Assembly, this certainly does not have the same clout as a municipal unit which speaks for all of its citizens.
- " **No mechanism for consensus** therefore either some other agency, such as the Parish in Egmont Bay, ends up serving some of this function by default. However, not everyone is a member of the Parish, especially as new families move into the areas who may be members of other churches.
- " **Ribbon development** is a long-standing land use problem with loss of agricultural land, scenic views and wildlife habitat. It also creates a car-dependant situation. People are building houses and businesses along the province's roads in unincorporated areas because it is initially cheaper and taxes are lower. This slows traffic and causes land use conflicts, especially with adjacent agricultural activities, e.g. manure odour and pesticide spray.
- " **Lost opportunities** unincorporated areas often lose out on funding programs in that they do not have a mechanism to participate. For example, they have limited access to Gas Tax dollars (see Appendix Five). Local governments in PEI will receive at least \$37.5 million over the first five years of the program to fund eligible municipal projects under the Agreement on the Transfer of Federal Gas Tax Revenues. This agreement allocated money to cities and incorporated communities as part of the federal New Deal for Cities and Communities Program. Larger companies require often public water and sewer systems to be able to function profitably.
- " **Democratic deficit** Many major decisions and initiatives for unincorporated areas are taken by appointed agencies, boards and commissions, rather than by a community council elected directly by the citizens. As expressed by one participant: they are not taking control of their own destiny.
- " **Rural area: a sense of crisis, of identity** The countryside has changed dramatically during the past 50 years. There are many fewer but larger farms; many people who live in the rural areas work in town; and there has been a major consolidation of schools, churches and other features that were once part of every small community. People increasingly look to urban areas for employment and recreational opportunities.

## 10.0 Mechanisms for Working Together

While there was a sense in some quarters that amalgamation of smaller units and unincorporated areas is inevitable, it was also felt that many people would resist this as long as possible, especially if they felt it was being thrust upon them. Some people suggested pre-empting top-down amalgamation by coming together on their own terms.

### 10.1 Some Potential Solutions

- " **Regional cooperation** is already occurring in some areas for specific purposes such as tourism marketing in west Prince and eastern Kings. Recreational facilities are another focal point for cooperation such as happened with the 13 communities which collaborated to build the APM Centre in Cornwall, and the present work of a Regional Coordinator for sports and recreation for west Prince. The South Shore seems to have some regional identification including the South Shore Tourist Association. The ten fire departments west of Miscouche have a phenomenal system for working together to handle large fires and other emergencies. Cooperation could be expanded to cover some more services and encourage more opportunity in fields like public transportation and post-secondary education.
- " **Larger municipal units**, as indicated above, were noted by some participants as a means to accomplishing more for the benefit of everyone and for addressing environmental concerns. The larger the municipal entity, the greater chance it had to do effective long-term planning was how one public meeting participant expressed it. Only the four largest (urban) municipalities currently have planning staff. A number of participants suggested that the entire province should be under municipal governments.
- " **Two-tier system of governance** was cited as occurring in some other jurisdictions and could be something that might work here. At the end of the day, what was seen as important is being large enough to have the wherewithal to get things done but, at the same time, to assist people in keeping their local community's sense of identity. For example, within the Resort Municipality, Cavendish and Stanhope are still considered as communities.

In the case of the possible adoption of either of the latter two forms of governance, the areas encompassed by the 20 to 25 major Island watersheds should be considered when boundaries are decided. For environmental management this is desirable as well as potentially for better access to long-term infrastructure planning and funding.

### 10.2 Advantages of Larger Municipal Units

Many discussions suggested that perhaps it is time to look at larger municipal units that incorporate some existing small municipal units or that also bring in some of the currently unincorporated area. The reasons that were given:

- " **Capacity** for strategic, long-term planning and for coping with emergencies would be enhanced. Generally municipalities have responsibility for such major things as land use planning, recreation and emergency planning. The smaller municipal units simply do not have the capacity to undertake these responsibilities.
- " **Greater administrative capacity** would be possible in that more professional staff could be hired to serve a larger population base and geographic area.
- " **More resources** to work with which would give greater flexibility in serving the needs for recreation, policing and services such as sewer and water. Critical mass is important in the ability to get things done.
- " **The community could be a major player in development** instead of being heavily dependent on the other orders of government or solely on the private sector for initiating development activity in the community.
- " **A stronger collective voice** is desirable to communicate with the provincial and federal governments.
- " **More authority** at the local level is desirable, especially for small jurisdictions which currently depend on the Province to do things such as issuing building permits.

Some discussion occurred as to a desirable size for a rural municipality. While every situation would be different and would have to be considered, the minimum population size was suggested to be in the range of 2,500 – 3,000 by several key informants. This is something that bears further study, and of course, is highly dependent on the powers assigned to municipalities.

