

RURAL MUNICIPALITY OF
VICTORIA



Rural
Municipality
of Victoria

Options and
Recommendations

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Process

- Phase I – Understanding the Current Situation
 - Presented current situation on April 28
 - Received feedback until May 9
- Phase II – Further Consultation & Analysis, Development of Options
 - Presented of option June 22
 - Received feedback until June 30
- **Phase III – Finalization**
 - Draft document
 - Presented to Council for final discussion and decision
 - Implementation plan

Requirements under the Municipal Government Act

Mandatory Services

- Municipal Office [MGA, S 85]
 - Accessible
 - Open to serve public minimum of 20 hours per week
 - A Chief Administrative Officer (CAO) is required
 - Distinct role for CAO vs. Council
 - Audit
- Fire Protection [MGA, S 14]
- Municipal Land Use Planning [MGA, S 14]
- Emergency Measures Planning [MGA, S 14]

Municipal Office Space

- Need a space accessible to the public
- Options
 - **Old Schoolhouse**
 - Accessible space
 - Space for public meetings
 - Building showing very little wear – repairs & maintenance est. at \$750 annually
 - Property houses municipal wells
 - Average deficit excluding amortization \$11,400
 - **Community Hall**
 - Basement meeting room does not meet accessibility requirements
 - \$11,000 in immediate repairs needed; \$100,000 over next 5 years; risk/liability if unable to fund
 - Theatre lighting limits use of auditorium
 - Average deficit excluding amortization \$6,000

Old Schoolhouse - Feedback

- Increase rental revenue
 - Review rental fees (10 comments)
 - Availability for rent limited (4 comments)
 - Market availability or offer programming (4 comments)
- Sell (10 comments)

Municipal Office Space - Recommendation

- Continue to utilize Old Schoolhouse for municipal offices
 - Advertise and create awareness of availability of space including through membership in Meetings & Conventions PEI
 - Review rental rates and remove discounts and no charge rentals

Analysis of Continuation of Discretionary Services

Discretionary Services Provided by Municipality

- Community Hall
- Leard's Lighthouse
- Welcome Centre, Washrooms, and Waterfront Park
- Victoria Park (Causeway, Provincial)

Community Hall

- Minimal utilization during Oct - May, sporadic and not marketed
- Theatre lighting limits use of auditorium outside of performances
- Limited rental income
- Difficult to heat sporadically in winter season (2 day warmup required)
- Approx. \$11,000 in immediate repairs required
- Over next 5 years approx. \$100,000 in repairs and maintenance required
- Annual deficit (excluding amortization) past four years approx. \$6,000 per year

Recommendation: Sell facility to Victoria Playhouse Inc.

Community Hall Feedback

- Sell (7 comments)
- Increase rental revenue
 - Review rental fees (11 comments)
 - Actively look for other tenants when not used by VPI (7 comments)

Leard's Lighthouse

- Approx. \$3,100 in immediate repairs required
- Over next 5 years approx. \$61,000 in repairs and maintenance required
- RMV has no control over donations collected and their use
- Lift station located on property – uncertainty around sale of property due to the location of this asset
- **Recommendations:**
 - **Provide a fair and equitable opportunity for all interested parties to operate the lighthouse as a museum within the municipality by issuing an RFP.**
 - **Any agreement for the operation of the lighthouse should provide clarity on the collection and use of donations, financial responsibility for exhibit development and repairs and maintenance of the facility**
 - **Review and apply for grants to support the maintenance and upkeep**

Leard's Lighthouse - Feedback

- Municipality needs to regain control (7 comments)
- Review current rental arrangement (3 comments)
- Provide opportunity for other uses of Lighthouse through a fair process (8 comments)
- Charge a fee that goes to municipality (4 comments)

Welcome Centre, Washrooms & Heritage Park

- Provides washroom access for visitors and locals supporting in- home businesses
- An information resource for visitors to Victoria; distribution of Points of Interest walking map (also distributed in other locations)
- Approx. \$4,300 in immediate repairs required for the Welcome Centre and \$1,200 for the washrooms
- Over next 5 years approx. \$154,000 in repairs and maintenance required for the Welcome Centre and boardwalk area
- Cost to maintain washrooms over the next 5 years approx. \$11,400 in repairs for the washrooms
- Risk and liability if municipality unable to fund immediate and ongoing repairs and maintenance
- Annual deficit (excluding amortization) past four years approx. \$8,800 per year
- **Recommendations:**
 - **Divest of Welcome Centre facility through sale**

