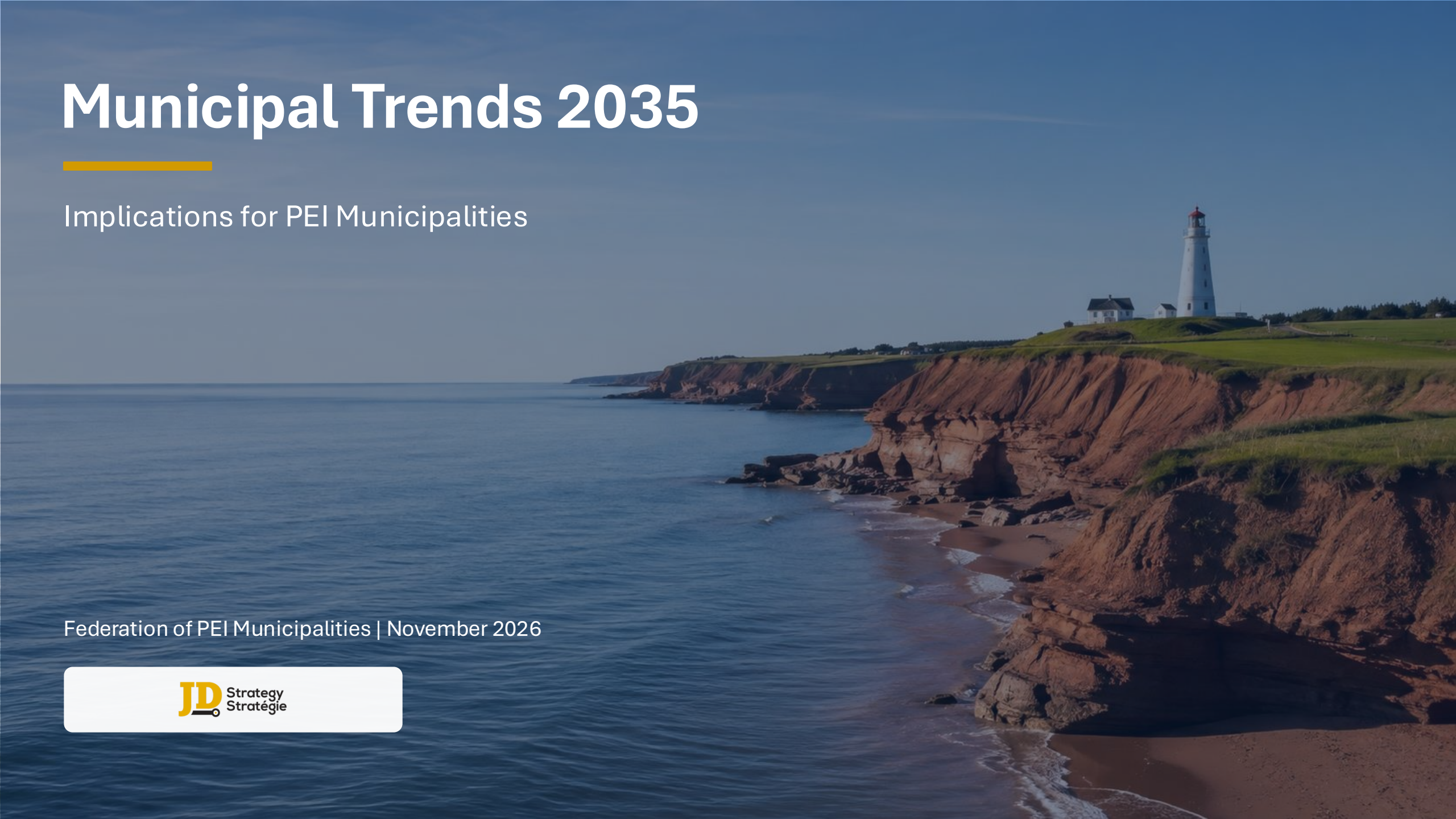
# Municipal Trends 2035

Implications for PEI Municipalities



Federation of PEI Municipalities | November 2026

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# THE LOCAL GOVERNMENT RESET

Municipalities are no longer simply service providers.

1

## HOUSING ENABLERS

Land use, servicing capacity, approvals and partnerships now affect whether communities can grow.

2

## ECONOMIC STEWARDS

Councils help shape conditions for business retention, workforce attraction and investment.

3

## RESILIENCE LEADERS

Climate, trade, energy and supply-chain shocks now land locally.

4

## FRONT LINE OF TRUST

Residents increasingly look to local government for clarity, responsiveness and confidence.

**LOCAL GOVERNMENT IS NOW WHERE GLOBAL, NATIONAL AND PROVINCIAL PRESSURES BECOME LOCAL REALITIES.**

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# FROM ADMINISTRATION TO LEADERSHIP

The municipal job has moved from managing services to enabling outcomes.

