

Q & A for Amalgamation Forums

1. Why are you doing this?

- a. Because we believe that we can provide you our residents with more and better services at the same or lower cost (and therefore lower taxes) than would be possible without amalgamation. The reality is that we are very small entities with resulting small tax bases. Amalgamation would result in economies of scale and reduced overhead costs
- b. Our small tax bases cause financial restraints while ratepayers are in fact demanding more services. Higher levels of government are also requiring more services, such as defined and responsive emergency services. A larger tax base can provide more financial ability to meet these demands.
- c. *We want to be able to have greater influence with regard to regional issues – with greater ability to make local and regional decisions. As the largest summer village on the lake we will come closer to a size of significant influence in the region.*
- d. *We want less organizational infrastructure so our Administration can be more effective.*
- e. *We want more unison, cooperation and consistency between our Villages so we can be more efficient and maintain and increase our property values – one Council for our 3 Villages can achieve that.*
- f. *A larger municipality will be less subject to dissolution which has been threatened from time-to-time since smaller municipalities are perceived as less sustainable. This threat will likely rear its head again. We want to ensure we retain our Summer Village status and our voting privileges. If we are larger – we will be more sustainable with more leverage and yet retain our uniqueness which we value. We want to solidify what we have today.*
- g. It is important to note that we are not approaching this proposed amalgamation from a position of weakness or because any one of the three Summer Villages are desperate. *None of us are in financial difficulty and/or in need of rescuing.* Quite simply we are proposing this because we believe that we can more effectively and efficiently manage your tax dollars as a larger municipality.

WE WANT TO ENSURE THE FUTURE OF OUR COMMUNITIES.

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2. But I thought that we had already achieved the economies of scale by having one administration for the seven Summer Villages?

A very good question. Yes we have achieved significant economies of scale by utilizing the same administration for our Villages. But there is much more available to us by amalgamating. A few simple examples:

- Reduce the number of Council meetings by two thirds thus reducing not only Council fees and expenses but the time of administration staff to prepare and follow up on the meetings.
- Reduce the number of audits by two thirds thus saving overhead professional fees.
- Save time and thus ultimately costs by having one set of bylaws for administration staff to enforce.

There will be a requirement to renegotiate some of the cost allocation formulae of the current Summer Village Office in order to have the newly amalgamated Village receive all the benefits of the acquired economies of scale. That will occur over time.

3. If economies of scale are so important why not simply merge the Summer Villages into the County of Wetaskiwin?

There are at least two reasons why we would not recommend such action:

- a. If we were to merge into the County we as part time residents would lose our vote and our right to sit on Council. We would however still have to pay taxes – but now to the County.
- b. The Summer Villages consist primarily of recreational residents on a lake whereas the County consists primarily of folks involved in the agricultural industry. The priorities of those two groups are different. That is not to say that one set of priorities is better than the other – but they are different.

4. Will my taxes go up?

The feasibility study indicates that, based on the 2010 budgets of the three Summer Villages, there would be a 10% reduction in your mill rate due to amalgamation. Beyond this reduction that could occur immediately the major benefits that would flow from amalgamation are of a long term nature. Quite simply a larger tax base and reduction in overhead from the elimination of duplication of services will allow the provision of some combination of better services and lower costs.

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Services include basic essential services such as emergency and security management, and environmental including wastewater services. They also include non-essential but important services such as those which would increase recreational opportunities for all ages. The exact mix of those will depend on a future Council so we cannot stand here today and guarantee exactly what they will be. We can however say in complete confidence that an amalgamation will provide opportunities in that regard for more or better services at the same or lower costs and therefore lower taxes than would be possible without amalgamation.

5. How do you justify differential mill rates for the different communities as part of one Village?

The three Villages would come into the amalgamated Village with three different mill rates – Grandview the lowest and Norris the highest. We believe that it would be fair to start all residents with the same percentage reduction in mill rate in year one and then blend them together into the same rate over a period of up to 5 years as the major long term benefits of amalgamation were achieved. To do otherwise would be unfair since Grandview residents would be effectively subsidizing the residents of Crystal and Norris.

6. How will the accumulated reserves from each Village be managed?

The new amalgamated Summer Village will have three reserve accounts with each account retaining the accumulated balances that are in existence at the time of amalgamation. Future expenditures from those reserve accounts would be dedicated to expenditures designated to each respective area of the new Summer Village. This will ensure all monies raised by the respective Summer Villages prior to amalgamation will be spent in each of those areas.

7. Will the amalgamation of the three Villages negatively impact the regional sewer project?

No, in fact it should positively impact it in at least two ways. Firstly we have an indication from the engineers that building one local collection system instead of three would reduce costs in the order of 5-15%. Secondly the simple fact of reducing the Committee participation from three representatives to one would simplify and accelerate the decision making process.

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8. What if we don't want some of the recreational amenities you mention such as a marina and recreation building?

Those decisions would be up to the new Council. If the majority of residents of the amalgamated Village did not want such facilities then presumably Council would not provide for them and as a result taxes would be lower.