Welcome Centre, Washrooms & Heritage Park - Feedback

- VBA or Businesses/ Tour operators asked to fund upkeep of washrooms (6 comments)
- Provide opportunity for other uses of Welcome Centre through a fair process (7 comments)
- Municipality needs to regain control (3 comments)
- Sell (3 comments)

Victoria Park (causeway)

- 10-year lease with Province (expiring Aug, 2023) at a cost of \$1 annually for rent
- Day-use park open to the public and one of the main greenspaces in RMV
- Washrooms and playground equipment available
- Beach front access used by visitors and residents, main beachfront access for residents specifically
- Annual deficit past four years approx. \$8,900 per year
- Notable erosion of cliffs
- Use limited to day park so limited revenue opportunity

Recommendation:

- **Return asset to Province**

Victoria Park (causeway) - Feedback

- Return to Province or sell (5 comments)
- Generate revenue (3 comments)
 - Weddings/concerts
 - Blues festival
 - Small RV site
- Retain the park (2 comments)
- Lack of maintenance a municipal liability (1 comment)

Shared Services Analysis

Administration

- Current examples where a CAO is shared
 - **Hunter River, North Wiltshire, Darlington**
 - Share an office in Hunter River and a CAO
 - CAO is on Hunter River payroll and other municipalities invoiced annually
 - Works about 30 hrs. per week – hrs. were distributed on a per capita basis
 - Services are limited
 - Hunter River – community centre, park, water & sewer
 - North Wiltshire – no buildings or parks
 - Relationship works well
 - Like minded communities
 - Efficiencies when drafting a bylaw for one municipality easy to transition it to another municipality

Administration

- Current examples where a CAO is shared
 - **Abram-Village, Wellington, another organization**
 - Share a CAO
 - Hours were distributed based on estimated level of effort
 - Abram-Village and organization – each 10 hrs/week
 - Wellington – 20 hrs/week
 - Cost to Abram-Village of \$17,000 per year
 - **Crapaud and Bedeque & Area**
 - Share a CAO – also does bookkeeping
 - On payroll at Crapaud and works for Crapaud 35 hrs/week
 - Total cost \$55,000 - \$5,000 billed to Bedeque & Area

Administration

Recommendations:

- **Explore the opportunity for a CAO to be shared with another community, as this opens the door for strong candidates looking for full time work**
- **Contract for Development Officer and Bylaw Enforcement Officer on an as needed basis**

Administration - Feedback

- Shared services model for CAO (4 comments)
- Inability to pay rate and for hours needed for qualified CAO (4 comments)

Fire Services

- Required to provide under S. 14(a) of MGA
- Annual expenditures range from \$19,000 to \$23,000 past 3 years
 - Utilities, office expenses, building & equipment repair, insurance, messaging, equipment, training
 - Cost to outfit 1 firefighter approx. \$3,000
 - Cost to train 1 firefighter to NFPA 1001 certification approx. \$2,800
- Cost to municipality – approx. \$11,000 per year

Fire Services

- Fire Hall needs immediate repairs & maintenance of \$2,500 and additional R&M of \$12,500 over next 5 years
- Does not consider future investment in:
 - Training - \$2,800 for NFPA 1001 certification (every 3 years medical first responders need to recertify)
 - Firefighter outfitting - \$3,000 per firefighter
 - Fire Hall maintenance and repairs – immediate need \$2,500; \$4,000 per year over next 3 years
 - Any upgrades to messaging system
 - Future costs of trucks – approx. \$25,000 to purchase an older truck
 - Expansion of fire station – approx. \$50,000

Fire Services – Rate and Dues Comparison

Fire Department	Residential / House	Cottages	Farm	Business/ Commercial	Other
Victoria	\$85	\$80	\$170	\$270	\$45 - \$100
Crapaud	\$90	\$100	\$150	\$250	\$45 - \$110

Fire Department	Municipal Population	Fire District Population	Outside Fire Dues	Municipal Fire Dues	Donations and other	Fire Department Expenditures	Net Income/ (Loss)
Victoria	139	87	8,024		666	19,361	(10,671)
Crapaud	361	2,112	169,535	12,100	-	175,733	5,902

Fire Services – Purchase from Crapaud

- Estimated cost to purchase fire services from Crapaud at current rates

Category	# of Properties	Rate	Dues
Commercial	24	\$250	\$6,000
Farms	4	\$150	600
Residences	91	\$90	8,200
Other - average	69	\$75	<u>5,200</u>
Estimated total for fire services			<u>\$20,000</u>

THIS SLIDE IS FOR
DEMONSTRATION/ANALYSIS
PURPOSE ONLY. CRAPAUD WAS
CHOSEN AS AN EXAMPLE DUE TO
CLOSE PROXIMITY.