## 1 THEN

Keep the lights on

- Manage services
- Maintain assets
- Operate within known boundaries

**SERVICE DELIVERY FOCUS**

## 2 NOW

Shape better outcomes

- Shape outcomes
- Manage trade-offs
- Coordinate across systems

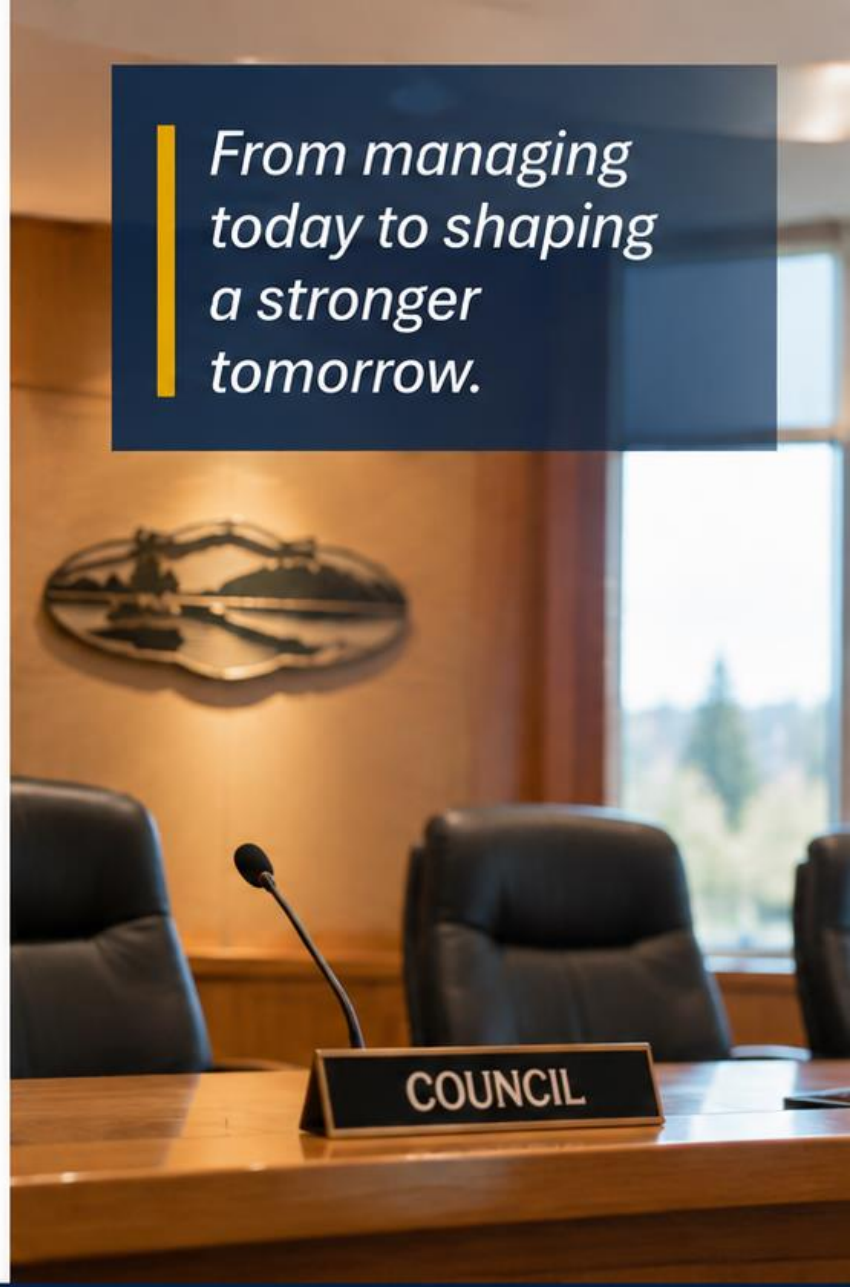
**STRATEGIC LEADERSHIP**

## 3 FUTURE

Build resilient communities

- Build resilience
- Preserve flexibility
- Lead through uncertainty

**STRONGER, MORE ADAPTABLE COMMUNITIES**




*From managing today to shaping a stronger tomorrow.*

**THIS IS NOT INCREMENTAL CHANGE — IT IS SYSTEMIC.**

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# MUNICIPALITIES ARE NOW THE PROBLEM-SOLVERS OF LAST RESORT

When systems fall short, the issue lands locally.



*Local communities feel the impact when other systems fall short.*

### HOUSING

Housing shortages and affordability pressures affect community stability.

### HOMELESSNESS

Visible impacts on public spaces and municipal facilities.

### MENTAL HEALTH

Increased demand for local support and crisis response.

### WORKFORCE SHORTAGES

Challenges in attracting and retaining the people communities need.

### CLIMATE IMPACTS

More frequent and severe events strain infrastructure and services.

### ECONOMIC DISRUPTION

Global and national shocks affect local businesses, jobs and municipal revenues.

**THE MANDATE HAS EXPANDED — WITHOUT MATCHING TOOLS OR RESOURCES.**

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# THE 4 FORCES SHAPING PEI MUNICIPALITIES

Growth, volatility and capacity are now converging.

