

Successful Municipal Practices: Responding to New Challenges



Tools for Change

BETTER MUNICIPAL BUSINESS PRACTICE: The New Town of Powerview - Pine Falls

History was made on May 1, 2005 when the Townsite of Pine Falls officially merged with the Village of Powerview, using *The Municipal Act's* annexation process. This merger gave Pine Falls residents a voice in the governance of their community – and changed the future course for the last remaining company owned town in Manitoba.

Up until that time, Pine Falls was company owned and company run. The paper mill determined the services that would be delivered, at what level they would be provided, and the fee that was charged to property owners for them.

When the paper mill was sold to Tembec Inc., the company announced it wanted to focus on its core business – papermaking – and indicated that it no longer wanted to be in the business of running a town. In 1998, Tembec struck a steering committee of community representatives to kick start the process.

The steering committee focused on merger opportunities, as Pine Falls lacked the necessary population to incorporate (having only 650 of 1,000 population required by *The Municipal Act*). Ultimately, with community consultation, the committee recommended that Pine Falls consider joining the Village of Powerview.

Like Pine Falls, the Village of Powerview's history is also intertwined with the growth of the paper mill. The Village was originally populated by construction workers who gravitated to the area when the mill and the Manitoba Hydro dam were being built. However, unlike Pine Falls, Powerview obtained municipal status in 1951, and had an elected council that was responsible for delivering municipal services.

These 2 very distinct communities had much in common. Residents worked, played and socialized together. They had visions for a strong region and wanted to explore economic development opportunities. Geographically, they were one community – with no clear boundary between them.

Tembec wanted to focus on paper-making, and was no longer interested in running the townsite.

Pine Falls and Powerview were very distinct, but they had much in common and geographically, they were already one community.



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After consulting and getting strong public feedback in support of a merger, the Village of Powerview, Tembec, and a new elected Pine Falls Merger Committee worked together to discuss how a merger of the two communities could work. Merging a company town with a municipality definitely had its challenges and the proposed merger was not without some local opposition. Concerns were raised about council representation, financial subsidization of an infrastructure deficit in Pine Falls, and, in later response to a recommendation by The Municipal Board (the Board), loss of identity of the Village of Powerview.

After holding several public meetings and doing feasibility studies, a formal proposal was finally submitted to the Board. After much consideration, The Board recommended the merger take place.

The end result was a solution that was tailor-made to meet the unique circumstances of this merger:

- A by-election was immediately called to elect an equal number (4) of Pine Falls councillors, giving Pine Falls a voice in the governance of their community for the first time. The size of the council will be reduced from 8 to 6 councillors at the 2006 general election.
- Agreements between the Village and Tembec were negotiated to address the infrastructure deficit in Pine Falls, and to bring this infrastructure up to municipal standards.
- The name of the new municipality clearly reflects the partnership approach that the two communities adopted, and sustained, throughout the merger discussions.

Now that the merger is official, there is a strong sense of optimism within the community. Businesses, community leaders and residents have all enthusiastically supported the merger. The municipality has plans to renew infrastructure, develop new community facilities, and expand municipal roads to further cement links within the community. Economic development opportunities are being re-explored by the regional round table.

The new Town of Powerview – Pine Falls is excited about its future and the opportunities ahead. It feels that with its single council and vision, it is better positioned to plan for the future and enhance its presence in the region.

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Locally developed solutions tailor-made to fit the unique circumstances of a merger between a company-owned town and a municipality and address local concerns.

The newly created Town of Powerview-Pine Falls is excited about its future and reckons to be a “force at the end of the Winnipeg River”.