Fire Services - Recommendation

Recommendations:

- **Maintain the Victoria Fire Department**

Fire Services - Feedback

- Amalgamate with Crapaud Fire Department (2 comments)
- Victoria Fire Department should remain (3 comments)

FINANCIAL ANALYSIS

Revised Budget Y/E Mar 31, 2023 Based on Recommendations

Revenue

Revenue - budgeted y/e Mar 31/23	\$ 210,790
Less:	
Community Hall revenue	- 6,500
Welcome Centre grant	- 500
Add:	
Lighthouse rentals	1,335
	<u>205,125</u>

Expenditures

Total expenses - budgeted y/e Mar 31/23	268,807
Less:	
Community Hall expenses	- 18,215
Welcome Centre & washrooms	- 16,490
Victoria Park	- 525
Add:	
Bylaw enforcement	6,500
Repairs & Maintenance	
-Leard's Lighthouse	3,100
-Old Schoolhouse	750
-Firehall	2,500
	<u>246,427</u>

Net Income/Deficit

	-\$ 41,302
Adjustments to Cash	
Add: Amortization	52,375
Less: Principal repayment	- 11,268
Less: Repayment of line of credit	- 45,000
Cash Deficit	<u>-\$ 45,195</u>

Assumptions:

- Disposition of Community Hall and Welcome Centre
- No revenue recognized from disposition of Community Hall and Welcome Centre
- Lighthouse rental/admissions/donations under control of municipality equivalent to costs
- Bylaw enforcement 4 hrs. per week; \$30/hr.
- Immediate repairs & maintenance per Coles report
- Each 1% increase in tax rate on current assessment base would generate \$1,100 in revenue
- Each \$0.01 increase in tax rate would generate \$2,200 in revenue;
- Additional \$0.20 to cover repayment of line of credit;
- Additional increase would be required to set aside funds for capital asset reserve

Restructuring Options

Note Re: Four Options Presented

- It is important to note that these options are presented for consideration only and that **discussions have not been held** with any incorporated or unincorporated area about their interest in being part of a newly restructured municipality.
- **No citizen or group of citizens has expressed interest** in participating in a restructuring process with Victoria.
- This would be a **next step in the process** once Victoria decides if they would want to proceed with one of the options.
- If a decision to proceed it is recommended that **a Steering Committee be established** and includes representation from each incorporated municipality and unincorporated areas to further the discussion on restructuring.

STRENGTHS

- Strong Municipal governance is vitally important and integral to democracy
- Potential for a larger and more sustainable community
- Assists smaller municipalities with increasingly complex responsibilities
- Creates a stronger voice with government
- Increased financial resources to undertake initiatives to attract residents and businesses
- Provides increased capacity to address land use planning and emergency planning responsibilities
- Increased capacity to take advantage of funding programs/ partnerships
- Potential to reduced costs with insurance, elections planning and emergency measures
- Avoids duplication of administrative expenses (CAO, council, office hours)
- Larger pool to draw on for council representation
- Minimizes tax increases to sustain services
- Gives currently unincorporated areas a voice/vote at the local level

- **Option #1 - Southshore**
- **Option #2 – VFD and CFD**
- **Option #3 – PEI Electoral District 19**
- **Option #4 – Rural Municipalities of Victoria and Crapaud**



OPPORTUNITIES

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VICTORIA

WEAKNESSES



- Turnover in council and CAO over past few years may be a deterrent for potential restructuring partners
- Current financial situation may be concerning to potential partners
- Fear of that community may lose its identity and important culture and heritage
- Local community may lose some control
- Fear that community may not be well represented in a larger restructured council

▪ Uncertainty of the long term tax system and ward system

- Other incorporated municipalities may not be interested in restructuring
- Unincorporated areas do not currently pay municipal taxes and may not see value in restructuring
- Municipalities with reserves or surpluses may be concerned about funds accumulated for their area being used to support other communities
- Fear of change
- Risk that a newly restructured area may not secure a beneficial long term agreement in regards to the Municipal Support Grant (equalization), the Canada Community Building Fund, and other infrastructure funding

THREATS



Restructuring Options Considered

- Southshore
 - Est. pop. 2,000; est. assessment base \$197 M; est. tax revenue \$442 K
- Victoria FD and Crapaud FD
 - Est. pop. 2,700; est. assessment base \$263 M; est. tax revenue \$541 K
- PEI Electoral District 19
 - Est. pop. 4,800; est. assessment base \$572 M; est. tax revenue \$1.4 M
- Consolidation of Victoria and Crapaud
 - Est. pop. 500; est. assessment base \$42 M; est. tax revenue \$210 K