1

## POPULATION & HOUSING

Growth uncertainty
Aging demographics
Housing pressure
Talent attraction

2

## GROWTH & WORKFORCE

Trade exposure
Tourism economy
Labour shortages
Economic diversification

3

## INFRASTRUCTURE & CLIMATE

Aging assets
Coastal vulnerability
Energy volatility
Rising capital costs

4

## CAPACITY & GOVERNANCE

Rising expectations
Staffing pressure
Digital transformation
Public trust

**THE NEXT DECADE WILL BE WON BY COMMUNITIES THAT ADAPT EARLY AND LEAD INTENTIONALLY.**

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# FORCE 1: POPULATION & HOUSING

*From rapid growth to demographic uncertainty.*

# FROM RAPID GROWTH TO DEMOGRAPHIC UNCERTAINTY

PEI is still growing — but the growth story is changing.

1

## RECENT PAST

Rapid population growth transformed housing demand, service expectations and municipal infrastructure pressure.

2

## CURRENT REALITY

PEI population was estimated at 181,715 on April 1, 2026; year-over-year growth slowed to 0.2% and population declined in each of the previous three quarters.

3

## STRATEGIC QUESTION

Can PEI attract and retain the people, skills and families required for sustainable community growth?

Source: Government of PEI population report / Statistics Canada, June 2026

**THE CHALLENGE IS SHIFTING FROM MANAGING GROWTH TO SUSTAINING THE RIGHT GROWTH.**

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# HOUSING IS NOW ECONOMIC INFRASTRUCTURE

Housing is no longer only a social issue or private-market issue.



### SUPPLY & AFFORDABILITY

Housing availability and affordability influence workforce attraction, retention and community stability.

### SERVICING CAPACITY

Housing growth depends on water, wastewater, roads, planning capacity and development readiness.

### WORKFORCE HOUSING

Employers increasingly experience housing as a recruitment and productivity issue.

### PARTNERSHIP MODEL

Municipalities, Province, federal programs, non-profits and private builders all have a role.

**HOUSING POLICY IS NOW ECONOMIC DEVELOPMENT POLICY.**

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# HOUSING & HOMELESSNESS

Municipalities often “own” the visible problem even when they do not own the full jurisdiction.

1

## LOCAL VISIBILITY

Housing insecurity, encampments and homelessness show up in local spaces and local conversations.

2

## NOT DESIGNED ALONE

Municipalities do not control all funding, income support, mental health, addictions or social housing tools.

3

## PARTNERSHIPS REQUIRED

Progress requires coordinated provincial, federal, municipal, non-profit and private-sector action.

**THE PUBLIC EXPERIENCES THE PROBLEM LOCALLY — EVEN WHEN THE SOLUTION IS SHARED.**

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# TALENT & WORKFORCE

The competition for people is now a core municipal issue.



1

## LABOUR SHORTAGES

Employers across sectors continue to face significant labour shortages.

- **Competition** for skilled and unskilled workers
- **Aging workforce** and retirements
- **Seasonal workforce** challenges
- **Attracting and retaining** professionals in smaller communities
- **Pressure** on municipal staffing and succession planning

2

## HOUSING IMPACT

Housing shortages and affordability are limiting our ability to attract and retain the people we need.

- Limited **housing supply** and rising costs
- **Competition** with larger centres
- Impact on **workforce** recruitment
- Strain on **rental housing**
- Need for **diverse housing options** across all communities

3

## QUALITY OF LIFE

Communities compete through schools, health care, amenities and overall livability.

- Access to **health care** and other services
- Quality **education** and childcare
- **Recreation**, culture and community amenities
- Safe, **inclusive** and **welcoming** communities
- Strong internet and **digital connectivity**
- Sense of **community** and belonging

**THE COMMUNITIES THAT ATTRACT PEOPLE WILL INCREASINGLY OUTPERFORM THOSE THAT ONLY ATTRACT INVESTMENT.**

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# COMMUNITY WELLNESS & PUBLIC SAFETY

Public safety is expanding beyond traditional police and fire response.

1

## MENTAL HEALTH & ADDICTIONS

Growing demand for supports increasingly affects public spaces, emergency response and municipal services.

2

## POLICE & FIRE SERVICES

Emergency services face broader responsibilities, recruitment challenges and more complex calls.

3

## RECREATION & WELLNESS

Residents increasingly see recreation, parks and active living as baseline community infrastructure.

**STRONG COMMUNITIES REQUIRE INVESTMENT, PARTNERSHIPS AND LOCAL LEADERSHIP.**

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# INCLUSION, ACCESSIBILITY & BELONGING

1

## ACCESSIBILITY EXPECTATIONS

Residents expect public spaces, information and services to be accessible and usable.

2

## NEWCOMER INTEGRATION

Immigration and retention depend on belonging, inclusion, services and community connection.

3

## COMMUNITY STRENGTH

Inclusion supports trust, social cohesion, workforce attraction and long-term resilience.

**Welcoming communities are stronger, healthier and more competitive.**

**INCLUSION IS NOT ONLY SOCIAL POLICY — IT IS COMMUNITY AND ECONOMIC STRATEGY.**

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# FORCE 2: GROWTH & WORKFORCE

*Economic development now includes resilience and exposure management.*

# PEI ECONOMIC REALITY

Successful — but exposed to external forces.