## **11.0 The Path Forward for the Rural Team on Public Discussion of Governance Issues**

The project's terms of reference state that the Rural Team is not requesting recommendations for changes to the existing governance model or proposals for new models. Rather, the consultants have been directed to present a report which will act as the starting point for the governance sub-committee in determining what level of advocacy and further study, if any, would be required. The Terms of Reference further state that Our committee will also be looking for what the potential next steps could be in terms of dealing with the results of the report.

In this spirit, then, we outline some seven suggested activities (11.3 to 11.9) for possible action by the Rural Team. The emphasis throughout is on further research and public

consultation, with a view to preparing the way for informed action. In section **11.2** we suggest four **basic principles** to be followed throughout the general research and public consultation initiative. However, we believe that before such action can be effective, there is need for the Province to adopt a basic **vision for change**. Three basic building blocks of such a policy are outlined in section (**11.1**) immediately below.

### **10.1 Vision for Change**

In order to prepare the ground for change in the area of local governance in Prince Edward Island, we propose that the Province commit itself to:

- " Endorse the recommendation of the Final Report of the *Municipalities Act* Review Committee to prepare an implementation plan to expand the present geographical coverage of municipal government to all areas of the province . And, further, that it set a reasonable period of time (perhaps 10 or 15 years?) during which this will be accomplished.
- " Make it mandatory for all Island municipalities to be members of the Federation of Prince Edward Island Municipalities.
- " Strengthen the role and capacity of the Federation of Prince Edward Island Municipalities so that it can provide substantially increased services to its members for example, in land use planning.

### **10.2 Basic Principles**

As the process continues, we suggest that both the Rural Team and the Province follow closely the following **general principles**:

- " **Time, patience and tenacity will be required.** The process of reaching consensus for action will be at times exhausting, so that great patience will be required.
- " **The process must be bottom up, not top down.** For successful action, vision will need to be shown at the top; however, nothing can replace informed consensus operating from the grassroots.
- " **Citizen consultation and support are necessary.** These two imperatives are absolutely basic.
- " **The FPEIM has a central role as a catalyst.** A process of rural governance reform will require a champion. The obvious candidate for this essential role is the Federation of PEI Municipalities working through and with the PEI Rural Team.

### **11.3 Don't Let This Report Gather Dust!**

We hope that this report can serve as a useful discussion document about pertinent rural governance issues – and possibly as a **catalyst for further conversation and action**. To this end, we suggest that it be made freely available to the general public and to government and local community stakeholders, in both print and electronic versions. In addition, media attention should be drawn to the report, possibly through its release at a press conference. Finally, a PowerPoint presentation based on the report should be available, along with a speaker (or speakers) to facilitate meetings with interested local groups throughout the Island.

### **11.4 Cost-Benefit Analysis of Present System**

Future policy decisions should be based on the best possible information about the true costs of different governance options. In particular, the economic consequences of the present system should be spelled out clearly, projected one or two decades into the future. These costs should include those incurred by individual property owners, as well as the municipal, provincial and federal orders of government. Thus we recommend a comprehensive **cost-benefit analysis**, focusing on the services provided to property-owners in both incorporated and unincorporated areas.

### **11.5 Regional Consultation Meetings Throughout the Island**

For the partners in The IRIS Group, one of the highlights of the present project was a repeated emphasis – by participants in the public meetings and focus groups – on the theme of **regional cooperation**. More and more, people seem to be thinking beyond the boundaries of their own small municipalities. One can now speak, for instance, of a west Prince, or eastern Kings, or south *séshore* or *region*. In fact, our public meetings and focus groups became themselves a venue for regional networking.

Thus, we advise that the PEI Rural Team and/or the FPEIM facilitate a series of regional meetings of local-governance stakeholders and other citizens, from both incorporated and unincorporated areas. These should be held throughout the Island. The purpose is two-fold: to encourage regional networking and action; and to consider how local governance might change to accommodate this emerging phenomenon of *regionalization*.

### **11.6 Build on the Work of the Community Development Bureau**

As stated previously in this report (also see Appendix Six), the Province's Community Development Bureau has been doing excellent work in community capacity-building throughout the Province, primarily in unincorporated areas. We suggest that the insights of the Bureau be fully utilized in future efforts to combine the governance and development functions in rural PEI. In addition, we believe that the Bureau's map of Community Development Areas (see p. 30) – dividing rural PEI into about 30 self-defined communities – could be used as a building block toward determining the boundaries of future regional municipal units. We caution, however, that these divisions should be considered, at least initially, as purely notional – a useful starting point.

### **11.7 Potential Models from Comparable Jurisdictions**

Much can be learned from a focused examination of local governance systems and practice in comparable jurisdictions. A modest start has been made in this report, by considering the examples of Nova Scotia and Iceland. A dozen or so other small jurisdictions could be identified, starting with New Brunswick and the research carried out looking for precise information, as well as general models. Generally, the jurisdictions should be comparable in size, political culture, and standard of living to Prince Edward Island. In particular, it might be useful to examine other small-island jurisdictions, as well as models in Scandinavia, where local governance is highly developed.