9. You mention a boat launch. Where would it be?

That again would be up to the new Council. An amalgamated Village would have the tax base to build a proper boat launch somewhere within its boundaries – again if the people want one.

10. Whose bylaws will be used once amalgamated?

The bylaws of the three Summer Villages will need to be consolidated and the new council will accomplish this over time. This will be a significant opportunity to cherry pick from the three Villages to arrive at a best practices set of bylaws

Until the new bylaws are created the existing bylaws remain in effect. Enforcement would depend on the policies of the new council.

11. Why is Poplar Bay not included in this project?

Poplar Bay decided to withdraw from the amalgamation process in January of this year indicating that they had other priorities. The remaining three Summer Villages decided to continue to proceed with a feasibility study to determine if amalgamation would be beneficial to the present Summer Village structure.

If Poplar Bay were to decide in the future that they would like to investigate the possibility of joining a newly amalgamated Summer Village we would be happy to begin discussions with the objective of having them join us.

If you wish further details as to why they withdrew I would suggest that question more properly be addressed to Poplar Bay.

12. Why are Viola and Silver Woods not part of the amalgamation?

The communities mentioned are part of the County of Wetaskiwin. If the County either directly or through those communities were to decide in the future that they would like to investigate the possibility of joining a newly amalgamated Summer Village we would be happy to begin discussions with the objective of having them join us.

13. Why are Councillors to be elected at large rather than a Ward System of one Councillor for each of Grandview, Crystal and Norris?

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We considered the Ward System but rejected it because it would provide unequal representation.

Oversimplified Grandview would have one Councillor representing 300 residences; Crystal one Councillor for 200 and Norris one Councillor for 100. Clearly that would not be fair

14. What will happen to Grandview's Hamblin Trust?

The Hamblin Trust is not part of the Summer Village of Grandview. The asset is not on the balance sheet of the Village and accordingly would not form part of the amalgamated Village balance sheet. This action was taken a few years ago specifically to protect that asset in the event of the dissolution or restructuring of the Summer Village. What does remain is the obligation of the trust to invest for the benefit of the residents of what is now known as Grandview. That will continue unchanged. The Councillors of the amalgamated Village will not be the same as the Trustees of the Hamblin Trust.

15. Is the Minister of Municipal Affairs supportive of this project?

Yes. The Amalgamation Committee met with the Minister of Municipal Affairs, Hector Goudreau. The Minister complimented the Committee on their initiative and indicated that he would seriously consider the amalgamation into a new larger Summer Village provided a feasibility study and the residents supported the proposed amalgamation. In fact the Minister has provided some funding to assist in the feasibility study.

16. Is the plebiscite binding?

The Municipal Government Act states that a vote of electors under this Section is not binding. The final decision on the amalgamation rests with the Minister of Municipal Affairs who will take certain factors into consideration prior to making his decision; one of those factors will be the wishes of the electors expressed at the plebiscite on July 3.

17. Will there be three separate plebiscites – one for each Village? What happens if there are different results for the three Villages?

Yes there will be separate plebiscites for each of the three Villages.

That is the Minister's decision. The exact results will clearly have a major influence on his decision.

18. When will the Amalgamated Summer Village come into effect?

The Order in Council issued by the Cabinet will state the effective date the amalgamation comes in force – but we would hope that would be sometime this autumn or year end at latest.

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19. Who will the new Councillors be?

There will be a Transition Council appointed by the Minister. Our recommendation to the Minister is that Transition Council be composed of one member each from the existing three Councils. Beyond that there will be a new election for a Council of three members elected at large from residents of the new Summer Village.

20. Will the administrative office still be in Ma-Me-O Beach with the other Summer Villages?

It is the desire of our three Villages that if amalgamation proceeds, the administration will continue through the Summer Village Office at Ma-Me-O Beach.

21. Will our relationship with other Municipalities, such as the County of Wetaskiwin alter?

No. The County of Wetaskiwin has been made aware of the feasibility study and the intent. Any intramunicipal agreements will require re-negotiation and that will be done in good faith and with external facilitation if that is required.

22. What impact does this have on the Summer Village elections this summer?

Since the decision on amalgamation will not be made until later this summer or early fall, this year's elections will proceed as required by the Local Authorities Election Act.

23. How will the unique features of the three Villages be maintained?

That will be up to the new Council, but quite frankly the "unique features" and priorities of these three Villages are relatively few as compared to most municipalities which somehow manage to accommodate a wide variety of features within one municipality.

24. But the Norris Beach residents will lose their identity, be under represented and lose financially in the larger municipality.

To the contrary - typically communities with larger tax bases have better financials than smaller ones. In this particular case the analysis indicates that Norris Beach would benefit financially from the amalgamation. In terms of representation that is entirely up to the election process as it is in any community.

25. What will be the name of the new municipality?

The new name has not yet been decided. We would like as much input as possible from the residents on this issue. A process is being set up to solicit suggestions.