Source: Government of PEI, PEI Export Growth, 2025 trade data

## EXPORT STRENGTH

- PEI international exports reached roughly $2.68 billion in 2025.
- Agriculture, seafood, food processing and manufactured goods are key drivers.

## U.S. EXPOSURE

- The United States represented about $2.08 billion of PEI exports in 2025 — roughly 78% of total exports.
- Trade tensions, tariffs and policy uncertainty create ongoing risk.

## PLACE ADVANTAGE

- Tourism, food, agriculture, seafood and quality of life remain major assets.
- PEI's reputation as a safe, welcoming and vibrant place to live, work and visit supports economic resilience.

## RESILIENCE NEED

- Diversification, productivity and innovation are essential.
- Stronger supply chains and workforce development.
- Reduced vulnerability to external shocks.

**GROWTH STILL MATTERS. RESILIENCE NOW MATTERS JUST AS MUCH.**

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# GLOBAL VOLATILITY IS NOW A LOCAL GOVERNMENT ISSUE

Trade, conflict, energy and supply chains now reach municipal budgets quickly.



## TRADE DISRUPTION

- Canada–U.S. trade tensions
- Tariffs and countermeasures
- Export uncertainty
- Impact on key PEI sectors (e.g. agriculture, seafood, food processing)




## GLOBAL CONFLICT

- Iran / Middle East instability
- Russia–Ukraine war
- Energy and shipping volatility
- Disruptions to global supply chains
- Ripple effects on fuel, food and key materials



## LOCAL COST PRESSURE

- Fuel and transportation costs
- Construction materials
- Equipment and procurement
- Insurance and climate-related costs
- Contractor availability and labour costs



## ECONOMIC UNCERTAINTY

- Business investment
- Agriculture and food processing
- Tourism and household confidence
- Interest rates and inflation
- Potential slower growth

**GLOBAL SHOCKS NOW REACH MUNICIPAL BUDGETS, BUSINESSES AND COMMUNITIES FASTER THAN EVER.**

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# REALITY VS PERCEPTION

The gap between what people believe and what the data shows is where strategy begins.

| PERCEPTION | | REALITY |
|---|---|---|
| Growth solves everything | → | Growth also creates housing and infrastructure pressure |
| More residents automatically improve finances | → | Costs often rise faster than assessment growth |
| Tourism benefits every community equally | → | Seasonal economies create uneven service pressure |
| Small municipalities can do more with less | → | Capacity gaps are widening |
| Housing is a private-sector issue | → | Municipal policy increasingly shapes outcomes |

**PERCEPTION SHAPES POLITICS. REALITY SHAPES THE FUTURE.**

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# TOURISM & SEASONALITY

Seasonal success also creates municipal operating pressure.



## SERVICE PEAKS

Seasonal visitors significantly increase demand for municipal services.

- Higher use of roads, beaches and trails
- Increased demand for washrooms, parks and recreation facilities
- More pressure on policing, bylaw enforcement and public works
- Greater need for waste management and seasonal infrastructure maintenance

## WORKFORCE STRAIN

Tourism growth depends on labour that is often hard to find and retain.

- Seasonal and short-term employment
- Competition with other sectors
- Affordable housing challenges for seasonal workers
- Pressure on municipal staffing during peak periods
- Need for workforce development and retention strategies

## QUALITY OF PLACE

Tourism assets are also resident quality-of-life assets.

- Well-maintained natural and cultural assets attract visitors and residents
- Need to balance visitor use with community livability
- Preserve environmental sustainability
- Manage short-term rentals and land use impacts
- Strong tourism experiences support economic resilience

**SEASONAL ECONOMIES NEED YEAR-ROUND PLANNING CAPACITY.**

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# ECONOMIC RESILIENCE IS THE NEW ECONOMIC DEVELOPMENT

Municipalities must help the business community absorb external shocks.



## SUPPORT LOCAL BUSINESS

- Retention and expansion are often more realistic than chasing one large employer.
- Help businesses adapt to changing market conditions.
- Streamline municipal processes and reduce barriers.
- Strengthen business retention and succession planning.



## DIVERSIFY MARKETS

- Reduce dependence on any single market.
- Pursue new export opportunities and domestic partnerships.
- Support value-added production (e.g., food processing, advanced manufacturing).
- Leverage PEI's strengths in agriculture, seafood, tourism and clean energy.



## BUILD SUPPLY CHAINS

- Strengthen local and regional procurement.
- Identify critical goods and services.
- Support local suppliers and contractors.
- Improve infrastructure that enables trade and logistics.
- Build redundancy to reduce vulnerability.



## ATTRACT PEOPLE

- People and skills are economic infrastructure.
- Support housing and livability to attract and retain talent.
- Promote PEI's quality of life and opportunities.
- Work with education providers to align skills with labour market needs.
- Create welcoming and inclusive communities.



## ENABLE INVESTMENT

- Land use, servicing and approvals shape whether investment can happen.
- Create clear, predictable and efficient processes.
- Invest in shovel-ready sites and infrastructure.
- Position communities for new sectors (e.g., clean energy, agri-food, innovation).
- Partner with provincial and federal programs.

