



Feasibility Study Report for the establishment of a rural community for Campobello Island.

February 2010

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Proposed Rural Community for Campobello Island

Feasibility Study Report

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INCORPORATION OF CAMPOBELLO ISLAND AS A RURAL COMMUNITY

1. How the Rural Community proposal came to be:

Spring of 2008: The Atlantic Health Sciences Corporation conducted a survey to gauge the quality of life in the community and to profile the community's needs and concerns, which 483 Island residents responded to. The survey findings were released to residents in the fall of 2008, which revealed that **63.9%** of respondents felt that a form of local or community government was "needed" or "very needed" for Campobello. As a result of the survey, community members formed various committees under the umbrella of the Health and Wellness Committee and as part of this structure; a Governance Committee was formed with a mandate to determine options to address the issues of better local representation and how to improve the quality of life on Campobello Island.

April 2009: The LSD Advisory Committee, in cooperation with the Governance Committee, wrote a letter to the Minister of Local Government requesting that an initial assessment be conducted to determine the feasibility of forming a Rural Community for Campobello Island. Shortly afterwards an initial assessment was carried out by staff of the department with the assistance of a nine member local Round Table Committee representing residents and businesses of Campobello Island. A petition was then submitted to the government signed by 50 Island residents requesting that the next step in the process, or a Feasibility Study, be carried out

CURRENT SITUATION OF THE LSD OF CAMPOBELLO ISLAND:

Population:

- According to the 2006 census, there are 1,056 residents in the LSD of Campobello-a decrease of 139 residents or 11.6 % in population from the 2001 census of 1,195 residents and a decrease of 18.6 % when compared to the 1996 census of 1305 residents.
- The total population of those 15 and over in Campobello is 860, and Campobello Island residents have an average age of 43.4(compared to the 41.5 average for the province of New Brunswick).
- The population is aging and the younger generation is leaving the Island to obtain employment. With the slowdown of the traditional fishery in Campobello, many of the remaining jobs are government-related jobs-Campobello Island Consolidated School, the nursing home and health center, Roosevelt-Campobello International Park, Herring Cove Provincial Park as well as Canada Customs, Canada Post and DFO. People are also employed locally in the fishing industry; aquaculture; small, locally owned businesses; and in the tourism industry.
- According to the 2006 census, the 18.4% adult unemployment rate was more than twice that of New Brunswick as a whole and almost three times as high as the rest of Canada. The area employment statistics are as follows:

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-**In the labour force 490**-labour force participation rate is 57.0% or 490 of 860 residents 15-64 years of age.

-**Employed 400**-employment to population rate is 46.5% or 400 of 860 residents 15-64 years of age.

-**Unemployed 90**-the unemployment rate is 18.4% meaning that 90 residents 15-64 years of age are unemployed or are looking for work.

-**Not in labour force 370.**

- The median family income in Campobello (\$44,923) is lower than that of Charlotte County (\$50,562) and the rest of New Brunswick (\$54,520).
- The average employment income of \$21,800 is also lower-about \$6500 less than the NB average.

2009 property tax base and tax rate:

- The 2009 property tax base for Campobello LSD is \$99 million, of which approximately \$31 million is residential owner-occupied, approximately \$ 60 million is residential non-owner-occupied and approximately \$8 million is non-residential or commercial.
- The 2009 local property tax rate for Campobello LSD is 23 cents per \$100 of property assessment which is **lower** than the provincial average for LSDs of 28.8 cents. The local tax levy pays for the local services of fire protection, solid waste collection and disposal, recreation and community services, cost of property assessments, land use planning and a small amount for general

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LSD administration. Added to this is the provincial tax levy of 65 cents per \$100 of property assessment for owner-occupied residential properties which covers policing and road maintenance services. This results in a 2009 combined local tax rate of 88 cents (23+ 65 cents) per \$100 of assessment for residential properties occupied by the owners.

