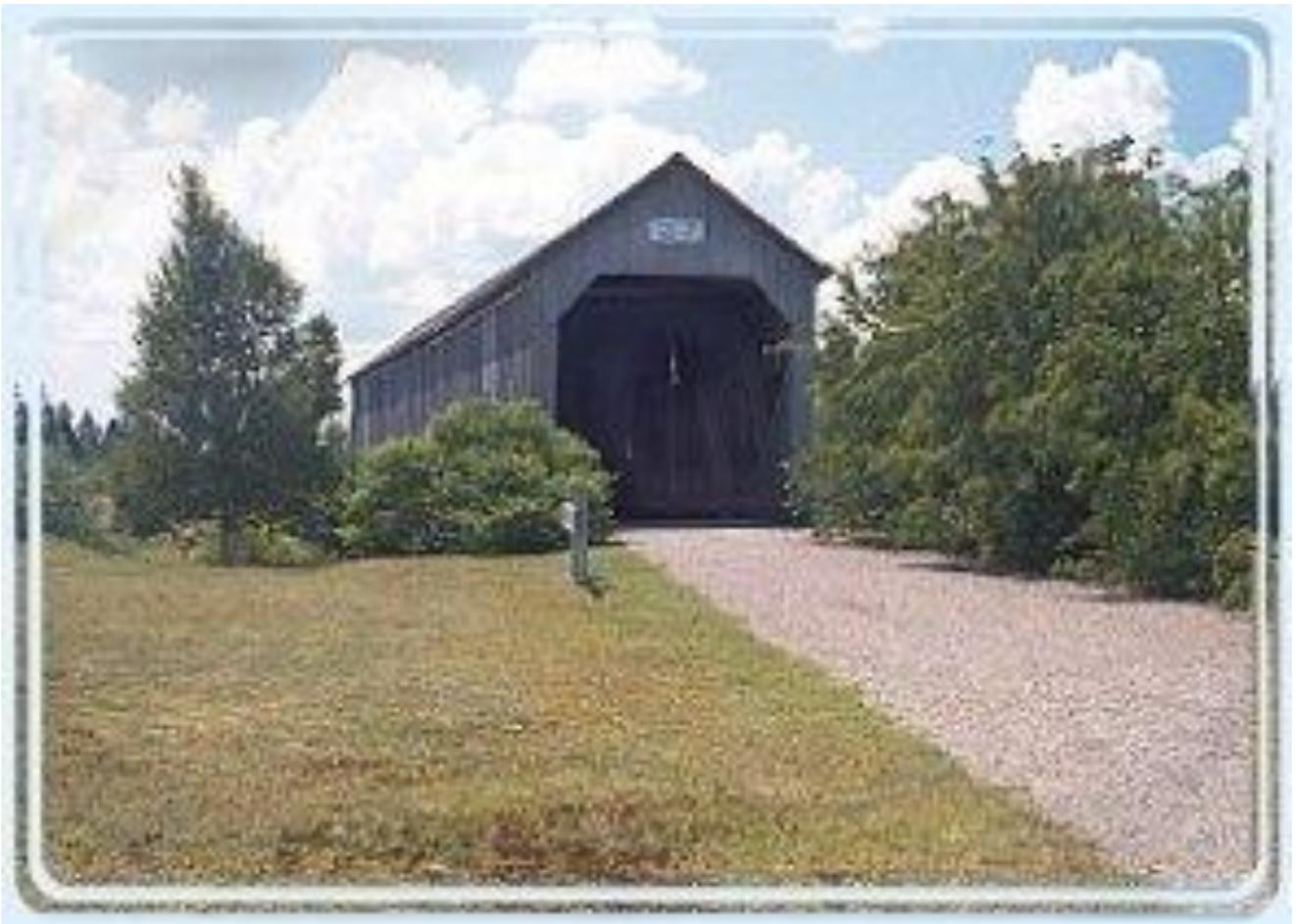


# The Rural Community of Kingsvale

Fall 2013

## Final Feasibility Study Report



**DEPARTMENT OF ENVIRONMENT AND LOCAL GOVERNMENT  
Proposed Rural Community for the area known as Kings East**

**Feasibility Study Report**

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## **1. How the Rural Community (RC) proposal was initiated**

The five Local Service Districts (LSDs) of the parish of Cardwell, the parish of Hammond, the parish of Studholm, the parish of Sussex and the parish of Waterford have shared many services in the past, things like fire services, planning services, solid waste pick-up and disposal. Until the beginning of 2013 all five were part of the Royal District Planning Commission. They are now part of Regional Service Commission Number 8. In March 2012, the Chairpersons of each of the five LSD advisory committees sent a joint letter to the Minister of Environment and Local Government requesting guidelines and assistance in considering the feasibility of creating a rural community in the eastern part of Kings County.