**THE MUNICIPAL ECONOMIC QUESTION:**
**WHAT CAN WE CONTROL, INFLUENCE OR PARTNER TO IMPROVE?**

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# FORCE 3: INFRASTRUCTURE & CLIMATE

*The cost of waiting is rising.*

# COASTAL CLIMATE REALITY

For PEI, climate risk is local, visible and financial.



Sources: Government of PEI Coastal Hazards; PEI State of the Coast / Climate Risk materials

## COASTAL EROSION

Shoreline change affects properties, roads, utilities, tourism assets and public spaces.

- Loss of land and infrastructure
- Impacts to homes, businesses and community assets
- Increased protection and relocation costs

## FLOODING & STORM SURGE

More frequent and intense coastal and inland flooding create infrastructure and emergency-management exposure.

- Higher risk of storm damage
- Strain on emergency services
- Greater need for resilient infrastructure

## RECOVERY COSTS

Storm recovery can redirect staff time, capital plans and operating budgets.

- Higher and more frequent recovery expenses
- Disruption to regular municipal operations
- Need for dedicated reserves and long-term planning

## ADAPTATION DUTY

Risk assessment, asset management, land-use decisions and partnerships are central.

- Integrate climate risk into municipal planning
- Strengthen building and land-use policies
- Partner with provincial and federal programs
- Invest in nature-based solutions

**CLIMATE ADAPTATION IS NO LONGER OPTIONAL — IT IS CORE MUNICIPAL GOVERNANCE.**

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# INFRASTRUCTURE LIFECYCLE REALITY

Assets decline over time. The cost of waiting is extreme.

## GOOD
Maintain



- Asset is in good condition and performs as intended.
- Routine maintenance keeps it reliable.
- Lowest long-term cost.

Relative cost
**1x**

## FAIR
Monitor



- Early signs of wear and deterioration.
- Monitor condition and plan ahead.
- Targeted interventions can extend the life and reduce future costs.

Relative cost
**2–3x**

## POOR
Repair



- Significant deterioration affects safety and service levels.
- Repairs are more complex and disruptive.
- Higher costs and increased risk of failure.

Relative cost
**4–5x**

## FAILED
Emergency



- Asset is no longer safe or functional.
- Requires emergency replacement.
- Major disruption to communities and higher total costs.

Relative cost
**5x+**

**Lower cost greater control**

Relative cost rises sharply as intervention is delayed.

**Higher cost greater risk**

**A PROJECT APPROVED TODAY MAY COST MORE BY THE TIME IT IS TENDERED.**

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# TRIPLE PRESSURE ON THE MUNICIPAL SYSTEM

Three forces are converging on one system.

1

## INFRASTRUCTURE PRESSURE

Aging assets, growth demands and replacement cycles are increasing capital needs.

2

## CLIMATE PRESSURE

Storms, erosion, flooding and recovery demands create greater risk and uncertainty.

3

## FINANCIAL PRESSURE

Limited revenue tools meet rising costs for labour, fuel, construction and insurance.

**THREE FORCES. ONE MUNICIPAL SYSTEM. GREATER RISK AND LESS FLEXIBILITY.**

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# MUNICIPAL COSTS ARE INCREASINGLY SET OUTSIDE THE MUNICIPALITY

Councils control budgets — not always the forces driving costs.

1

### ENERGY VOLATILITY

Oil, diesel and electricity price volatility can affect operations and households.

2

### TARIFF RISK

Trade conflict can affect equipment, parts, materials and tender prices.

3

### CONSTRUCTION COSTS

Infrastructure projects face inflation, contractor availability and supply-chain exposure.

4

### INSURANCE & CLIMATE

More risk can mean higher premiums, deductibles and recovery costs.

5

### LABOUR MARKET

Competition for specialized staff and contractors raises cost pressure.

**LOCAL GOVERNMENTS CONTROL THEIR BUDGETS — NOT ALL THE PRESSURES DRIVING THEM.**

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# THE MUNICIPAL FISCAL MODEL HAS NOT KEPT PACE

Municipal responsibilities have grown — but revenue tools remain largely unchanged.

## EXPANDING MANDATE

More responsibilities for housing, climate resilience, infrastructure, public safety and community well-being.

## LIMITED REVENUE TOOLS

Heavy reliance on property taxes, which grow slowly and place a disproportionate burden on residential and business taxpayers.

## GROWING COSTS

Rising capital costs, aging infrastructure and higher service expectations increase financial pressure.

## MISALIGNED FISCAL FRAMEWORK

The current model does not reflect today's realities or support long-term sustainability.

## OTHER PROVINCES PROVIDE ACCESS TO GROWTH REVENUES

Many provinces share a portion of provincial sales taxes or other growth revenues with municipalities.

| | |
|---|---|
| **Saskatchewan** | Municipal revenue sharing based on the equivalent of 0.75 of a provincial sales tax point. |
| **Quebec** | Municipalities share in the growth of a portion of the QST (originating from one QST point). |
| **Manitoba** | Historically dedicated the equivalent of one PST point to municipalities (arrangements have evolved). |
| **Ontario** | Provides significant provincial transfers (e.g., gas tax for transit), but no general share of HST comparable to other provinces. |

## PEI OPPORTUNITY

A new fiscal arrangement with the Province could provide municipalities with a predictable share of growth revenues, reducing reliance on property taxes and supporting long-term stability.