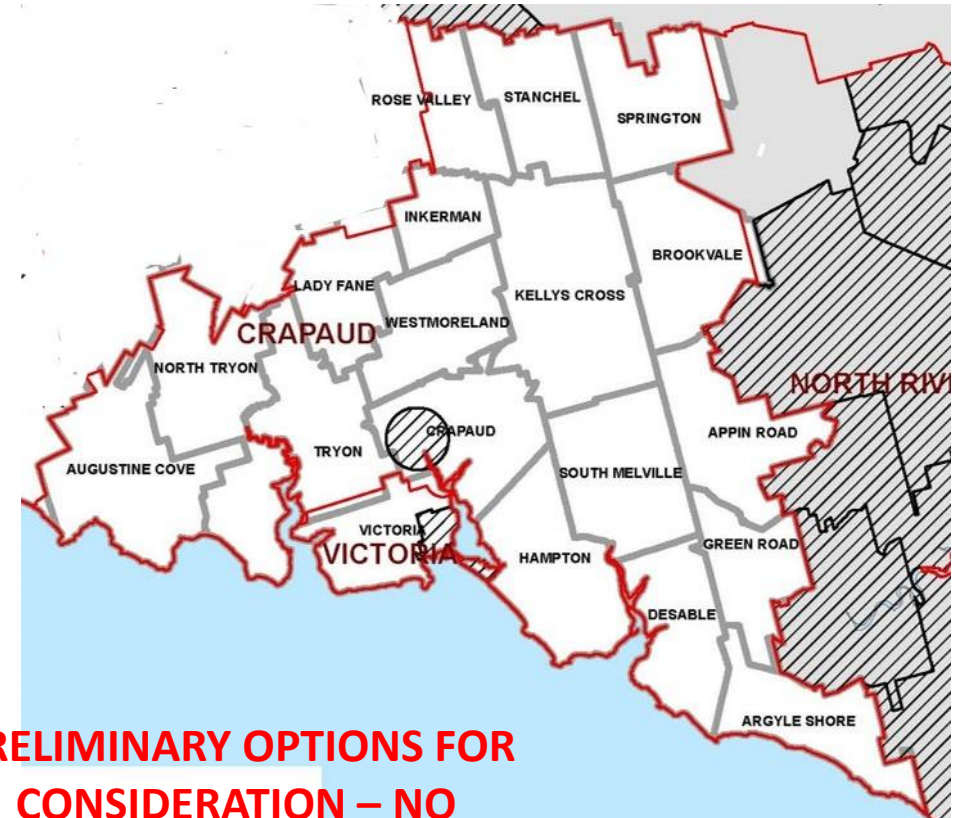
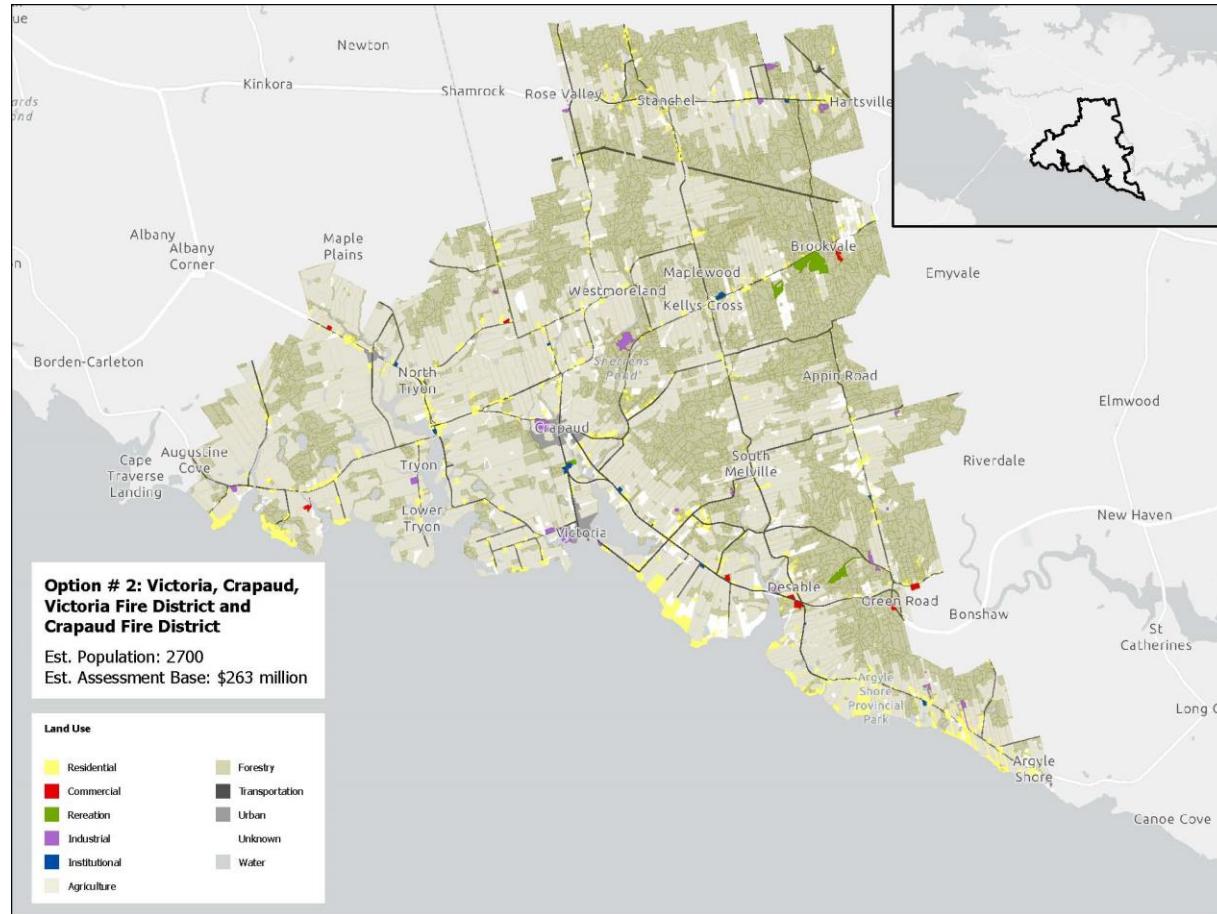
Restructuring Option #1 Southshore