## **2. Steps taken by the Local Service Districts of Eastern Kings County**

**May - December 2012** - Initial assessment was carried out by a 9 member Community Round Table Committee, representing residents and businesses of the five LSDs, with support from the Department of Environment and Local Government.

**January 2013** - Four Open House sessions were held as part of the initial assessment to share details with residents and provide an opportunity for input. As well, advisory committees of the LSDs provided details of the round table meetings on an on-going basis.

**January – February 2013**- A petition was signed by over 50 eligible voters from each LSD requesting the Department of Environment and Local Government undertake a Feasibility Study for Kings East.

**January, 2013**- LSD of Havelock expressed an interest in being part of the group looking into the feasibility of creating a Rural Community. Because of the fact that they were not part of the initial assessment and petition process, it was believed that including Havelock would slow the process too much. It was thought that Havelock could join the Rural Community at a later date, if the desire was still there.

**May 2013**- A draft of the Feasibility Study was completed by the Round Table Committee, with the assistance of the Department of Environment and Local Government staff.

**June – July 2013**- A summary of the draft Feasibility Study was made available to all residents of the five LSDs. A number of public information sessions were held as part of the Feasibility Study.

**August 2013**- Final Feasibility Report submitted to the Minister of Environment and Local Government with the recommendation to determine if sufficient local support exists for the establishment of Kings East as a Rural Community, by way of a plebiscite (a vote) of all eligible voters in the five LSDs.

**October 28, 2013**- plebiscite

### **3. Current situation in the area of Kings East**

#### **Proposed Boundary of Kings East:**

- The entire local service district of Cardwell;
- The entire local service district of Hammond;
- The entire local service district of Studholm, including the taxing authority of Lower Millstream;
- The entire local service district of Sussex, including the taxing authority of Apohaqui;
- The entire local service district of Waterford.

#### **Population:**

- According to the 2011 census, there are 1,414 residents in Cardwell, 295 residents in Hammond, 3,612 residents in Studholm, 2,529 residents in Sussex LSD and 458 residents in Waterford for a total of 8,308 residents in Kings East – a slight increase of 0.3% over the previous census.
- 8,308 residents would make Kings East the 12<sup>th</sup> most populated area of all the incorporated local governments in the province – including all cities, towns, villages and other rural communities.
- The strong population base will also help the rural community of Kings East a very powerful voice on the District 8 Regional Service Commission when it relates to financial matters.
- In the current situation there are 4 representatives for all 14 of the LSDs in the said Region 8. Of these 4 representatives, 3 are from the 5 LSDs mentioned above. If the area remains unincorporated, it is possible that none of the representatives would be from these five LSDs in the future.
- Kings East is 6,758, and Kings East has a median age of 45.37 (compared to the 43.7 median age for the province of New Brunswick).
- The median family income in Kings East (\$50,011) is slightly higher than that of the average New Brunswick family (\$48,087).
- The average employment income of \$20,322 is slightly lower than that of the New Brunswick average (\$21,543).
- The total area of Kings East is 1500 sq. km. In this area there is a population of only 4.5 persons per sq. km., making it a very rural area.