**STRONGER COMMUNITIES REQUIRE A MODERN FISCAL PARTNERSHIP.**

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# GROWTH HAS A GEOGRAPHY

Where and how we grow today will shape municipal costs, community character and opportunities for generations.

### WHERE WE GROW

Development patterns determine future infrastructure needs, service costs and community livability.

### LAND IS FINITE

Agriculture, housing, economic development and environmental protection compete for a limited land base.

### SERVICING MATTERS

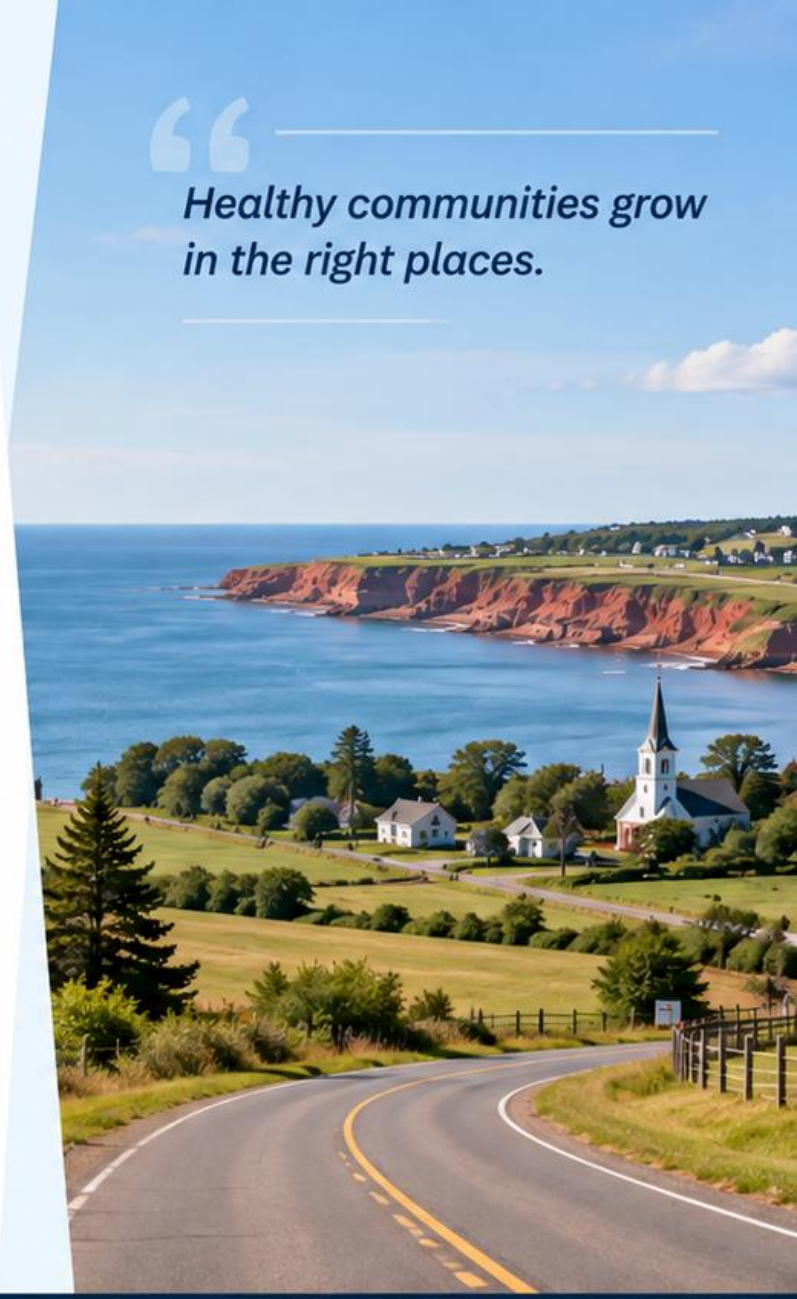
Compact, serviced growth is generally easier and less costly to support than dispersed development outside serviced areas.

### LOCAL VOICE MATTERS

Municipalities need a meaningful role in provincial land-use decisions that affect their communities, including growth areas, servicing and protection of key lands.

**LAND-USE DECISIONS MADE TODAY SHAPE MUNICIPAL COSTS AND COMMUNITY CHARACTER FOR GENERATIONS.**

*"Healthy communities grow in the right places.*



**PLAN TODAY. STRONGER COMMUNITIES TOMORROW.**

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# MOBILITY & LAND USE

Land use decisions become infrastructure cost decisions.

## CAR DEPENDENCY

Sprawling, auto-oriented development costs more.



- Low-density, auto-oriented patterns require more infrastructure per household.
- Higher costs for roads, utilities and service delivery.
- Increases greenhouse gas emissions and household transportation costs.
- Can strain municipal budgets over time.

## ACTIVE TRANSPORTATION

Walkability and cycling investments pay dividends.



- Improves mobility, health and community vitality.
- Provides affordable and accessible transportation options.
- Supports tourism, local businesses and vibrant main streets.
- Can reduce long-term infrastructure and operating costs.

