

Anatomy of an amalgamation – Part II

Submitted by the RM of Killarney-Turtle Mountain

Editor's Note: On January 1, 2007, the Town of Killarney and the RM of Turtle Mountain amalgamated into the Municipality of Killarney-Turtle Mountain. While not the first neighbouring municipalities to merge in the province, the practice is not widespread. *Municipal Leader* approached the 'new' municipality and asked if they would share their experiences with our readers. The intent was to introduce you to their journey to amalgamation, check in midway through the year to see how they are making out, and wrap up the series at the beginning of 2008 by telling you what they learned throughout the process.

The Winter 2006 issue of *Municipal Leader* included Part I of the story. We hope you enjoy Part II of "Anatomy of an Amalgamation."

The first regular meeting of the new amalgamated Municipality of Killarney-Turtle Mountain took place on January 3, 2007. Due to the historic nature of this meeting, after conducting most of the official business, Council went to a cairn site at Wakopa, 25 km southwest of Killarney. It is here where the Rural Municipality of Turtle Mountain held its first meeting 125 years ago.

Committees

Like any municipality, we needed to develop our operational procedures before moving forward. Council finalized their organization and procedure by-law and set up various committees to deal with the different departments and issues in each department.

Prior to the establishment of these working committees both Councils dealt with issues as a committee of the whole council.

This worked in the past, but after combining the two corporations, it was thought that this would be cumbersome and would take up too much time to deal with issues. Although this is a new way for Council to do business, it has been working well.

The committees spent considerable time meeting with senior staff members reviewing Council's priorities for the upcoming fiscal year. The committees also meet with staff to establish a comprehensive five-year plan for each department.

After receiving the priorities of the committees, all expenditures were split into the respective areas of taxation.

Financial

The Municipality of Killarney-Turtle Mountain has a mill rate for **At Large**, which covers the expenses that are shared equally by all ratepayers of both wards. These expenses include legislative, general administration, other general governmental expenses, fire protection, landfill site, cemeteries, planning, and economic development.

The other mill rates are **Urban** and **Rural**, which covers expenses where the benefit of the expenses is directed to one area or the other. These different mill rates required a change to *The Municipal Act* (see sidebar).

For example, **Urban** expenses include policing, garbage collection, beautification and land rehabilitation, parks, playgrounds and street and road work that is done in the Urban area. The Urban mill rate includes debentures that belonged to the Town of Killarney prior to amalgamation.

Examples of the **Rural** mill rate expenses include street and road work that is done in the Rural area, weed control and conservation.

We held numerous pre-budget meetings to ensure that the expenditures were expensed to the right area of taxation. The Council feels strongly that by taking our time and making sure that the financial portion of the amalgamation was done properly, it would save us time and headaches in the future.



Standing, left to right: Councillors Randy Hodge, Peter Heide, Lorne Whitelock, and Dwight King. Seated left to right: Councillor Gerry Blixhavn, Mayor Rick Pauls, and CAO Jim Dowsett
Missing: Councillor Gwen Tripp

New Mayor for Killarney-Turtle Mountain

As if the process of amalgamating wasn't enough of a challenge, the Municipality of Killarney-Turtle Mountain also held a by-election in June. During a meeting of council on April 11, 2007, former Mayor Brian Moore resigned the position he had held for only six months. Moore was opposed to final reading being given to a "Local Improvement" by-law authorizing the borrowing of more money to fund a new recreational facility. (The entire process was chronicled in the August, 2007 Manitoba Ombudsman "Report Regarding the Municipality of Killarney-Turtle Mountain Local Improvement Plan".)

The new Mayor of the Municipality of Killarney-Turtle Mountain is Rick Pauls. Pauls won by only 36 votes in an election that saw just over 44.5 per cent voter turnout. Pauls picked up 628 votes to Sandra Warnez's 592.

Pauls feels the community needs to start coming together on big projects like the new recreational facility. "The New Facility is being built, it's underway, and now it needs all of our support," stressed Pauls. The new Mayor is also eager to get up to speed on other projects for the area such as the wind farms and the proposed ethanol plant, and wants to see better communication between the school board and council.

Pauls and his wife, Jenny, have four young children and he is also the manager of the local Chicken Delight.