## 2013 Property Tax Base and Tax Rate:

The following table shows the property tax base and property tax rates being paid in **2013**, broken down by LSD

LSD	Residential Owner Occupied Properties	Farms And Woodlots	Other Non-Residential Properties	Total Property Tax Base	Property Tax Rate
Cardwell	41,892,100	4,520,200	374,052,588	420,464,888	0.8386
Hammond	6,823,200	3,818,300	5,805,750	16,347,250	0.8943
Studholm	108,160,900	11,437,400	47,915,350	167,513,650	0.9029
Sussex LSD	83,488,300	9,865,300	51,434,300	144,787,900	0.8883
Waterford	15,618,700	5,171,600	8,137,050	28,927,350	0.8681
Lower Millstream	21,356,200	1,231,300	8,804,750	31,392,250	0.9601
Apohaqui	10,988,200	1,028,100	6,166,650	18,182,950	0.9373
<b>TOTAL</b>	<b>\$288,327,600</b>	<b>\$37,072,200</b>	<b>\$502,316,438</b>	<b>\$827,616,238</b>	

The 2013 property tax base for Kings East is more than \$827 million, of which \$325 million is residential (e.g. primary residences, apartments, cottages, etc.), and \$502 million is non-residential, or commercial.

A property tax base of more than \$827 million makes this Rural Community the 12<sup>th</sup> largest incorporated municipality and/or rural community (including all cities in New Brunswick). As a result Kings East will have a strong voice when talking to Provincial, Federal and other local Governments.

### Unmet needs and goals of the LSDs in eastern Kings County:

- The local service districts want to have control of and responsibility for local taxation, local services and local public decision making.
- The LSDs want to be able to hire employees, own assets and not have to rely as heavily on volunteer help.
- The LSDs want to be able to regulate the use of land with a rural plan (including zoning) and subdivision by-laws.
- The LSDs want to be able to create its own budget as a Rural Community and set its own local property tax rate.
- LSDs would like to be able to receive federal and provincial grants to fund local infrastructure, economic development and recreation projects.
- Residents want decision-making authority over essential services – like solid waste and planning.
- The Round Table sees advantages in having a unified voice when dealing with services that affect most residents, like recreation.

## 4. Pros and Cons of creating the Rural Community of Kings East

### Objectives for the establishment of a Rural Community:

#### Political Objectives

- Provide residents with the opportunity to elect their own council members to represent them and make by-laws and taxation decisions that reflect and respond to their needs
- Allow local decisions to be made by community members
- Have decision-making power for the sharing of services with other communities

#### Fiscal/Financial Objectives

- Provide local control over property taxes
- Achieve cost savings, especially in solid waste management and possibly planning, because these 5 LSDs will no longer be required to subsidize the other LSDs in #8 Regional Service Commission as a result of equalization.
- Better access to funding programs from federal and provincial governments.

#### Economic Objectives

- Attract more businesses by being the 12<sup>th</sup> largest incorporated community in the province.
- Better concentration of farms and agricultural areas.

#### Social Objectives

- Support and sustain local volunteer efforts
- Strengthen communication and collaboration amongst community residents, foresters and agriculture groups and volunteers
- Preserve the farming territory

#### Environmental Objectives

- Better plan the use of land to protect environmentally sensitive areas and maintain the integrity of productive agricultural and forest lands

#### Service and Administrative Objectives

- Better plan the use of land to ensure that development takes place where adequate services and related infrastructure exist or can be provided in a timely, economic and efficient manner
- Employ trained and qualified staff to serve council and the community, especially when dealing with other governments (municipal, provincial and federal)

### Benefits of incorporation as Kingsvale:

- A Rural Community would have the power and ability to speak with one voice on community issues and the power to decide upon action which would best meet the needs of the whole community. As a result common services can be delivered more efficiently and potentially at a lower cost.
- As the 12<sup>th</sup> largest community in the province, the elected Rural Community Council could deal directly with Provincial and Federal Officials, and speak to governments with the authority of an elected body on issues of government policy, legislation and programs.
- The identity of individual communities within the Rural Community would be maintained.
- There would be a Rural Community council made up of elected community representatives based upon a ward system.
- As an incorporated community Kings East would have direct access to federal and provincial development grants and other assistance programs, which are not readily available to the local service districts.

- The council would be responsible for developing a land use plan to guide the development of the Rural Community, preserve its unique character, its environment and quality of life. For the first two years the Rural Community must use the planning services of Region 8. After a two year period the Rural Community can decide, if it wishes, to continue to access the services of Region 8 planners or to hire or contract other professional planners to do the planning and building inspection work for the Rural Community.
- The council would hire an employee to carry out council decisions.