## COMPACT GROWTH

Smarter land use builds stronger communities.



- Density can improve fiscal sustainability by creating more taxpayers per foot of infrastructure.
- Supports efficient use of land and existing infrastructure.
- Creates more complete, livable communities.
- Reduces pressure on municipal finances over the long term.

**THE MOST FINANCIALLY SUSTAINABLE DEVELOPMENT PATTERN IS SMARTER, MORE COMPACT GROWTH.**

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# FORCE 4: MUNICIPAL CAPACITY & GOVERNANCE

*The governance challenge is keeping capacity aligned with expectations.*

# GOVERNANCE & OPERATIONS

Strong governance is now a resilience tool.

## GOVERNANCE COMPLEXITY

More stakeholders, more expectations and more issues crossing jurisdictional boundaries.



- Greater collaboration across government and communities.
- Balancing diverse and sometimes competing interests.
- More complex policy, regulatory and funding environments.
- Need for clear roles, processes and decision-making.

## OPERATIONAL PRESSURE

Service demand, compliance, grants, procurement and reporting are increasing administrative load.



- Higher expectations for service levels and responsiveness.
- Increased regulatory and reporting requirements.
- More competition for funding and skilled staff.
- Need for efficient processes, modern tools and workforce planning.

## ACCOUNTABILITY & TRUST

Higher public scrutiny makes transparency, communication and disciplined decision-making essential.



- Clear and transparent decision-making builds community confidence.
- Open communication about trade-offs and constraints.
- Measurable results and performance reporting matter more than ever.
- Accountability strengthens support for long-term investment.

**STRONG GOVERNANCE + DISCIPLINED OPERATIONS = COMMUNITY CONFIDENCE AND RESULTS.**

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# ORGANIZATIONAL CAPACITY

Demand is rising faster than municipal capacity.

1

## MORE RESPONSIBILITIES

Housing, climate, cyber, grants, public safety, inclusion and digital expectations keep expanding.

2

## LIMITED STAFF DEPTH

Many smaller municipalities rely on small teams with specialized responsibilities concentrated in a few people.

3

## BURNOUT, INCIVILITY & SERVICE RISK

Sustained pressure increases turnover, errors, response times and organizational vulnerability.

**CAPACITY IS NOT AN ADMINISTRATIVE ISSUE — IT IS A STRATEGIC RISK.**

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# CITIZEN EXPECTATIONS

Residents increasingly compare municipal service to digital consumer service.

### DIGITAL ACCESS

Residents expect easy, convenient access to information and services anytime.

### INSTANT RESPONSE CULTURE

Patience for delay is shrinking, even when municipal systems are small and resource-constrained.

### TRUST CHALLENGES

Poor communication or process confusion can quickly erode confidence.



**EXPECTATIONS ARE RISING FASTER THAN MUNICIPAL SYSTEMS CAN ADAPT.**

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# STRONG MAYOR OR STRONG COUNCIL?

A growing debate about the future of municipal governance in Canada.

## ARGUMENTS IN FAVOUR

Why some support the strong mayor model

- May enable faster decision-making and reduce gridlock.
- Provides clearer political accountability to voters.
- May help advance key priorities such as housing and infrastructure.
- Creates a stronger, more visible champion for the municipality.

## CONCERNS AND RISKS

Why many are opposed

- Concentrates significant power in one elected official.
- Can undermine collective Council decision-making and majority rule.
- May include authority over the CAO and senior staff, blurring the governance–administration boundary.
- Risks politicizing the administration and reducing transparency and collaboration.

## OUR POSITION

Strong Councils build stronger communities

- PEI should not adopt a strong-mayor model.
- A strong Mayor is important — but within a strong Council model.
- Council, not one individual, should retain decision-making authority.
- The CAO must remain accountable to Council, not the Mayor.
- Collaborative, transparent governance best serves the long-term interests of PEI communities.




*Effective local government is built on collaboration, not concentration of power.*

**STRONG LEADERSHIP. STRONG COUNCILS. STRONGER COMMUNITIES.**

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# DIGITAL, DATA & AI

Digital capability is now a core municipal competency.

1

## AI AS PRODUCTIVITY TOOL

AI can support drafting, research, service design, communications and administrative efficiency.

2

## DATA-DRIVEN DECISIONS

Better data supports prioritization, asset management, service levels and risk-based decisions.

3

## MISINFORMATION RISK

Digital content can spread misinformation quickly, requiring critical thinking and proactive communication.

**DIGITAL CAPABILITY IS NOW CORE MUNICIPAL INFRASTRUCTURE — NOT OPTIONAL.**

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# CYBERSECURITY

Cyber Attack is now an essential-services risk.




## GROWING THREAT

Frequency and sophifstication of cyberattacks continue to increase.

- More targeted attacks on municipalities
- Ransomware and data breaches
- Increasing use of AI by threat actors
- Physical and digital infrastructure at risk

## HIGH VULNERABILITY

Small systems, limited staff and vendor dependencies create major exposure.

- Limited in-house cybersecurity resources
- Reliance on third-party vendors
- Legacy systems and outdated software
- Growing attack surface

## SERVICE DISRUPTION

Attacks can stop essential payments, permits, email, records and public services.