- Includes incorporated and unincorporated areas extending from the boundary of West River on the east to the boundary of Borden-Carleton on the west and approximately one mile north of the Trans-Canada highway

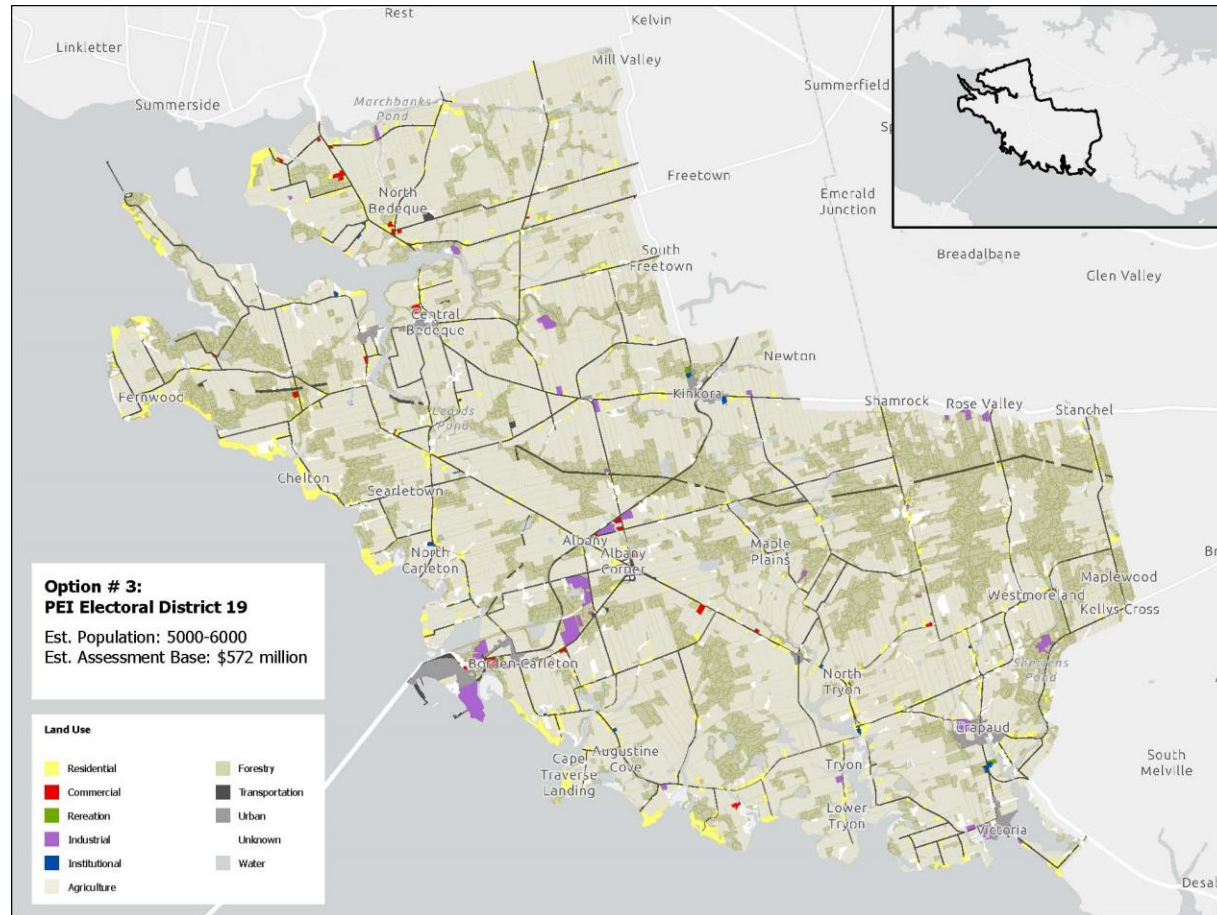
**PRELIMINARY OPTIONS FOR
CONSIDERATION – NO
DISCUSSIONS HAVE BEEN HELD
WITH ANY COMMUNITIES**