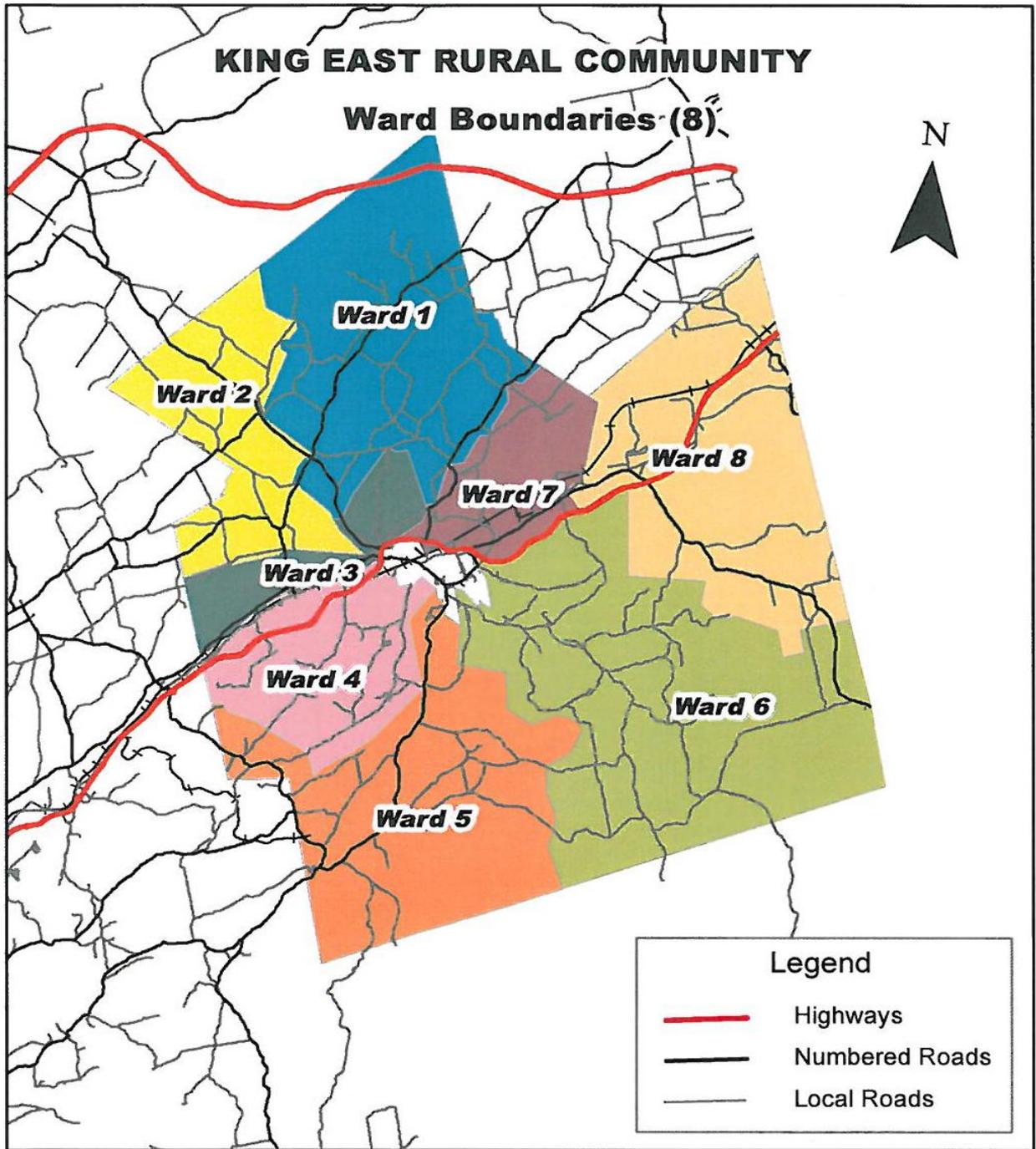
### **Concerns about the Creation of a Rural Community:**