### **11.8 Detailed Study of Several Island *Regional* Communities**

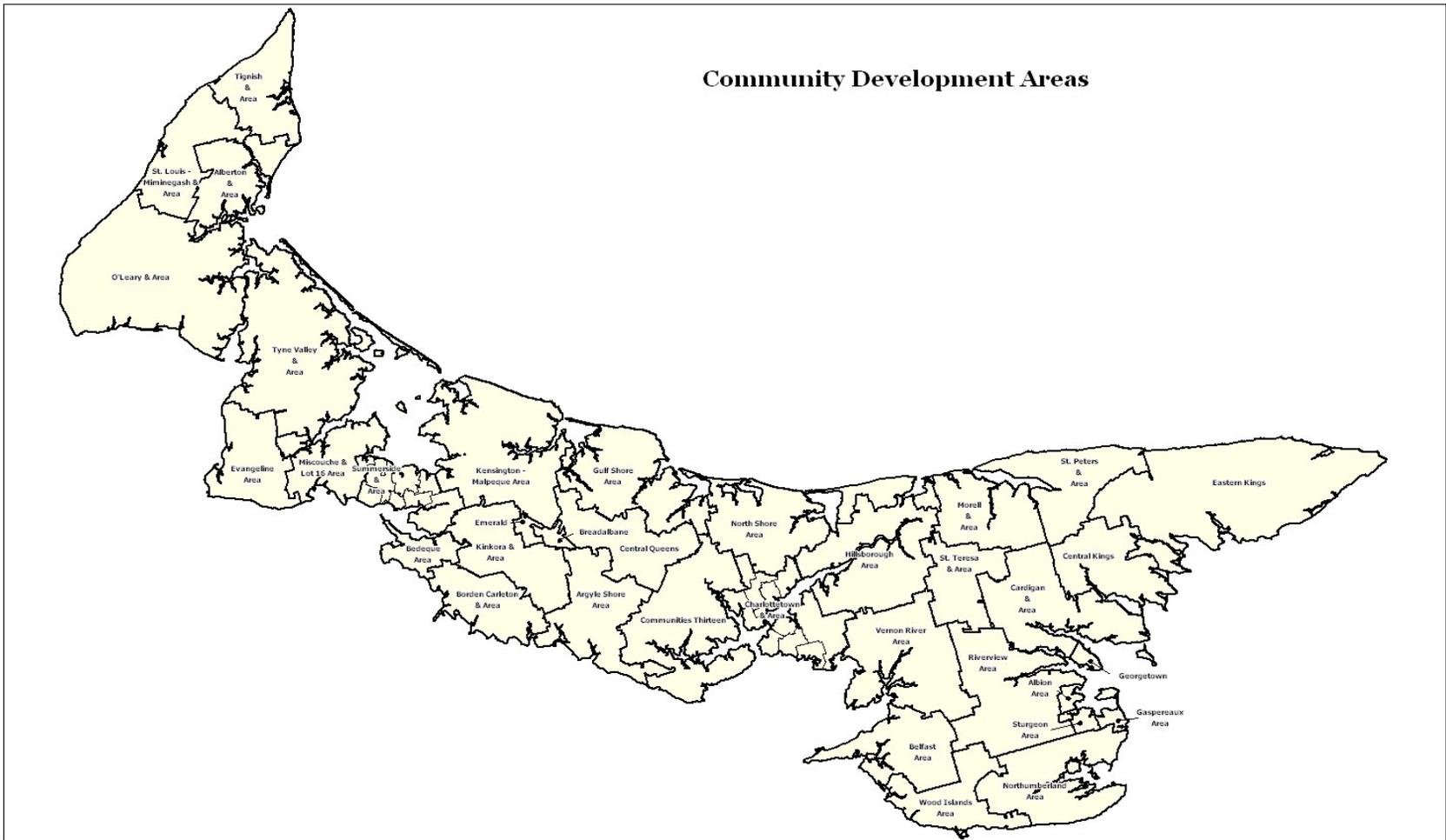
It might be highly instructive to identify one or more Island communities which would be interested in giving hypothetical examination to expansion to encompass a significantly larger, regional territory. The major work here would be to carry out a detailed study of what additional services might be taken on, what this might cost, and how the extra revenues could be raised. A possible candidate community would be Tyne Valley, including the region serviced by the Tyne Valley hospital and recreational facilities, roughly from Portage to Evangéline. Eastern Kings, say from Rollo Bay to East Point, might be another possibility. There could, of course, be other candidate communities. However, it should only be necessary to do one or two, since the insights would be generally applicable.

### **11.9 Pilot Projects: Models for Innovation**

Where and when the will exists for a *regional* community to try its wings but the local citizens are not yet prepared to commit to permanent change a process could be set up to allow for **pilot projects of local governance**, inspired by the Icelandic model. A regional governance structure could be set up on an interim basis, assuming additional powers and responsibilities for a set period of time say three or five years. At the end of that period, the local citizens would be given the choice of committing to regional governance, or reverting to the old system. For this to work, short-term *seed* funding would need to be made available to enable the pilot municipality to increase its service capacity during the testing phase. The strong support of both provincial and federal orders of government would be necessary prerequisites for success.

