

March 4, 2024

The Honourable Brad Johns, Chair
Standing Committee on Law Amendments
Presented in Person

Dear Minister Johns and Committee Members:

RE: Support for Bill 407 – Antigonish Consolidation Act

Mr. Chair and Committee members, thank you for the opportunity to speak to you today. My name is Owen McCarron and I am the Warden of the Municipality of the County of Antigonish. I speak today in support of Bill 407, the Antigonish Consolidation Act.

Before I provide my comments, I'd also like to acknowledge the leadership of one of our previous wardens, Herb Delorey. Warden Delorey served Antigonish County for 18 years, and in many ways set the stage that we stand on today. Warden Delorey wanted to be here today to share his thoughts with you in person but was unable for health reasons. He has submitted a letter of support for the Antigonish Consolidation Act, which I hope you will all take the opportunity to read.

I will use my time with you today to share information that I believe will help inform your deliberations and address some of your questions. Specifically, I will talk about factors our Councils considered in making their decisions to request this legislation and I will talk about why this is the way forward for Antigonish.

Several of you around this table have municipal backgrounds and know that for decades few governments have escaped the inevitability of municipal reform and restructuring. Some have embraced it for what it is: an opportunity to support sustainable communities, provide high-quality municipal services and stabilize the costs to taxpayers. Those are our shared goals in Antigonish, and we feel we can best do that together, as one municipal unit, rather than two.

Following 13 months of research and consultation our councils made the decision to request consolidation. In making that decision we weighed four categories of considerations:

- Community Identity,
- Policing,
- Public Engagement, and
- Financial Capacity & Service Delivery

During second reading, there were comments suggesting that we did not assess the financial implications of consolidation, which is entirely false. Financial capacity was one of Councils' key considerations in making this request.

Opponents of consolidation have raised concerns about the absence of detailed financial projections like those common in private sector business transactions. However, completing such projections was considered.

Both municipal staff and our auditors at MNP, a national firm with experience with municipal mergers in Nova Scotia and Ontario, expressed apprehension about developing detailed projections at this early stage and confirmed that such projections are typically deferred until a municipal unit confirms its intent to restructure. Once consolidation is confirmed, financial projections will be developed and inform local decision making on service levels and infrastructure investment.

However, to say no financial assessments were made is yet more misinformation. Financial assessment have been completed and were available throughout our consultation period. Specifically:

- Audited financial statements for both municipalities were reviewed by our finance departments and auditors and provided to the public on our websites and at every public meeting.
- A review of the impact on tax rates in six municipal mergers since 2000 was completed, which showed no associated tax rate increase in any instance.
- Municipal finance officials completed a tax sensitivity analysis on the combined budgets and reported that no increase in tax rates is expected because of consolidation.
- A comparative assessment of amalgamation and annexation in Antigonish completed by KPMG in 2004 was also reviewed and showed a merged municipal unit would see a net financial benefit of approximately \$600,000 annually.
- The Department of Municipal Affairs and Housing combined its Financial Condition Indicators for a merged municipality, showing that our financially strong municipalities would continue to be deemed "low risk" and financially strong.

The Ivany Report endorsed the importance of these indicators in making decisions because, and I quote "... the need for municipalities to take innovative and collaborative approaches... can help mitigate risks associated with change, as well as accelerate economic growth and optimize community progress."

As for a comparative analysis of previous municipal mergers, one must look no further than the Region of West Hants for a shining example of success. In their most recent budget that municipality was able to drastically reduce property tax rates while continuing to invest heavily in infrastructure, reserves, assets and community organizations just three years post consolidation. Specifically, the West Hants Council, has:

- Decreased the West Hants rate by 4 cents per \$100 of assessment.
- Decreased the Hantsport rate by over 28 cents.
- Decreased the Windsor rate by over 21 cents.
- Eliminated reliance on their reserves.
- Budgeted for over \$25M in capital improvements across the region.
- Drastically cut recreation program fees across the board.

This is the kind of innovation, community investment and leadership we intend to emulate and that our community is asking for.