- With the RC being responsible for land use planning and building inspection services, people may think that they have less say about what they can do with their own property. Many see planning as an asset when they want restrictions imposed on others, but a deterrent if they need to abide by the same rules. During the first two years that the Rural Community is in place, planning and building inspection services will continue to be carried out by Regional Service Commission #8. The Rural Community may decide to continue using Region #8 services or it may make other arrangements for land use planning and building inspection after two years. If alternate arrangements are to be made by the Rural Community, council is required to give RSC #8 a two year notice before it can discontinue the service.
- People may fear and think that council has full say and will do anything they wish. All council meetings are open to the public, and Council will be sensitive to the needs of the residents. Council's role is to mediate among the diverse interests, to build consensus where possible, and to make choices on municipal matters.
- Fear might exist that everyone does not have a say in how the Rural Community is run. There will be eight (8) Wards, based on the current Provincial Electoral polls, and each ward will have an elected representative for that region. All residents of voting age will be able to vote for the Councillor in their Ward. Each Councillor should make decisions that will benefit the entire Rural Community. Wards do give people of the area someone familiar with whom to discuss issues. It is the responsibility of each councillor to bring local issues forward so that the entire council can deal with them.
- People in different LSDs within the Rural Community may see these same LSDs as competition rather than allies that will have more power when speaking with one voice.
- Some people may have the fear that they will lose their identity. Local names will continue to be used for civic addresses, 911 identity, etc. The name of the Rural Community will only be used when referring to the group as a whole.

## 5. Composition of the Rural Community Council

With the creation of a Rural Community, the existing LSD Advisory Committees would be dissolved. To replace these committees, the Round Table has recommended a Rural Community Council composed of a Mayor (elected at large) and eight Councillors (one per defined ward/region) elected every four years at the time of the province-wide municipal elections, beginning with the May 2014 by-election: (see ward map below)

- **Mayor** to be elected at large
- **One Councillor** for Ward 1 covering the communities of Head of Millstream, Newtown, Pleasant Ridge, Mount Middleton to the boundary of Smiths Creek – approximately 685 eligible voters
- **One Councillor** for Ward 2 which includes the communities of Cameron, Marrtown, Pearsonville, Kierstead Mountain and Millstream – approximately 690 eligible voters
- **One Councillor** for Ward 3 representing the communities of Parleeville, Fox Hill, Roachville, McGregor Brook to Smiths Creek – approximately 659 eligible voters
- **One Councillor** for Ward 4 who would represent the communities of Apohaqui, Marshall Hill, Wards Creek, McCain Settlement, Erb Settlement and Drurys Cove – approximately 676 eligible voters
- **One Councillor** for Ward 5 covering the communities of Campbell Settlement, Southfield, Hillsdale, Hammondvale, Saddleback Mountain Markhamville, Lisson Settlement, Jeffries Corner and New Line Road – approximately 610 eligible voters
- **One Councillor** for Ward 6 which includes the communities of Waterford, McDermott Hill, Chambers Settlement, Anderson Settlement and Crawford Lake – approximately 746 eligible voters
- **One Councillor** for Ward 7 representing the communities of McCully, Mount Pisgah, Plumweseep, to Smiths Creek – approximately 671 eligible voters
- **One Councillor** for Ward 8 who would represent the communities of Dunsinane, Anagance, Penobsquis, Mechanic Settlement, Springdale, Portage Vale and Robinson Hollow– approximately 675 eligible voters



## 6. Delivery of Local Services

Upon incorporation the Rural Community Council would assume responsibility for the services of land use planning, emergency measures, dog control, recreation and community services, garbage collection and disposal, and administration of the Rural Community. The mayor would represent the Rural Community Council as a member on the Regional Service Commission #8.

The Round Table recommends that the Rural Community becomes responsible for the RCMP policing service beginning in 2016, once the new provincial cost-sharing will be fully implemented.

The province would continue to assume responsibility for fire protection services and road maintenance services. If, at a later time the Rural Community Council determined that it was beneficial to take on either of these services and others, it would need to enact a by-law to do so.

## **7. The Name of the Rural Community**

Since the area represents the eastern part of Kings County and due to the fact that the name has a history in the area, the Round Table members have recommended the name: **KINGSVALE**.

## **8. Location of the Rural Community Office and Staffing Requirements**

- It is recommended that, for the first few years, council find rental space in an existing building, centrally located. The future or permanent location of the office will be decided by the elected Rural Community council.
- Due to the size of the Rural Community, both in population and tax base, the recommendation from the Round Table committee is that initially the Rural Community would have a full-time clerk-treasurer.