One obvious candidate as a pilot community would be the Evangéline district, roughly the area covered by the area high school. The population is just over 2,000 people. This area has a strong cultural coherence, an important condition for effective regional governance. Other candidate pilot communities could be identified through the general strategy suggested above, in particular the regional meetings and community studies.

If the initial **pilot communities** are successful, then they might well become **model communities** for the rest of the Island.



*Fig. 2. The Community Development Areas: working units identified by the Provincial Community Development Bureau, PEI Department of Development and Technology*



## 12.0 Conclusion: Rural Governance at a Crossroads

Rural community governance in Prince Edward Island has arrived at a crossroads. A straight route forward is no longer tenable – nor, perhaps, even possible. Some far-sighted policy decisions are urgently required.

An overview of some pressing, present problems has been outlined in earlier sections of this report, confirmed by both the literature review and public consultations. The metaphor of the patchwork quilt of governance-units is a good one, pieced together in fits and starts over time and without a general plan. The resulting mishmash of incorporated and unincorporated, small and large, powerful and weak is neither efficient nor fair. In far too many cases, the Island's rural municipalities simply do not have the capacity to deal with the demands of the citizens in a rapidly changing governance environment. And the pressure on the *status quo* is only going to increase.

For effective action, strong vision and leadership must come from the provincial government. First of all, a basic decision needs to be made: does the Province intend to continue indefinitely to act as the *de facto* local government in that 70% of the Island territory which is unincorporated? Or, would it prefer to oversee the evolution and implementation of effective local government which includes all of the Island? In large part, this is a question of basic local democracy.

The majority of Islanders consulted for this report would prefer the second of these options. But while major change is seen as inevitable, it is also greatly feared. Indeed, most individuals living in unincorporated areas prefer the *status quo*. This is particularly true of property owners who fear higher taxes. There is general unanimity on one point, however: reform should not be dictated. Thus, the approach should be primarily bottom-up, not top-down.

This presents a problem: in fact, something of a stalemate. Clearly, a catalyst is required if the process is to move ahead. This role can be assumed by the PEI Rural Team, working in close association with the Federation of PEI Municipalities. In this report we've outlined a number of possible next steps in moving the public discussion along toward consensus and action.

There seems to be general agreement about the ultimate goal: effective local government units covering the whole of the Island. But between here and there, an enormous amount of debate and consultation is required over matters of size, boundaries, powers, tax base, etc. These are decisions which cannot be rushed. At the same time, the consideration of these issues cannot be delayed.

For a successful outcome of this process – that is, to move with confidence through the crossroads – an effective partnership between the Province and the FPEIM will be required. This year the Federation is celebrating the 50<sup>th</sup> anniversary of its founding. Buoyed by a renewed sense of purpose and tradition, as well as a 50% increase in its membership since 2000, the Federation appears to be acting with new resolve.

Here and there across the Island as we did our consultations we listened to individuals who were filled with enthusiasm for a new vision of rural Island governance. One person suggested the formation of a regional municipality of west Prince, a potentially powerful entity which would be second only to Charlottetown in population. Another advocated a Three Rivers municipality, combining the towns of Montague, Georgetown and Brudenell and including the watersheds of the namesake rivers. This would create an eastern-PEI equivalent to Summerside as a dynamic centre of regional innovation.

We believe that if the Island people are truly challenged to work together to create a new, dynamic model of rural, democratic governance, vision will not be lacking.

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## Appendix Two: Backgrounder, PEI Municipalities

Municipality	Area (Km <sup>2</sup> )	Population			FPEIM Member	Official Plan	Services					Service Centre
		1996	2006	% Chg			Fire	Water	Sewer	Police	RCMP	
<b>Cities</b>												
Charlottetown	44.3	32,531	32,174	-1.1	* □	* □	* □	* □	* □	* □	* □	* □
Summerside	28.4	14,525	14,500	-0.2	* □	* □	* □	* □	* □	* □	* □	* □
<i>Subtotal</i>		47,056	46,674	-0.8								
<b>Towns</b>												
Stratford	22.5	5,869	7,083	20.7	* □	* □	* □		* □			
Cornwall	28.2	4,291	4,677	9.0	* □	* □	* □	* □	* □			
Montague	3	1,995	1,802	-9.7	* □	* □	* □	* □	* □			* □
Kensington	2.6	1,383	1,485	7.4	* □	* □	* □	* □	* □	* □		
Souris	3.4	1,293	1,232	-4.7	* □	* □	* □	* □	* □		* □	* □
Alberton	4.5	1,084	1,081	-0.3	* □	* □	* □		* □		* □	
Georgetown	1.7	732	634	-13.4	* □	* □	* □		* □			
<i>Subtotal</i>		16,647	17,994	8.1								
<b>Communities</b>												
Belfast	170.8	1,839	1,520	-17.3								
Eastern Kings		1,272				* □	* □					
Miltonvale Park		1,242				* □						
Malpeque Bay		1,238										
Lady Slipper		1,076										
O'Leary	1.6	877	861	-1.8	* □	* □	* □		* □			* □
Tignish	5.9	839	758	-9.7	* □	* □	* □	* □	* □			* □
Borden-Carleton		829			* □	* □	* □	* □	* □	* □		
Afton		826										
Lot 11 and Area		780										
North Shore		737					* □					
Kingston		685										
Miscouche	2.8	679	769	13.3	* □	* □	* □		* □			
North Rustico	2.5	650	599	-7.8	* □	* □	* □	* □	* □			
Valleyfield		648										
Clyde River	16.1	601	618	2.8								
New Haven-Riverdale		600			* □	* □						