- The 2009 tax rate for non-owner occupied residential is \$1.73 (\$1.50 special provincial property tax rate plus local tax rate of 23 cents).
- The 2009 tax rate for non-residential (business) is approximately \$2.59 (\$2.25 special provincial property tax rate plus 1.5 X the local tax rate of 23 cents):

Property type	Provincial property tax rate per \$100 of assessment value	LSD 2009 property tax rate per \$100 of assessment value	Special provincial property tax rate per \$100 of assessment	Total per \$100 of assessment value
Residential	N/A	23 cents	65 cents	88 cents
Cottages owners	\$1.50	23 cents	N/A	\$1.73
Business owners	\$2.25	34.5 cents	N/A	\$2.59

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Provincial Property Tax Rate to assist the province with the provision of social services (e.g. education) across the province. The base rate of provincial taxation is \$1.50 per \$100 of assessed value. Owner-occupied residences are given a credit equal to the \$1.50 and therefore do not pay the provincial property tax. Non-residential properties pay one and a half times this rate, which equals \$2.25 per \$100 of assessed value.

LSD 2009 Property Tax Rate to pay for the local services provided in the LSD, including solid waste management, fire protection, land use planning and community and recreational services.

Special Provincial property tax rate to assist the province with the provision of local services to unincorporated areas (LSDs) and Rural Communities (i.e. police, roads and administration). Owner-occupied properties are taxed \$0.65 per \$100 of assessment.

2. The community of Campobello and its unmet needs and goals:

Consultations with the community have revealed many concerns including access to medical services and to other goods and services, the lack of a year-round ferry service, border issues, the lack of employment opportunities and a related dramatic decline in population, as well as the absence of real, accountable elected representation-just to name a few. One of the main issues stems from the fact that except for a few months in the summer when a private ferry runs to Deer Island and residents can make a connection with a provincial ferry to mainland New Brunswick, the only way off the Island

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is to travel through the US. Many residents believe that the lack of easy access to the rest of New Brunswick is making it even more difficult to establish or maintain businesses on the Island, leading many to have concerns about future employment and the long-term viability of Campobello. Since there is no bank, gas station or hospital on the Island, day to day life can become very challenging. Members of the Community Round Table Committee feel it is time for the community to take its destiny into its own hands to try and address these and other concerns and problems on Campobello Island.

3. The Rural community proposal:

- **What is the vision of the rural community?**

“To build a viable, self-sufficient community that is innovative and forward looking while maintaining respect for our heritage and acknowledging our unique situation.”

- **How could a Rural Community better serve the needs and goals of the community and better serve community interests than with the current LSD status?**

-By having incorporated status and establishing a recognized, elected “voice” which would represent the residents of Campobello Island in local matters.

- Citizens of Campobello would have the opportunity to serve on - council and elect council members. All meetings of a Rural Community are public and all decisions of council must be made via a resolution or by-law at a council meeting.

-The Rural Community Council would have the ability to establish citizen advisory committees to work with council on issues of

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concern to the community and council. The Rural Community Council would also be able to establish committees to provide advice to council on the provision of local services.

- The Rural Community Council could take responsibility, when it chooses, for services now provided or that could be provided in the RC -the provincial government would still administer these services until such time as the council would choose, through the adoption of a by-law to become responsible for the services. (i.e. fire protection, solid waste collection and disposal, recreation and community services)

- Have the ability to enact by-laws pertaining to unsightly premises, animal control, public nuisance (noise) and other activities in the community.

- By having an office and permanent staff that could work for and assist the community with various issues, projects and grants, as well as business and tourism projects for the betterment of Campobello Island. The council and staff could also become a major vehicle in attracting new businesses and development possibilities to the community.

- The Rural Community, as an incorporated body, could own land, buildings and equipment and would have the power to borrow funds and access grants for various projects to meet the needs of the community.