## **9. Expected Reduction in the Tax Rate over First Five Years if the Residents vote for a Rural Community vs. staying as LSDs**

As can be seen in the attached tables the anticipated savings in garbage collection would more than cover the new community administration costs (e.g. council, staff and building costs, etc.). The projected budget estimates are made assuming that no enhancements are made to any services. This is done so that the tax rate can be compared between a Rural Community and an LSD. The Rural Community budget was completed with the assumption that the costs of the services will be shared equitably between all the LSDs.

### **Rural Community Property Tax Rates** (Appendix A)

- Appendix A details the property tax rate of each of the LSDs (one per page) that are part of Kingsvale. Years 2013 and 2014 (shown in green) show the current 2013 tax rate and the projected rate for 2014 while staying as LSDs.
- The projected annual increase in expenditures, as well as the projected annual increase of the property tax base, are set at 6%, based on the history of these LSDs over the past 5 years.
- Although the recommended incorporation date is July 1, 2014, the first full year budget as a Rural Community is 2015.
- The blue portion of the Table shows the projected cost of services and projected tax rate for the services that will be left for the province to maintain.
- The flesh-coloured portion of the Table shows the projected cost of services and projected tax rate for the services that will be taken over by the Rural Community council.
- The sum of the blue and flesh-coloured tax rates of each year will be the local total property tax rate for that year; the provincial rate would need to be added to this rate to get the total tax rate for each LSD.

### Property Tax Rates as Local Service Districts (Appendix B)

- Appendix B details the tax rate of each of the LSDs (one per page) that are part of Kingsvale from years 2013 to 2019, assuming that they stay as local service districts (i.e. do not become a Rural Community).

### Projected Property Tax Rates savings as a Rural Community (Appendix C)

- As a Rural Community it is proposed that the expenditures of all LSDs of Kingsvale be combined to give the total cost of each service.
- Likewise the tax base of each LSD will be combined to provide the total tax base for the Rural Community
- These numbers will be used to give the total increase or decrease in property taxes for all LSDs that form part of the Rural Community.
- As such, going forward, the increase or decrease for each LSD, or taxing authority, will be the same.
- The result of this will not mean that the tax rate of all LSDs will be the same, only the increase or decrease.
- Below are 4 Tables showing the savings as a result of forming a Rural Community (see numbers from Appendix C). The tables show the rates for each of the different types of properties (i) residential owner-occupied, (ii) residential – farm land and forestry, (iii) residential non-owner-occupies, and (iv) non-residential.

**Table 1 - Residential Owner-Occupied (Local Rate) – e.g. Your Home**

Year	Condition	Cardwell	Hammond	Studholm	Sussex	Waterford	Lower Millstream	Apohaqui
2015	Stay as LSD	0.3647	0.4843	0.4205	0.4083	0.3991	0.4957	0.4686
	Become RC	0.3508	0.4704	0.4066	0.3944	0.3852	0.4818	0.4547
	Savings as RC	0.0139	0.0139	0.0139	0.0139	0.0139	0.0139	0.0139

**Table 2 - Residential (Local Rate) – Farm Land & Forestry**

Year	Condition	Cardwell	Hammond	Studholm	Sussex	Waterford	Lower Millstream	Apohaqui
2015	Stay as LSD	0.3647	0.4843	0.4205	0.4083	0.3991	0.4957	0.4686
	Become RC	0.3508	0.4704	0.4066	0.3944	0.3852	0.4818	0.4547
	Savings as RC	0.0139	0.0139	0.0139	0.0139	0.0139	0.0139	0.0139

**Table 3 - Residential Non-Owner-Occupied – e.g. Your Cottage or App’t**

Year	Condition	Cardwell	Hammond	Studholm	Sussex	Waterford	Lower Millstream	Apohaqui
2015	Stay as LSD	0.3647	0.4843	0.4205	0.4083	0.3991	0.4957	0.4686
	Become RC	0.3508	0.4704	0.4066	0.3944	0.3852	0.4818	0.4547
	Savings as RC	0.0139	0.0139	0.0139	0.0139	0.0139	0.0139	0.0139

**Table 4 - Non-Residential (Local Rate) – e.g. Businesses**

Year	Condition	Cardwell	Hammond	Studholm	Sussex	Waterford	Lower Millstream	Apohaqui
2015	Stay as LSD	0.5471	0.7265	0.6308	0.6125	0.5987	0.7436	0.7029
	Become RC	0.5262	0.7056	0.6099	0.5916	0.5778	0.7227	0.6820
	Savings as RC	0.0209	0.0209	0.0209	0.0209	0.0209	0.0209	0.0209