<b>Municipality</b>	<b>Area (Km<sup>2</sup>)</b>	<b>Population</b>	<b>FPEIM Member</b>	<b>Official Plan</b>	<b>Services</b>	<b>Service</b>
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		1996	2006	% Chg			Fire	Water	Sewer	Police	RCMP	Centre
Central Kings		565					* □					
Grand Tracadie		543										
Ellerslie-Bideford		470										
Lower Montague		450					* □					
Wellington	1.8	427	401	-6.1	* □	* □	* □		* □			* □
Murray River	1.3	420	430	2.4			* □					
Crapaud	2.2	378	353	-6.6	* □		* □		* □			
Cardigan	5.3	371	374	0.8	* □		* □					
Annandale-LP-HB		370										
St. Felix		359										
Brudenell		358			* □	* □					* □	
Murray Harbour	4	356	358	0.6	* □		* □		* □			
Meadowbank	9.3	354	364	2.8								
Hunter River	6.1	354	319	-9.9					* □			
Brackley	8.9	347	336	-3.2								
Morell	1.4	336	306	-8.9	* □		* □		* □			
Abrams Village	1.4	328	266	-18.9	* □				* □			
Hampshire		327										
Souris West		327										
Greenmount-Montrose		323										
Kinkora	3.8	321	328	2.2	* □	* □	* □		* □			
Mt. Stewart	1.2	310	261	-15.8			* □		* □			
Linkletter	9.1	304	321	5.6		* □						
West River		296										
York		296										
Warren Grove	10.3	295	341	15.6		* □						
St. Peters Bay	4.2	283	248	-12.4	* □		* □		* □			
Alexandra		280										
RM of Cavendish		255			* □	* □			* □			
Bonshaw		250										
Richmond		248										
Tyne Valley	1.7	231	226	-2.2	* □		* □		* □			
Hazelbrooke		216										

Municipality	Area (Km <sup>2</sup> )	Population			FPEIM Member	Official Plan	Services					Service Centre
		1996	2006	% Chg			Fire	Water	Sewer	Police	RCMP	

Union Road	10	216	245	13.4		*						
Mimenegash		210					*					
Northport		210										
North Wiltshire		208										
Winsloe South	9.6	207	198	-4.3	*	*						
Pleasant Grove		194										
Central Bedeque	1.9	182	149	-18.1	*							
St. Nicholas		177										
Breadalbane	12.6	171	172	0.6								
Sherbrooke	8.9	160	168	5.0		*						
Victoria	1.4	158	77	-51.3	*	*	*					
Bedeque	0.7		139									
St. Louis	0.6	100	80	-20.0	*							
Lorne Valley		91										
Darlington		78										
Tignish Shore		72										

## **Appendix Three**

### **List of Key Informants & Focus Groups**

#### Key Informants

Baker, Alan. Member of board, Northumberland Development Corporation and resident of IRIS, an unincorporated area

Bernard, Honourable Leonce. Former MLA, Minister and Lt. Governor, former Chair of Wellington Community Council

Campbell, Stan. Past President, Federation of Prince Edward Island Municipalities, and resident of the Community of New Haven Riverdale

Kinnee, Jim. Chair, Belfast Development Corporation and former Chair of Belfast Community Council

La Chapelle, Dianne. Chief Administrative Officer, Town of Souris

MacEwen, Sidney. Chair, the Morell and Area Enhancement Committee, and resident of West St. Peters, an unincorporated area

MacAulay, Jim. Chair of St. Peters and Area Development Corporation and resident of Midgell, an unincorporated area

MacDonald, Albert. Director of Planning and Inspection Services, PEI Department of Communities, Cultural Affairs and Labour

MacDonald, Shari. Administrator, Community of Miltonvale Park

Maddix, Robert. Regional Adviser, Rural Secretariat, Agriculture and Agri-food Canada

McGowan, Patricia. Mayor, Town of Montague

McGuire, Matt. Chair, Tyne Valley Community Council

Murphy, Nancy. Community Development Officer for Rural Queens, PEI Community Development Bureau, PEI Department of Development and Technology