- Interruption to essential services
- Financial and reputational impacts
- Loss of data and system availability
- Longer recovery times

## INVESTMENT REQUIRED

Prevention, resilience and rapid response are critical to staying safe, governing and serving.

- Regular risk assessments
- Staff training and awareness
- Modern tools and monitoring
- Clear policies and incident response plans

**CYBERSECURITY IS ONE OF THE FASTEST-GROWING MUNICIPAL RISKS — AND OFTEN UNDERFUNDED.**

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# PEI MUNICIPAL STRENGTHS

Strong foundations — if leveraged intentionally.

## QUALITY OF LIFE

A powerful foundation for retention, tourism and lifestyle-driven migration.



## PLACE ADVANTAGE

Coastline, community identity, heritage and culture are economic assets.



## GROWTH MOMENTUM

Recent population growth has expanded opportunity, diversity and labour potential.



## LOCAL IDENTITY

Small communities often have strong relationships, trust and civic participation.



## COLLABORATION

Island scale creates opportunities for shared services and common advocacy.





**PEI COMMUNITIES HAVE STRONG FOUNDATIONS —
THE CHALLENGE IS MANAGING GROWTH SUSTAINABLY.**

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# PEI MUNICIPAL STRATEGIC RISKS

The risks are interconnected — and reinforcing each other.

1

### HOUSING AFFORDABILITY

Housing pressure limits workforce, growth and community stability.

2

### INFRASTRUCTURE GAP

Aging assets and growth needs exceed available funding.

3

### CLIMATE VULNERABILITY

Coastal erosion, storm surge and flooding create long-term risk.

4

### WORKFORCE SHORTAGES

Labour shortages affect business, municipal capacity and service delivery.

5

### CAPACITY STRAIN

Small teams face larger mandates and more complex expectations.

**THESE RISKS ARE NOT ISOLATED — ONE PRESSURE DRIVES THE NEXT.**

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# PEI MUNICIPAL OPPORTUNITIES

Five areas where local leadership can shape the next decade.

1

### HOUSING PARTNERSHIPS

Align land, servicing, policy and partners to unlock supply.

2

### IMMIGRATION & RETENTION

Build welcoming communities that convert newcomers into long-term residents.

3

### CLIMATE ADAPTATION

Use risk-based investment to protect infrastructure and communities.

4

### REGIONAL COLLABORATION

Share expertise, services, procurement and advocacy where it makes sense.

5

### DIGITAL MODERNIZATION

Use data, AI and digital tools to improve capacity and service.

**COMMUNITIES THAT ADAPT EARLY WILL BE BEST POSITIONED TO SUCCEED.**

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# CONSEQUENCES OF DOING NOTHING

Inaction is now a decision with consequences.

1

## HOUSING PRESSURE WORSENS

Fewer choices, higher costs and increased strain on families and employers.



2

## INFRASTRUCTURE GAP GROWS

Deferred maintenance becomes higher-cost emergency repair.



3

## COSTS RISE

Budget pressure forces harder choices on tax, service levels and capital priorities.




4

## TALENT GETS HARDER

Workers and businesses choose communities with better conditions.



5

## TRUST ERODES

Slow response and unclear choices reduce confidence in local government.



**INACTION TODAY CREATES HIGHER COSTS AND FEWER CHOICES TOMORROW.**

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# WHAT THIS MEANS FOR COUNCIL

Council is governing in a more complex, visible and consequential environment.

## 1 MORE COMPLEX SYSTEM

Decisions now sit at the intersection of housing, climate, finance, workforce and trust.




## 2 TOUGHER TRADE-OFFS

Resources are limited; expectations are not. Saying yes to one priority means making choices elsewhere.

- Competing priorities across departments and community needs.
- Finite budgets and staff capacity.
- Need to balance short-term demands with long-term resilience.

## 3 INACTION HAS CONSEQUENCES

Choosing not to act can increase risk, cost and public frustration.

- Higher costs in the future.
- Greater risk to services, infrastructure and community well-being.
- Loss of public confidence and reduced trust in government.



**EVERY DECISION NOW SHAPES OUTCOMES — INCLUDING INACTION.**

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# STRATEGIC QUESTIONS FOR PEI MUNICIPAL LEADERS

Use the trends to focus priorities, not to create a longer wish list.

**What must we stop doing?**

**What must we prioritize?**

**What must we invest in now?**

**What partnerships are required?**

**What risks can no longer be ignored?**

**How do we build long-term resilience?**

**THE POINT IS NOT TO DO EVERYTHING — IT IS TO CHOOSE WHAT MATTERS MOST.**

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# Discussion & Q&A

Questions, clarifications and application to your municipality.

1

## QUESTIONS

What should we explore further?

2

## CLARIFICATIONS

Where would more context help?

3

## DISCUSSION

How do these trends affect your municipality?

**THE VALUE OF THIS SESSION IS APPLYING THE TRENDS TO REAL LOCAL DECISIONS.**

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# THANK YOU

*Looking forward to continuing the conversation.*



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**BUILDING SUCCESS, TOGETHER.**