- Council would be able to negotiate projects with the provincial and federal governments (be it local infrastructure projects or

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regional projects) and it would be able to pursue projects and initiatives with other municipalities and LSDs.

- **What are the proposed boundaries?**

The entire island.

- **What would be the Rural Community name?**

The recommended name put forth by the Committee for the Rural Community is Campobello Island.

- **What would be the composition of council?**

With the creation of a Rural Community, the existing LSD Advisory Committee would be dissolved. To replace the Committee, the round table has recommended a Rural Community Council composed of a Mayor (elected at large) and four Councillors- one elected from each of the three proposed wards and one at large to serve a population of 1,056. By comparison-the Village of Black's Harbour (population 952), has a mayor and 6 councillors, Grand Manan (population 2,460) has a mayor and 9 councillors , the town of St.George (population 1,309) has a mayor and 6 councillors and the Rural Community of Upper Miramichi (population 2414) has a mayor and 4 councillors. A map of the proposed wards for a Campobello RC is available in the appendix of this document.

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- **Where would the Rural Community office be located initially?**

There is no recommendation for the initial location of the Rural Community office by the committee. However, it is recommended that council find rental space within an existing building centrally located in Campobello for the first few years, with a future or permanent location to be decided at a later date by the elected Rural Community Council.

- **What staff would the Rural Community employ initially?**

The recommendation from the committee is that initially, the Rural Community could have a Clerk-Treasurer employed for at least 2 days per week and would contract out the services of a part-time Development Officer/Building Inspector or make it part of the duties of the Clerk. By comparison, the Rural Community of Upper Miramichi employs a full-time manager/development officer as well as a part-time treasurer for 2 days per week. The RC of Beaubassin has a fulltime clerk/treasurer and an assistant. It is anticipated that council will eventually need to employ at least one fulltime staff.

- **What services would the Rural Community be responsible to provide initially and how would those services be delivered?**

Initially, the Rural Community would be responsible to offer the services of land use planning, emergency measures and administration of the Rural Community. It is expected that the

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Rural Community would adopt a rural plan and emergency measures plan within two years of its incorporation.

- With the adoption of its own rural plan, Campobello would have a plan specific to the needs and realities of the community that would ensure that the different land uses (e.g., residential, commercial and recreational) are located only in appropriate areas for the desired growth and development of the community. Because an incorporated Campobello would no longer be served by the Rural District Planning Commission, the Rural Community would be responsible for contracting the services of a certified planner/consultant to prepare its rural plan and offer council professional advice on planning matters.

- The RC council would also have to establish a planning advisory committee of at least three members but not more than six members, and provide for a development officer and building inspector. The Clerk/Treasurer could be appointed as development officer as well, but if that option is chosen, proper training would be required to make sure that he/she could adequately fulfill the responsibilities of this position.

- The Emergency Measures Plan would ensure a coordinated plan in an emergency situation, in order to protect life, the environment and properties on Campobello Island.

- Council would appoint a director of the emergency measures organization to help prepare and coordinate the plan and appoint a local committee consisting of members of council and residents

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to advise the RC on the development of emergency measures plans. The Rural Community may also enter into agreements with persons and organizations for the provisions of the services needed in the development and implementation of emergency measures plans.

- **What services would the province continue to provide?**

The provincial government would continue to administer all other local services now provided in Campobello, including police and fire protection, solid waste collection and disposal, recreation and community services and road maintenance-unless the Rural Community would decide, through the adoption of a by-law, to become responsible for these additional services.

- **Does the community have sufficient population and tax base to be a viable Rural Community?**

According to the 2006 Census, the LSD of Campobello has a population of 1,056 residents and a property tax base of about \$99 million-the current guidelines for forming a viable Rural Community recommends a minimum population of 2,000 and a minimum \$100 million property tax base. However, the recently released Finn Report on The Future of Local Governance stated that the LSD of Campobello should stand alone as an entity due to its limited accessibility and that any attachment of Campobello to other islands (e.g. Grand Manan, White Head or Deer Island) or, to the mainland of New Brunswick to form a larger municipality

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would not be practical, and from a servicing and governance point of view, would be very difficult to administer.