We have assessed the financial implications of this decision from multiple angles and are very confident that our two financially stable, growing municipalities will emerge even stronger and better equipped to provide the high-quality services and infrastructure our community requires after consolidation.

Now I'd like to spend a few minutes talking about why I feel consolidation is in the best interest of our residents, businesses and communities.

Like many other parts of the province, we have the opportunity and challenges of population and economic growth. In the past 10 years, the taxable assessment in the Town and County combined has grown by over \$630 million. Our population is also growing. From 2016 to 2021, the population of Antigonish Town and County grew by 4.3% to 20,120 and continues to grow.

As our population grows, so do the demands on municipal services and infrastructure: water & sewer, roads & recreation. All are required for a growing and vibrant community. Consolidation will provide a stable foundation for our community to work as one in ensuring these services are available now and into the future. Deputy Warden MacFarlane will provide additional detail on this topic.

Opponents of consolidation will point to our recent successes in working together on a small number of initiatives. I'd chalk our recent success up to the old expression that good people can overcome poor structures. But as community leaders we have a responsibility to look at those old structures and ask tough questions: are the residents of Antigonish County well served by duplication, misalignment and frequent conflict with the Town of Antigonish?

Merging our organizations will enable us to eliminate duplication. Today the Town and County duplicate almost every service we provide. Duplication = waste.

As a small but pointed example: every time our two CAOs are in the same room together it costs the Antigonish taxpayers about \$185 / hr. They estimate they spend about 1/3 of their time either in the same room or coordinating between the two municipalities. That's close to \$150,000 / year in redundancy associated only with having two CAOs.

This duplication can be found throughout our organizations. This isn't an exercise to slash services and staff. But it is an exercise to reduce duplication, right-size our organization, enhance services by dedicating the appropriate resources, and create more value for our residents.

Having two municipalities in one community working on the same issues in isolation is wasteful, ineffective, and many times leads to conflict. With issues like housing, climate change, affordability and infrastructure investments at the forefront of our community, we can no longer afford a structure that wastes time, effort, money and opportunity.

At the end of the day, we are one community. Our children go to school together. They play sports together and participate in 4-H together. Town residents work in the County, County residents work in the Town. We mourn together and we celebrate together.

Our existing municipal structures were established in the 1800s, when farmers, fishers and foresters came to Town a couple times a month on horseback to buy or sell goods. This model no longer reflects our modern community, where people cross municipal boundaries multiple times every day without realizing it.

The world around us is changing. We have observed this government and others advance innovative approaches to modern challenges. In the words of the Premier, we need to do more, faster. That's the bar and one we're prepared to meet because it's what our communities deserve. Today's challenges will not be addressed with yesterday's approach and structures.

From my seat on County Council, it has been amazing to see our municipal units and public opinion shift over that time from asking "why can't you guys just get along?", to "when are you just going to bring the two together?" It's from this basis that we explored consolidation and the next natural step to provide high quality services and support our growing community.

I also appreciate that this decision is not unanimous. Important changes seldom are. But in the words of our 18th Prime Minister, Brian Mulroney, "You have to spend your political capital on great causes for your country," or in this case community.

Finally, I'll leave you with this. Hurricane Fiona ravaged our communities on September 23, 2022. In the lead up and response to Hurricane Fiona, Antigonish worked as one. Municipal staff, volunteers and community members worked tirelessly, shoulder to shoulder, with no regard for municipal boundaries, to make sure our community was safe and to begin the clean-up.

Town residents sheltered in the St. Josephs Community Centre and Antigonish County Firehall. County residents cleared debris from Town streets. Town and County staff worked as one in our Regional Emergency Operations Centre to coordinate the recovery effort. During that week, in that moment of crisis, Antigonish was one. Our residents came first. Not our boundaries.

Antigonish is one community in every way that matters. It's time for its municipal government to reflect that. Let's get this done.

Thank you for your time and I'd be happy to address questions.



Owen McCarron
Warden
Municipality of the County of Antigonish