

Municipal Innovation Awards Program

Municipality of Killarney – Turtle Mountain

Restructuring

Date implemented: August 21, 2006

Innovation

After reviewing Killarney and Turtle Mountain's first attempt of amalgamation, we felt that there needed to be a change to the Municipal Act to allow mill rates to be different within an amalgamated corporation. We heard over and over again that the rural area did not want to pay for public works in the urban area and visa a versa. We lobbied for a change to the Municipal Act to allow this setting of different rates within the municipality. With the help of the Minister Jean Friesen the legislation was changed on July 26, 2001, to allow the different mill rates.

52(1) A regulation made under section 30 (formation), 31 (dissolution), 32 (change of name), 46 (amalgamation), 47 or 48 (annexation) may, in relation to any municipality affected by the regulation, contain provisions dealing with one or more of the following:

(a) assessment and taxation — in the case of a formation, amalgamation, annexation or dissolution — which may include

(i) phasing in increases or decreases in taxes that are directly attributable to the formation, amalgamation, annexation or dissolution, and

(ii) setting different rates of taxation for areas within the municipality based on their access to services provided by the municipality;

This is the portion we felt that needed to be allowed for the amalgamation of different corporations. Prior to this amendment municipalities were not allowed to do this without creating special service areas or as in the case of the amalgamations to date is to create a Local Urban District with in the Municipality.

History of the Amalgamation

The respective councils for the Town of Killarney and Rural Municipality of Turtle Mountain, had for a considerable time, sought out ways of working together to achieve service delivery cost efficiencies and to promote good and flexible governance. The strong relationship between the councils led to the desire to openly explore fundamental restructuring opportunities.

Indeed, Killarney and Turtle Mountain were the first municipalities in Manitoba to conduct a feasibility study on amalgamation. The financial profiles of Killarney and Turtle Mountain were analyzed and financial modeling used to examine combined

operations of the two municipalities. A series of focus groups were conducted to explore community members' perceptions on the relative merits of restructuring initiatives and key informants were asked to provide additional information and perspective.

Generally, residents believed that amalgamation could work to better equip Killarney and Turtle Mountain, as a combined entity, to ensure long-term viability, community development and growth in the future. Increased operations efficiencies, economies of scale, economic development and a stronger voice were among potential advantages which residents perceived to be associated with amalgamation.

However, residents also recognize that in order to maximize the benefits of amalgamation, council would need to work to minimize the barriers. Ratepayers voiced concerns about amalgamation and identified several issues which councils need to carefully examine. It was felt that a thorough exploration of all options might enable councils to present solutions that are beneficial and advantageous to residents of the entire area.

Some of the key issues addressed included: economic development, operational efficiencies, taxation and council representation.

Planning for the future of Killarney and Turtle Mountain was identified as a major priority by residents and councilors alike. Citizens recognized the need to maintain current businesses, while working to generate and attract more growth. Youth in particular requested attention to job creation and employment opportunities that would allow them to remain in the area.

There was a general feeling that municipal amalgamation might offer assistance in securing future development. New business may be more willing to locate themselves in an area that has already resolved potential planning conflicts and has created a long range development plan.

Focus groups and key informants also felt that an amalgamated area may have a stronger voice. A single entity with a larger geographic area and greater population may have an increased influence in discussions with business, government and other communities.

Because Killarney and Turtle Mountain currently worked together on a number of joint servicing agreements, much potential operational efficiency has already been achieved. However, further efficiencies will be achieved by the economies of scale brought about by an amalgamation. Further sharing and coordinating of equipment, and tools could result in some saving, dependent upon the policy decisions of council in this area.

Establishing equitable representation from rural and urban areas and the process for electing councilors and the head of the council were also identified as key issues. Residents raised concerns about ensuring that with a single council, neither the urban nor the rural area had more influence in decision making for the area. People recognized that although rural and urban concerns were often similar and goals were shared, potential existed for differing views to be held.

Based on the views put forward at the focus groups, the most feasible scenario may be the development of a rural and an urban ward, each with the same number of council members elected by residents of that particular ward. In this scenario, the head of council could be elected 'at large' and determined by the residents of both wards. *The Municipal Act* has considerable flexibility in this area to accommodate such strategies.

History of Cooperation

The Town of Killarney and the Rural Municipality of Turtle Mountain have always had a history of cooperation. In 1970, the decision was made to combine the two municipal offices and share the administrative staff. The cooperation of both Councils is still evident in their attitude of what's good for the community is good for each municipality. Examples of the shared service are outlined below.

The Town of Killarney and the Rural Municipality of Turtle Mountain public works staff work out of a recently renovated public works building sharing the costs of utilities and shop supplies. The Killarney Arena was owned by the Town of Killarney. The Rural Municipality of Turtle Mountain assists in the operational costs. The future plans for a new recreation facility will be cost shared equally.

The Joint Projects Committee of both Councils met monthly to deal with issues regarding the Killarney Area Planning District, Killarney Cemetery, Recycling Depot, Fire Department, Killarney And District Community Development Corporation and joint staffing.

Conclusion

Municipalities are feeling the pressures of declining populations and assessment increases not keeping up with the expectation of services from ratepayers and although our municipalities have not follow the current trend for Western Manitoba. The Town of Killarney population actual increased in the 2001 census and the Rural Municipality of Turtle Mountain assessment increases have been above the provincial average. Councils here have never felt that the status quo is good enough for the community and if we are not looking for ways to improve how we deliver services, we were falling behind.

Councils felt that the amalgamation of the two corporations is a nature progression for the future of the two municipalities and although we are not the first to amalgamate we are sure we will not be the last. As we proceed we are still finding items and issues that we did not contemplate. The amalgamation is a work in progress; the smooth transition from two corporations to one will be achieved with the hard work of Council and staff.