In summary, the detailed budget for the first five years as a Rural Community can be found in Appendix A, and the detailed budget for the same time period showing the effect on the tax rate if the LSDs choose not to become incorporated is shown in Appendix B. Appendix C compares the two tables showing a tax decrease for all residential properties of 1.39¢ per \$100 of assessment in the first year as a Rural Community. This decrease is 2.09¢ per \$100 of assessment for non-residential properties in the first year. Following the first year the tax savings for all properties as a Rural Community will be slightly less, but there will still be savings as a Rural Community when compared to what residents would pay if they remained as a local service district.

## 10. Public Consultation

Following the completion of the first draft of the feasibility study the results were presented to the Farmers Association, the Woodsmen Association and the Potash Corp., and 4 public presentations were made to the LSDs. The attendance at the LSD meetings averaged about 25 people per presentation. The feedback from all these meetings was clear. Most people were more interested in taking control of their own affairs (budget, tax rate, services, etc.) than talking about the small saving on their tax rate. This is not to say that they would not have been concerned had their tax rate increase.

At these public meetings some residents saw some real advantages to the creation of a Rural Community. These citizens liked:

- Having a council that would speak on their behalf,
- Gaining the benefits that can be realized from being the 12<sup>th</sup> largest community in the province,
- Taking the responsibility of providing their own services and setting their own tax rate,
- Having the ability to hire staff and provide administration while still having a modest decrease in taxes.

Other people at these public meetings expressed some concerns with the creation of a Rural Community. Some of the topics that they wanted addressed were:

- Fear that council will give themselves huge raises and add unnecessary services which would result in an increase in the tax rate,
- Concern that council would not be transparent, but would make decisions without considering the wants of the public and without consulting them,
- Belief that a Rural Community was just the creation of another layer of government,
- Concerns that planning restrictions would be imposed on them, and that these restrictions would prevent them from carrying out their wishes on their own land,

The low attendance at the public meetings was a concern to members of the Round Table. It was believed that one reason for the low attendance may have been the very good coverage from the local media that was supplied by the Sussex Herald and the Kings County Record. The Kings County Record, being a weekly paper, had an article about the Kings East Rural Community in most editions. Part of the reason for this coverage had to do with the fact a reporter attended about half of the latter meetings of the Round Table, stayed for the entire meeting and gave a report in the following edition of the paper.

During the month of September the Round Table will attempt to initiate an oratorical contest with students of the Middle School in Sussex, in hopes of getting parents and grandparents involved, thus giving these parents a better understanding of what Rural Communities really are.

The first three weeks of October will be spent trying to educate the public on the Rural Community proposal. Seven public meetings will be held in the LSDs in preparation for the plebiscite.

## 11. Recommendations

- It is recommended that a plebiscite be held in the LSDs of Cardwell, Hammond, Studholm, Sussex and Waterford on October 28<sup>th</sup>, 2013. This vote will be one vote for the entire area, not held separately in each LSD. If the vote is positive, i.e. 50%+1 of the people who vote want a Rural Community, it is recommended that the Rural Community be incorporated on July 1<sup>st</sup>, 2014.
- A positive vote from the plebiscite will also result in the council being elected in the May 2014 municipal election.
- The Round Table recommends that the Rural Community becomes responsible for the RCMP policing service beginning in 2016, once the new provincial cost-sharing will be fully implemented. This would give the Rural Community a voice on how the service is provided.
- It is recommended that the Rural Community council rent office space for the first few years after incorporation.

- Currently there is a difference in the tax rate of up to 10¢ per \$100 of assessment between the various LSDs and taxing authorities in Kingsvale. It was agreed among all members of the Round Table that the tax rate should not become the same in the first few years as a Rural Community. Therefore, it is recommended that the tax rates of the various sections (current LSD boundaries and taxing authorities) of the Rural Community not be unified within the first 5 years of incorporation. If, after that time, council wanted to create a uniform tax rate with all the LSDs, it is recommended that they do so with a graduated approach.
- It is also recommended that a training session by Local Government staff be held for the council and staff of the Rural Community of Kingsvale following the May 2014 election.