- **How much would a Rural Community cost initially and how would that effect property taxes in Campobello?**

-The Round Table Committee estimates that the initial, annual cost would be in the vicinity of **\$89,000** to have an elected council and part-time clerk/treasurer and to pay for general administration costs, furniture and equipment for the RC. Added to that total would be the cost of planning services of approximately **\$35,000** (Rural Plan, fees for the services of a development officer, building inspector, planning advisory committee, newspaper advertising etc.) as well as **\$2,000** to provide emergency measures for the community.

This initial total cost of approximately **\$126,000** includes a transfer of \$37,737 from the LSD budget to the initial Rural Community budget regarding the services of administration, assessment and planning, as the Rural Community would now be responsible for those. This would result in a net increase to the overall local property tax rate of 8.9 cents per \$100 of assessed value.

That would represent an increase of **\$ 89.00** for a residential property (permanent residence or cottage) assessed at \$100,000 and **\$ 133.50** for a business property assessed at the same value of \$100,000.

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- Properties assessed at \$50,000 would see a property tax rate increase of **\$44.50** for permanent residences and cottages and a property tax rate increase of **\$66.75** for business properties assessed at \$50,000.

INITIAL PROPERTY TAX RATE INCREASE OF 8.9 CENTS PER \$100 OF ASSESSED VALUE WITH A RURAL COMMUNITY:

PROPERTY TYPE	ASSESSED \$50,000	ASSESSED \$100,000
Permanent residence	Tax increase \$44.50	Tax increase \$89.00
Cottage	\$44.50	\$89.00
Business	\$66.75	\$133.50

- **Could Campobello achieve cost- savings through the establishment of a Rural Community?**

Policing Services:

- Only the owners of permanent residences pay the Special Provincial Property Tax Rate of 65 cents per \$100 of property assessment-20 cents of which goes towards paying for policing services, while 44 cents is to pay for road maintenance. This means that the owners of permanent residences (which account for roughly \$30 million of the local tax assessment base of approximately \$99 million) currently pay \$62,000 for policing services received from the RCMP. The owners of cottage properties and the owners of business properties do not pay for

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these services via property taxation, as the Special Provincial Property Tax Rate of 65 cents per \$100 of property assessment does not currently apply to these properties in LSDs.

- Should the Rural Community become responsible for providing police protection, the Special Provincial Property Tax Rate of .65 cents would be reduced by 20 cents in accordance with the *Real Property Tax Act*. With a population of 1056 residents, the cost of policing services (via a contract with the RCMP) for the Rural Community would amount to \$126,172 (i.e. \$111 per resident). In order to recover that cost, the Rural Community would need to set a property tax rate of approximately 11.7 cents, which must apply to all properties (i.e. residences, cottages, businesses).
- While the owners of permanent residences would have to pay the 11.7 cents property tax rate that would be set by the Rural Community, they would at the same time see the Special Provincial Property Tax Rate drop by 20 cents, which would decrease their overall property tax rate for the provision of policing services by 8.3 cents. On the other hand, the 11.7 cents property tax rate set by the Rural Community would represent a net increase of 11.7 cents in property tax rate for the owners of cottage properties and of 17.5 cents for the owners of business properties.

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- The same level of policing services would continue to be provided by the RCMP whether or not the Rural Community would decide to become responsible for providing these services.