Restructuring Option #2 Victoria Fire District and Crapaud Fire District *(including RMVs of Victoria and Crapaud)*



PRELIMINARY OPTIONS FOR CONSIDERATION – NO DISCUSSIONS HAVE BEEN HELD WITH ANY COMMUNITIES

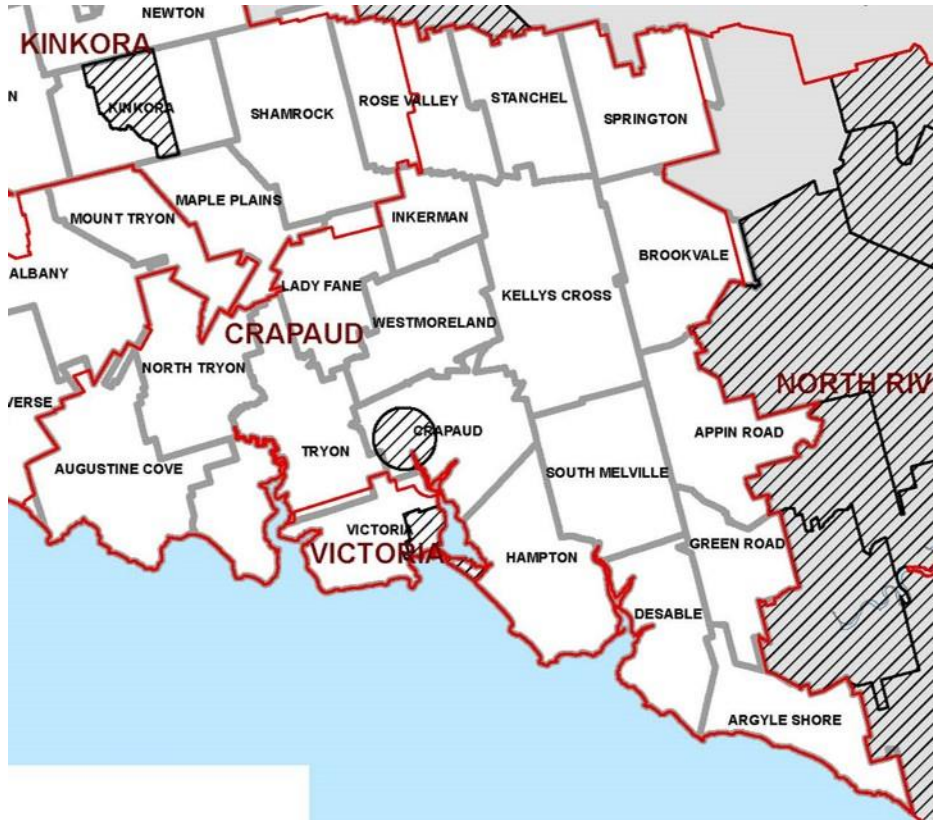
Restructuring Option #3 – PEI Electoral District 19 (Borden-Kinkora)



Commencing at the intersection of the county line between Prince and Queens County and the Nineteen Road (Route # 107); thence westwardly along said road and the Blue Shank Road (Route # 107) to the Wilmot Valley Road (Route # 120); thence northwardly along said road to an extension of the community boundary of Travellers Rest; thence westwardly along said extension and community boundary to Read Drive; thence southwardly along said drive to Water Street East; thence westwardly along said street to Reads Creek; thence southwardly along said creek to the Wilmot River, Summerside Harbour and Northumberland Strait; thence southwardly along said strait to the shore of Victoria Harbour at the intersection with the county line between Prince and Queens County; thence northwardly along said county line to the South Shore Villa property; thence following the South Shore Villa property east, north, and west back to the county line; thence northwardly along said county line to the Nineteen Road to the point of commencement and includes Holmans Island.

