

EMERGENCY COUNCIL MEETING

April 25, 2008

Approved Minutes

DATE: April 25, 2008
TIME: 12:15 p.m. - 12:45 p.m.
PLACE: Stratford Town Centre, 234 Shakespeare Drive

PRESENT: Councillors Sandy McMillan; Gary Clow; Emile Gallant; Diane Griffin; and Robert Hughes, CAO

REGRETS: Deputy Mayor Steve MacDonald and Councillor Patrick Ross

CHAIR: Mayor Kevin Jenkins

1. CALL TO ORDER

Mayor Kevin Jenkins called the April 25, 2008, Emergency Council Meeting to order at 12:15 p.m.

2. APPROVAL OF AGENDA

It was moved by Councillor Sandy McMillan and seconded by Councillor Gary Clow that the agenda be approved as circulated.

Discussion: None

Question: **CARRIED**

Mayor Jenkins stated that a grant formula is tricky. On an assessment base you know what your revenue will be from year to year, but a grant can be pretty discretionary.

Robert stated that this emergency resolution is going to go to the FPEIM board for review at four o'clock today.

There was some discussion on what Summerside and Cornwall will lose with this change and it was noted that Charlottetown will lose more than two million dollars a year.

Robert stated that we do have a lot of credibility because two years ago the mayor stood up and stated that the Town supported equalization.

Councillor Gallant noted that we need numbers. This year we will be okay, but what about numbers for next year and future years and Robert replied that he can supply numbers, but it would only be conjecture. Mayor Jenkins added that we will have to make some assumptions on what our assessments will be.

Councillor Gallant stated that residents will have to be made aware that their property tax is being taken away from Stratford and basically given to someone else and we have to make our MLA's understand this. Robert agreed that our only hope is that the MLA's didn't

initially understand the implications of this. Mayor Jenkins added that what bothers him is that there has been no communication or discussion whatsoever on this issue.

For clarification Councillor Gallant stated that with this resolution, we are asking the province to reverse their decision and Robert replied that is correct, but added that it still needs two thirds of the vote of the membership, but it would have concurrence of the board if they accept it.

3. **Resolution CW005-2008 Provincial Decision to Replace the CUSA Tax Credit with a Grant**

Moved by Councillor Emile Gallant

Seconded by Councillor Diane Gallant

WHEREAS the Province has introduced a number of measures in the 2008 Provincial budget that relate to municipalities which includes:

- the removal of the tax collection fee;
- the funding and distribution of the equalization program in accordance with the formula;
- the transfer of property tax revenue to municipalities on a monthly basis;
- the funding of equalization programs and establishment of an Island Community Fund; and
- the replacement of municipal tax credits for streets and policing with a grant which will increase annually by inflation.

AND WHEREAS the Federation of P.E.I. Municipalities is on record as supporting:

- the removal of the tax collection fee;
- the funding and distribution of the equalization program in accordance with the formula;
- a better mechanism to transfer the property tax revenue to municipalities;
- the funding of equalization programs and the transfer of a portion of the equal per jurisdiction funding
- the elimination of Provincial property tax in full service municipalities.

And the Federation of PEI Municipalities has made representations to Government to implement these changes; and

WHEREAS the Province is to be commended for the decisions to remove the tax collection fee, the funding and distribution of the equalization program, the transfer of property tax revenue to municipalities on a monthly basis, the funding of equalization programs and establishment of the Island Community Fund, all of which

will have significant benefits for municipalities across the Province; and
WHEREAS the Town of Stratford fully supports the FPEIM recommendations including the funding and distribution of the equalization program in accordance with the formula, even though Stratford would lose revenue from the change; and

WHEREAS the decision to replace the municipal tax credits for streets and policing with a grant which increases annually by inflation has grave implications for future revenues for the four largest municipalities who provide the most services to their residents and who had tax credits transferred for streets and policing, the implications being:

- the removal of the ability of the municipalities to meet their own needs through taxation measures and the transfer to a system of dependance on Provincial Government grants to meet those needs which can be easily altered in any Provincial Budget; and
- the significant loss of future revenues from all new assessment and any assessment growth that exceeds inflation if there is no formula to account for assessment growth, which there does not appear to be.

AND WHEREAS the assessment growth in the four largest municipalities significantly exceeded inflation in the past due to new development and a strong real estate market and this measure will result in future losses of millions of dollars annually to the four largest municipalities; and

WHEREAS this decision may also negatively impact other municipalities who receive street and/or police grants; and

WHEREAS the impact of this decision is not acceptable to the Town of Stratford as it will severely compromise our ability to provide services to our new residents and properties; and

WHEREAS the Province has indicated that it is appointing a Commissioner on Land and Local Governance to conduct a thorough review of municipal governance and land use issues including, in accordance with the budget speech, “a broad examination of the fairness, equity and transparency of the provincial/municipal framework;” and

BE IT RESOLVED that the Federation of PEI Municipalities make representations to the Province of Prince Edward Island to:

- thank the Province for the decision to remove the tax collection fee, the funding and distribution of the equalization program, the transfer of property tax revenue to municipalities on a monthly basis, the funding of equalization programs and establishment of the Island Community Fund; and

- ask the Province to reverse the decision to replace the municipal tax credits for streets and policing with a grant and to allow the Commissioner on Land and Local Governance to conduct the review and make recommendations on the matter.

Discussion: None (discussion held before resolution was moved)

Question: **CARRIED**

4. **OTHER BUSINESS**

a) **Louis Ostridge - Road Toll Request**

Mayor Jenkins wanted to make Council aware of a request he has received regarding a road toll. He stated that he received an email from Louis Ostridge asking for permission to hold a road toll in Stratford, and he informed Mr. Ostridge that he must discuss this issue with the province, as the province owns the roads and they would have to give permission. However, Mr. Ostridge contacted the province, and was informed that the province will be delegating this authority to the Town. Mayor Jenkins stated that there will be a formal request coming forth and asked Council how they would like to proceed. Councillor Griffin noted that a policy would have to be in place for something of this nature, and Councillor Gallant stated that he believes the Town should not be get involved in this, and the request should be redirected back to the province.

5. **ADJOURNMENT**

There being no further business, the Emergency Council meeting adjourned at 12:45 p.m.

Kevin Jenkins, Mayor

Robert Hughes, CAO