Murphy, Samantha. Manager of Municipal Affairs, PEI Department of Communities, Cultural Affairs and Labour

Rankin, Gina. Chair, Afton Community Council

Raymond, Bruce. Manager, Watershed Management Section, PEI Department of Environment, Energy and Forestry

Smeltzer, Don. Town Manager, Town of Kensington

Wallace, Joanne P., Western Region Coordinator, Sport and Recreation Section, PEI Department of Communities, Cultural Affairs and Labour

Somers, George. Manager, Drinking Water Management Section, PEI Department of Environment, Energy and Forestry

Gwen Wyand. Immediate Past-President, Prince Edward Island Federation of Municipalities and resident of the Resort Municipality of Cavendish

Focus Group Participants:

**Evangéline Area (Wellington)**

Louise Comeau, La Société de développement de la Baie acadienne

Colette Aucoin, la Société Éducative de l'Î.-P.-É.

Alcid Bernard, Municipality of Wellington

Giselle Bernard, RDÉE Î.-P.-É.

Edgar Arsenault, Regroupement des communautés Évangéline and le Conseil de développement cooperative

**South Shore (Victoria)**

Sabine Nuesch, Victoria Business Association

Glenn Stewart, Chair, Crapaud Community Council

Bill Glen, Bonshaw Council member

Terry Ruddel, Victoria Planning Board member

Stan Campbell, formerly of the New Haven Riverdale Council

Gina Rankin, Chair, Afton Community Council

**Eastern (St. Peters Bay)**

Connie Doucette, Chair of Mt. Stewart Community Council

Ronnie MacInnis, Chair, St. Peters Bay Community Council

Anna Duffy, Ft. Augustus, unincorporated area, former school board chair

Wayne Corrigan, Tracadie Community Centre board, unincorporated area

Evelyn MacKenzie, St. Peters and Area Development Corporation

## **Appendix Four: Municipal Boundaries Legislation**

The existing provincial legislation outlines the process to be followed in creating a new municipality, or in adjusting the boundaries of a municipality, or, for that matter, in combining together two or more municipalities. These provisions are laid out in the relevant sections of the **Municipalities Act** (see below).

As a general rule, the legislation allows the responsible Minister (now Communities, Cultural Affairs and Labour) a fair amount of discretion both in guiding the process and deciding on the recommendation to be made to Lieutenant Governor in Council (that is, the Cabinet).

The process for setting up a new municipality can be initiated through a petition signed by at least 25 residents of the area. The only other stipulated action is the holding of a well-publicized public meeting.

Two or more municipalities can amalgamate through agreement of the respective Community Councils and the approval of the Minister and Cabinet.

Things get much more complicated though, when a municipality wishes to expand to include territory in an incorporated area (see the section below on **Municipal Annexation**).

### *Municipalities Act Provisions Incorporation and Boundary Changes*

#### **FORMATION OF A MUNICIPALITY**

5. Upon receipt of a petition signed by at least twenty-five residents of an area indicating
  - (a) their desire to have a municipality established for the area;
  - (b) in general terms, the geographical boundaries of the municipality;
  - (c) whether the municipality is to be a town or community; and
  - (d) the services to be provided by the municipality,

the Minister shall call a public meeting of the residents of the area to discuss the matters contained in the petition and to determine if there is public support therefor. 1983, c.33, s.5.

6. Notice of the public meeting shall be published in the Gazette and on at least two occasions in a newspaper circulating in the area indicating
  - (a) in general terms, the content of the petition;

- (b) the date, time and place of the meeting which shall be held not less than fourteen days after the date of publication of the first notice in a newspaper; and
- (c) that residents of the area are invited to attend and make representations concerning the petition. 1983, c.33, s.6.

7. Before making any recommendation with respect to any petition, the Minister may conduct

- (a) a plebiscite of the residents of the area in accordance with the regulations;
- (b) a feasibility study. 1983, c.33, s.7.

8. (1) After consideration of the petition and the recommendation of the Minister, the Lieutenant Governor in Council may, by order published in the Gazette, incorporate the inhabitants of an area as a municipality.

(2) An order under subsection (1) may

- (a) prescribe the name and boundaries of the municipality;
- (b) designate the status of a municipality as a town or community;
- (c) prescribe the services that may be provided by the municipality;
- (d) appoint an interim council to hold office until the first elections are held;
- (e) prescribe the effective date of the order;
- (f) do any other things that are considered necessary to make the order effective. 1983, c.33, s.8.