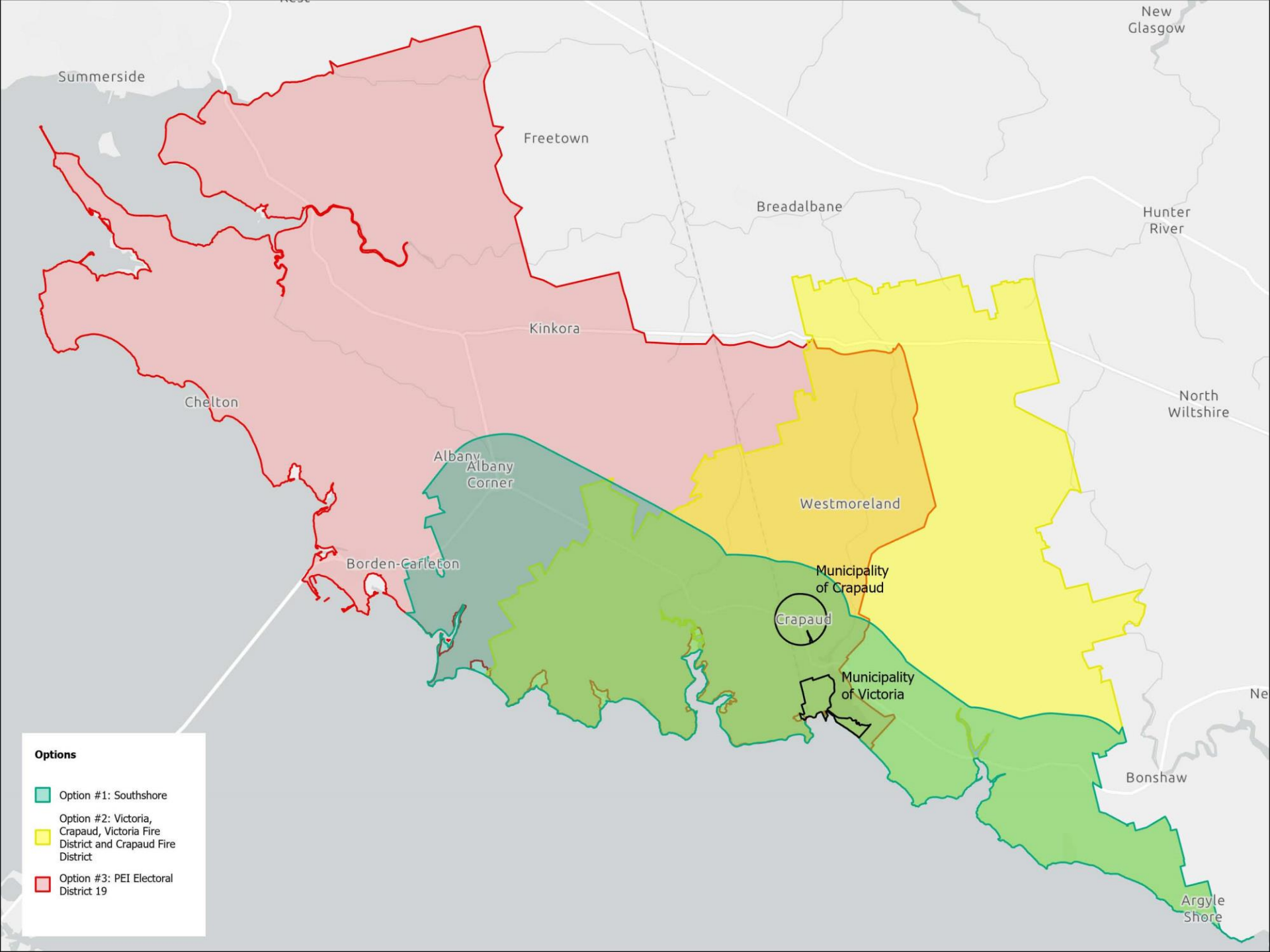
**PRELIMINARY OPTIONS FOR
CONSIDERATION – NO
DISCUSSIONS HAVE BEEN HELD
WITH ANY COMMUNITIES**

Restructuring Option #4 – Consolidation of Victoria and Crapaud



- Includes only the existing incorporated areas of Victoria and Crapaud and does not include annexation of any contiguous unincorporated areas

**PRELIMINARY OPTIONS FOR
CONSIDERATION – NO
DISCUSSIONS HAVE BEEN HELD
WITH ANY COMMUNITIES**



- Options**
- Option #1: Southshore
 - Option #2: Victoria, Crapaud, Victoria Fire District and Crapaud Fire District
 - Option #3: PEI Electoral District 19