The following table shows the potential effect on the property tax rate that would be paid by Campobello property owners should the Rural Community become responsible for the provision of policing services:

Property type	Special Provincial Property Tax Rate	Current tax rate paid for RCMP policing services	Tax rate set by Rural Community	Difference
Permanent residence	65 cents	20 cents	11.7 cents	Minus 8.3 cents
Cottage	N/A	N/A	11.7 cents	Plus 11.7 cents
Business (1.5 times the residential rate)	N/A	N/A	17.5 cents	Plus 17.5 cents

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Solid Waste collection and disposal:

- The current budget cost for collection and disposal services totals \$106,052 in the 2009 LSD budget. Campobello currently benefits by operating its solid waste system under the regional uniform rate of .1076 cents per \$100 of property assessment. The current cost for collection is \$56,617, plus a disposal cost of \$46,435-this service is currently contracted to Southern Sanitation. If an incorporated Rural Community of Campobello was to become responsible for the waste collection service and assume all costs - under the current contract and estimated disposal costs, the service costs would then increase by approximately \$45,000 yearly. The actual yearly cost for the collection & disposal service is \$96,173 for collection and \$51,000 for disposal. Therefore the estimated \$45,000 yearly cost increase, outside of the uniform regional rate would be reflected by a tax rate increase of approximately 4.6 cents per \$100 of property assessment, which would result in an increase in property taxes of approximately \$46 for a permanent residence or cottage assessed at \$100,000 while the property taxes for a business property of the same value would increase by \$69. It does not appear that an incorporated Campobello “alone” could offer this service more economically than under the current management system. However, as an incorporated community, Campobello Island, in cooperation with the South West Solid Waste Commission, **might** be in a unique position to develop a new waste management system in the future, which would respond to island resident’s needs in a cost-

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effective manner. This would need to be further assessed by the municipal council.

4. Public awareness and consultation-the process and results. Is there community-wide awareness about the RC proposal and is the community ready to be a Rural Community?

Process:

Local Government staff, with the input of the local committee prepared a summary of the draft feasibility report which was mailed to 547 homes in the community and was also made available at public meetings and through committee members. A public survey for Island residents and property owners was included in the mail out asking eligible voters if they were in favour of the RC proposal as outlined as well as the holding of a plebiscite (yes or no vote) on the proposal. The survey was conducted from the first week in December until January 31st, 2010. (See attachment)

Public input has also been encouraged through the community newspaper called “Tidal Chatter” (see attachment) and 2 public “Open House” sessions with committee members and LG staff in attendance were held in December, 2009 at the Campobello Island Consolidated School. Three public information sessions were also held by the local committee in August 2009.

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Results:

The committee reported that the first 3 public information meetings in August 2009 were well received, with representation of all age groups, vocations and congregations from the area- approximately 150 residents attended the 3 public meetings to discuss the RC proposal and provide input. Attendance at the first information “open house” session Dec.8th, 2009 was 50 residents with approximately 75 attending the second session held on December 10th, 2009. The response from the majority of those attending all of these public meetings was positive to the RC proposal.

Meanwhile, the results of the public survey showed overwhelming support for a Rural Community for Campobello- 55% or 330 of the island’s 617 eligible voters replied to the survey with over 90% or 311 of those returns voting in favour of both the establishment of a Rural Community and the holding of a plebiscite on the proposal.

5. What would be the key implementation steps?

Following is a brief description of the major steps involved in the implementation, should Campobello vote by plebiscite to become a Rural Community:

- Incorporation of the Rural Community.
- A public election of the first council of the Rural Community with the voting date to be determined following a plebiscite.

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- The taking of office by the first Rural Community council.
- Council will assume day to day local operation of the Rural Community.
- Council would officially appoint staff, and choose the location of the community office.
- Council would create a by-law regarding the procedures of its meetings.
- Council would create and adopt all other necessary by-laws.
- Council will prepare and adopt:
 - The first budget for the Rural Community.
 - A rural plan (land use) within 2 years of incorporation.
 - An emergency measures plan within 2 years of incorporation.
- The Department of Local Government will provide training sessions for elected and appointed officials in order to assist them in adequately fulfilling their responsibilities and exercising their duties and power as a Rural Community and will provide on-going assistance and guidance when required.

MORE INFORMATION

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