## **MUNICIPAL BOUNDARIES:**

### **Adjustment of boundaries between incorporated municipalities**

9. (1) After the passage of a council resolution and receipt by the Minister of an application from the municipalities affected, the Lieutenant Governor in Council may by order published in the Gazette

- (a) change the status of a municipality from community to town or from town to community;
- (b) correct an error in the description of, or resolve any doubt concerning, a municipal boundary line;
- (c) dissolve a municipality;
- (d) adjust a mutual boundary line;

- (e) reduce the boundaries of a municipality;
  - (f) amalgamate two or more municipalities to form one municipality;
  - (g) change the name of a municipality.
- (2) The application referred to in subsection (1) shall include
- (a) a copy of the council resolution;
  - (b) a statement indicating the reasons for the request and the financial implications;
  - (c) any other information the Minister may request.
- (3) An order under subsection (1) may
- (a) prescribe the new boundaries of the municipality;
  - (b) provide for the disposition of the assets and liabilities;
  - (c) do any other things that are considered necessary to make the order effective.
- (4) Notwithstanding clause 1(e), clauses 9(1)(b) to (f) and subsections 9(2) and (3) apply to the City of Charlottetown, City of Summerside and the towns of Charlottetown South and Charlottetown West. 1983, c.33, s.9; 1994, c.41, s.1 *{eff.}* March 31/95.

## **MUNICIPAL ANNEXATION:**

### **Municipalities extending into unincorporated communities**

#### **Procedure**

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**12.** (1) Where a municipality wishes to extend its boundaries to include an area for which no municipal government is provided under this Act, it may apply to the Minister for approval of the annexation of that area.

(1.1) No application shall be made under subsection (1) unless, at least four weeks prior to the date on which the council proposes to adopt the resolution extending the boundaries of the municipality, the council causes a written notice to be sent to the residents of the area to be annexed, together with

- (a) a copy of the proposed resolution;
- (b) a map illustrating the area to be annexed identifying the relevant properties by parcel number;
- (c) a statement of the reasons for the extension;

- (d) a statement of the municipal services to be provided in the annexed area;
- (e) a statement of the financial implications with respect to real property tax and rates for municipal services.

(2) No application shall be made under subsection (1) unless supported by a resolution of the council.

(3) An application shall set out

- (a) in general terms, the geographical boundaries of the area to be annexed;
- (b) the reasons in favour of the proposed annexation; and
- (c) the services to be provided and the level of municipal taxation to be applied to residents of the annexed area.

**13.** (1) On receipt of an application, the Minister shall direct the Island Regulatory and Appeals Commission to conduct a public hearing in or near the area to be annexed for the purpose of reviewing the application.

(2) Notice of the public hearing shall be published in the Gazette and on at least two occasions in a newspaper circulating in the area, indicating

- (a) in general terms, the content of the application;
- (b) the date, time and place of the meeting which shall be held not less than fourteen days after the date of publication of the first notice in a newspaper;
- (c) that residents of the municipality and the area to be annexed and any persons affected by the application are invited to attend and make representations concerning the application.

(3) The Commission shall determine all matters of procedure at the public meeting.

(4) The Commission shall review the representations made at the public meeting and shall make a recommendation to the Minister as to whether the proposed annexation is justified for municipal purposes having regard to

- (a) the future development of the municipality;
- (b) administrative convenience;
- (c) any significant loss of productive agricultural land.

**14.** (1) The Minister shall present the application, together with the recommendation of the Island Regulatory and Appeals Commission, to the Lieutenant Governor in Council.

(2) The Lieutenant Governor in Council may, by order published in the Gazette, approve or reject the application and order that the boundaries of the municipality be extended to annex the area in accordance with the application.

(3) Where an order extending the boundaries is made under subsection (2), the annexed area becomes for all purposes part of the municipality and is subject to all bylaws in force in the municipality to which it is annexed.

## **Appendix Five: New Deal for Cities and Communities - Gas Tax Revenue**

In 2005 the Government of Canada and the Province of Prince Edward Island signed the Agreement on the Transfer of Federal Gas Tax Revenues, which allocated funds to Prince Edward Island cities and communities as part of the federal New Deal for Cities & Communities Program. Local governments in PEI will receive a total of \$37.5 million over the first five years of the program to fund eligible municipal projects. The funding levels will increase annually until the fifth year after which it will continue at that level.

Allocation of funds is on an entitlement per capita and project basis. The following are the allocations to eligible recipients as of the 2005 New Deal agreement:

- \$4.5 million for the completion of the PEI Sludge Remediation Program (This one time allocation will directly benefit all Island residents through investment into upgrading the sewage treatment plants in Summerside and Charlottetown).
  
- \$11 million to the Province for the rehabilitation of roads and bridges within incorporated municipalities. The 12 projects are:
  - Montague Main Street Bridge
  - Little Flower Avenue, Morell
  - Riverside Drive, Charlottetown
  - Langley/Rosebank Intersection, Stratford
  - Bunbury Roundabout, Stratford
  - Anderson s Bridge, Resort Municipality
  - Cavendish Road, Resort Municipality
  - Read s Corner Highway, Summerside
  - Travellers Rest Highway, Summerside
  - Somerset Street, Kinkora
  - Main Street, O Leary
  - Main Street, Alberton
  
- \$17.1 million to incorporated communities that provide sewer and/or water services to their residents. The purposes are to enhance the quality of the environment, support long-term economic growth, improve community infrastructure, increase innovation and the use of new approaches and best practices and to increase efficient use of existing infrastructure.