PRELIMINARY OPTIONS FOR CONSIDERATION – NO DISCUSSIONS HAVE BEEN HELD WITH ANY COMMUNITIES

Restructuring Feedback

- While I would certainly be resistant to amalgamation, I do also understand the potential necessity. If that is on the table in this particular discussion, I would like to question if there are ways for the village to retain control over bylaws particularly in terms of zoning and development as these are very different from surrounding communities.
- Feels amalgamation is the way to go
- Concerns were noted regarding the restructuring or amalgamation options. With RMV's current financial situation it would be difficult to get over 2000 people to become a part of the municipality. It was mentioned by a member of the public that amalgamation with Crapaud or Dissolution are may be the viable or realistic options
- Preference would be for option #1 Southshore when it comes to restructuring
- Restructuring options are long term and should be addressed when we get our own situation under control.

Restructuring Process

- Victoria Council, Council or affected municipality, or Minister submit a proposal to restructure municipality
 - If not meeting 4,000 population, \$200 million tax assessment approval of Minister required to proceed
- Proposal must include:
 - Reason for proposal
 - Name of each adjoining municipality or unincorporated area
 - Estimated population and property tax assessment value
 - Map showing proposed boundaries
 - Name and class of municipality

Restructuring Process

- **Day 0** - Proposal submitted to Island Regulatory & Appeals Commission (IRAC)
- **Day 45** - IRAC must issue notice of proposal within 45 days of receipt notify:
 - 30 days for any person to respond with an objection
 - IRAC may hold a public hearing
 - If a municipality opposes IRAC appoints a mediator
- **Day 120+** - IRAC prepares a report of findings, recommendations and rationale within 45 days of any public hearing or date of last objection
- Minister makes recommendation to the Lieutenant Governor in Council (***no limitations on time***)
- **Day 180+** - Lieutenant Governor issues order within 60 days

Dissolution

Dissolution

- Proposal can be initiated by:
 - Minister or,
 - Council
- Requires a plan for winding up the municipality, including the sale or transfer of assets and payment of debt and obligations of the municipality
- All remaining property and assets are transferred to the Government of PEI

Dissolution - examples

- Rural Municipality of Darlington applied for dissolution in early 2021
- Rural Municipality of St. Louis applied for dissolution in late 2021
- In both cases IRAC has recommended approval of the dissolutions to the Minister

Additional Revenue Options

Property (right of way to sewer building)

- Two options:
 - Sell 10.8 acres of land at 966 Victoria Road
 - one time revenue – no future revenue stream
 - Annex 10.8 acres of land and develop commercially or residentially for future property tax revenues

Feedback

- Sell (4 comments)
- Consider for residential development (1 comment)

Additional Fees

- Tourism Levy
 - Often an accommodation levy – *limited accommodations in Victoria*
 - In some areas a tourism fee is applied to restaurants and ranges from 3% - 6%
 - Has received negative publicity in Niagara Falls (Marketplace story)
 - Cities of Charlottetown and Summerside both charge a Tourism Accommodation Levy – 3% of price – hotels, B&Bs, Inns, Airbnb, VRBO

Feedback

- Support Tourism Tax or Levy (2 comments)
- Oppose Tourism Levy (1 comment)

Additional Fees

- Capital Improvement Fee
 - A \$2 fee is charged on each ticket purchased in the Homburg Theatre and The Mack and Studio Theatres at Confederation Centre
 - Based on an assumption that an estimated 5,000+ tickets might be sold at Victoria Playhouse annually this would generate \$10,000 per season

Feedback

- Support a capital improvement fee (1 comment)

Additional Fees

- Parking
 - 30 available spots in municipal parking lots
 - Set fee at \$2.00 per hr.
 - Assuming each spot is utilized for 3 hours a day for 3 months of the year; potential revenue of \$16,000
 - Options:
 - Town of Niagara-on-the-Lake uses Honk Mobile
 - Metered parking
 - Gated parking entrance and exit

Feedback

- Charge a fee (3 comments)
- Not worth the effort or would oppose (2 comments)

Additional Fees

- Washrooms
 - Charging a small fee for the public washrooms would assist in covering some of the cost for supplies, cleaning, and water/sewer
 - From June to September; assuming 120 days of operation; a minimum of 40 uses per day, a small charge of \$0.25 per use could generate \$1,200

Feedback

- Charge for washrooms (1 comment)
- Do not support charging (1 comment)

Property tax

Feedback

- Do not support raising (3 comments)
- Increase may be justified (1 comment)