Source: *Killarney Guide*

Staffing

The Town of Killarney staff was unionized and the Municipality of Turtle Mountain staff was not. However, the amalgamation caused the two separate staffs to come under one unionized collective agreement. A new salary structure was agreed upon and the hours of work that were different for the union and non-union staff were unified.

The biggest change to staffing was the Foreman's duties. The Public Works Department has experienced considerable overlap in duties and the assignment of staff is still a work in progress. We meet once a month to evaluate the staffing requirements for our different projects.

Things that could have worked better

Planning

Because our planning district was made up of the Town of Killarney and the RM of Turtle Mountain only, we were not allowed to maintain the Planning District after amalgamation. This is because *The Planning Act* clearly states that a district must have two or more municipalities. This was a situation both the Municipality and the Department of Intergovernmental Affairs missed the opportunity to address. Prior to the amalgamation, all prior combinations of municipalities had belonged to a larger planning district.

Council has resolved to continue as an individual planning area, but has not ruled out the possibility of combining with a neighboring planning district at some point in the future.

The amalgamation of the Town of Killarney and the Rural Municipality of Turtle Mountain was a complex affair that involved an actual change to *The Municipal Act s.52(1)ii*. That change means that *The Municipal Act* now allows different rates of taxation within one municipality, something Killarney-Turtle Mountain residents were concerned with prior to the amalgamation. "We heard over and over again that the rural areas did not want to pay for services in urban areas, and vice versa," explains Chief Administrative Officer Jim Dowsett. "Once that changed we were able to proceed with the full support of our ratepayers."

“ We can certainly see the benefit down the road of amalgamation, and we look forward to telling you all that we have learned when we conclude this series in early 2008. ”

Governance

Our proposal to amalgamate the corporations stated that both the previous Councils would remain in place until December 31, 2006, and the newly elected Council would take over on January 1, 2007.

It is our feeling that, in the future, Councils should not worry about the transition from the two corporations to one for governance. Our experience showed that the old Council was, naturally, uncomfortable making decisions that might affect the new Council. By the same token, members of the newly elected Council hesitated to make decisions until they officially took office.

To avoid this discomfort, it would be our recommendation that a newly elected amalgamated Council assume their role as Council the day after election.

Conclusion to date

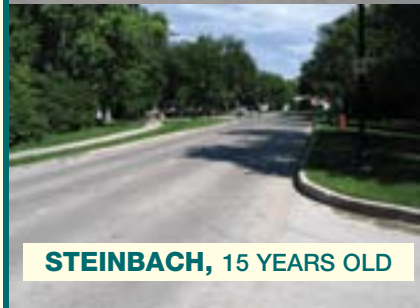
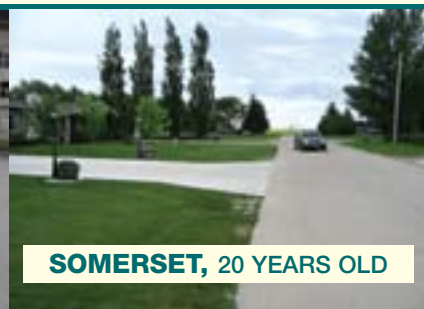
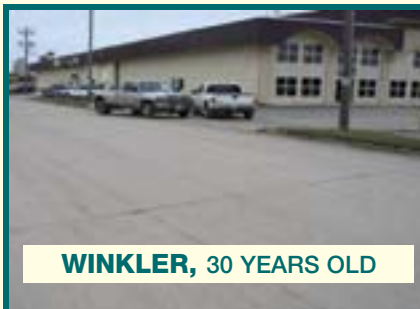
The amalgamation is ten-months-old. At this point, we don't feel that our ratepayers have

noticed any changes in the services that we provide. To most of them, it continues to be "business as usual."

The people who have likely experienced the biggest change are our office staff. The creation of a new assessment roll, the setting up of the new financial statement, and the combining of payroll has made for a busy 2007 for our staff. During the amalgamation process, we changed our computer accounting software, started the construction of a new multi-purpose recreation facility, held a by-election and went through some staff changes.

If it sounds as if we have not had much of a chance to catch our breath so far – we haven't! While the many changes have taken their toll, they continue to smooth out as time goes on. We can certainly see the benefit down the road of amalgamation, and we look forward to telling you all that we have learned when we conclude this series in early 2008. Stay tuned! ⚡

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