The municipalities receiving funds are Charlottetown, Summerside, Stratford, Cornwall, Montague, Kensington, Souris, Alberton, O Leary, Tignish, Borden-Carleton, Miscouche, Georgetown, North Rustico, Wellington, Crapaud, Murray Harbour, Hunter River, Abram s Village, Morell, Kinkora, Mount Stewart, St. Peter s Bay, Resort Municipality, Tyne Valley and Victoria.

\$4.9 million to the Communities and Capacity Building Fund (CCBF) that

□□

will give consideration to incorporated communities that do not provide sewer and/or water services to their residents to projects that are regional in scope to initiatives from unincorporated areas that are reflective of, and in keeping with, the strategic planning priorities of the program; to local capacity building efforts (at least \$1 million) to assist communities to enhance their capacity to achieve and maintain long-term sustainability.

In addition to the \$37,500,000 for the above four categories, the Government of Canada established a one-time Public Transit Capital Trust to assist provinces and territories in supporting capital investments in public transit infrastructure. Prince Edward Island was allocated \$5.5 million.

NOTE: As noted above, the residents of the unincorporated areas have sewage sludge disposal available to them through the upgraded plants in the two cities. They are also able to indirectly apply to the Communities and Capacity Building Fund for projects if the Province agrees to sponsor those projects. As well, they may benefit from some of the Public Transit Capital Trust money for things such as the study into public transit throughout PEI. Generally, however, it is the municipalities that the New Deal Gas Tax funds are designed to serve. While it is difficult to estimate how much the unincorporated areas are missing out on until all funds are spent, it can be noted that the per capita allotment to municipalities that have water and/or sewer systems is approximately \$234.69 over five years. The minimum contribution to municipalities that qualify for direct payments is \$100,000.

## **Appendix Six: The Community Development Bureau**

For most of the past decade, the main, formal work of Community Development in Prince Edward Island has been carried out by the Community Development Bureau, an agency working through the Department of Technology and Development. In general, this has been an excellent initiative, and much good work has been done. Most of the activities have been carried out in the unincorporated areas, so that the Bureau has been providing a framework for community development in that 70% of the Island territory which is not covered by municipalities.

The focus of the Bureau is both economic and social development. There are seven employees: the director of the program and one community development officer assigned to work locally in each of six regions – western Prince, east Prince, central Queens, eastern Kings, and southern Queens and Kings. According to the government website ([www.gov.pe.ca/development/cald-info/index.php3](http://www.gov.pe.ca/development/cald-info/index.php3)) Community Development Officers work across the Province to assist communities identify their needs and priorities and encourage citizens to help their communities grow and prosper.

In most cases, the Bureau works locally through Community Development Corporations. In areas where such Corporations do not exist, the development officers help to set them up. The CDCs are legal bodies designed in part to provide a community-action group, and in part to carry out particular projects. A bottom-up approach is used in deciding their boundaries: the people in a particular locality are asked to define what they consider to be their community boundaries. These may or may not coincide with rural municipal units: for example, the large area covered by the Belfast Community Council is served – in part, at least – by three different Community Development Corporations. And the Municipality of St. Peter's Bay represents but a small part of the area covered by the St. Peter's and Area Development Corporation.

The Bureau's community development process is clearly described on the government website:

Government is committed to healthy, sustainable communities. A new partnership with Island communities means government and citizens working together in a process to build on strengths and recognize needs. The hope is that all communities will take the opportunity to participate in this process.

Any local organization can request the help of a community development officer. The officer will assist in determining if there is a willingness in the community to participate in the community development process.

The community development officer will conduct interviews with a wide range of local organizations. They also conduct "kitchen table" interviews with people in the

community. If there is sufficient interest, the community will be assisted in holding a forum. At that point, citizens can identify a community area and choose a group to spearhead the development process. Through surveys and meetings, residents will develop an understanding of what is available in their community, what is needed and how best to work together. This information will be used to develop a community profile and guide in making development decisions.

Residents will be assisted to develop a vision for the future of their community. They will then work together to identify priorities, focusing on key areas of health, environment, education and economic development. These priorities will form the basis of the community's plan.

At this stage, the community knows who it is, what it can do and what it would like to achieve. Residents then begin to work together, using the resources they have identified, to improve and enhance their community.

The Community Development Fund will complement this initiative by contributing as a partner to projects which are locally endorsed and supported.

As evidenced by the foregoing description, the process followed by the Bureau's community development officers is both thorough and based firmly on local priorities. It has also been comprehensive, seeking to include the whole of rural PEI. In fact, the folks at the Bureau estimate that all of rural PEI can be encompassed by the roughly 30 regional communities, as locally self-defined through the Bureau's process (see map, p. 30).

Thus the work of the Bureau has had two major results: 1) it has helped mobilize people at the community level to carry out local economic and social development; and 2) it has encouraged people to think in terms of working in larger, more regional, community groupings (such as the whole of the Evangéline district).