

Study submitted to the ministère des Affaires municipales, du Sport et du Loisir

STUDY OF THE IMPACTS AND POTENTIAL COSTS OF RECONSTITUTING A FORMER MUNICIPALITY

FINAL REPORT – MÉTIS-SUR-MER

MARCH 2004



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Ref. No.: 24686

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1. INTRODUCTION

On December 17, 2003, the Québec National Assembly adopted Bill 9, *An Act regarding the consultation of citizens with respect to the territorial reorganization of certain municipalities* ('Bill 9').

The government considers that the success of the new municipalities depends to a very large extent on the voluntary support of the greatest number of citizens. To ensure this support, Bill 9 will provide citizens with the opportunity to reach a conclusion about the future of their sector (former municipality).

In order to ensure that citizens are able to reach an informed decision, the ministère des Affaires municipales, du Sport et du Loisir (the Ministry) has mandated the consulting group Roche Ltd., to conduct a study on the consequences and the estimated cost of the possible reconstitution of each of the former municipalities of Ville de Métis-sur-Mer.

The aim of this study was to inform citizens and thereby enable to make a decision regarding the possible reconstitution of their municipalities. Although all the impacts arising from the reconstitution of the former municipalities are addressed, it may prove necessary, before the referendum is held, to carry out other complementary studies or analyses in order to specify or refine some financial or organizational impacts that have given rise to certain questions.

1.1 MANDATE

Within the context of the Bill 9, Roche Ltd was entrusted the mandate of conducting a study aimed at drawing up, on a comparative basis in accordance with a series of assumptions, a financial portrait of the current Ville de Métis-sur-Mer and each former municipality that is likely to be reconstituted following the referendum.

More particularly, under section 25 subsection 3 of Bill 9, the study must include an estimate of the material, human and financial resources needed for the reconstituted municipality to exercise its powers, taking into account the framework established in Chapter IV or V of Bill 9, as the case may be. The study must also include an estimate of the transition costs involved and the impact of the new municipal administration on the tax bills of the reconstituted municipality.

1.2 HISTORY OF THE CURRENT CITY

The current Ville de Métis-sur-Mer was created by Order in Council 795-2002 (the “Order”) on June 26, 2002, which amalgamated Village de Métis-sur-Mer and Municipalité les Boules (see map of the current Ville and former municipalities, Map 1.1) in accordance with *the Act respecting municipal territorial organization* (the “Act”)¹ The Order followed upon Order in Council 1167-2001 of October 3, 2001, concerning the authorization accorded to the ministère des Affaires municipales et de la Métropole to require the presentation of a request to amalgamate Village de Métis-sur-Mer and Municipalité les Boules.²

Village de Métis-sur-Mer and Municipalité les Boules that had existed prior to amalgamation ceased to exist on the date that the Order came into force and were replaced by the city resulting from the amalgamation, namely Ville de Métis-sur-Mer.³ Ville de Métis-sur-Mer succeeds to the rights and the obligations of the former Village and Municipalité.⁴

For the exercise of certain powers, a district has been constituted from the territory of the Ville, under the name of “Borough of Mac Nider”; this borough corresponds to the territory of the former Village de Métis-sur-Mer.⁵

The *Cities and Towns Act*^{6 7} governs the new Ville de Métis-sur-Mer constituted by the Order.

Ville de Métis-sur-Mer, which is part of the Regional County Municipality of La Mitis, has a population of 627⁸.

¹ R.S.Q. O-9, section 108

² In accordance with section 125.2 of the *Act respecting municipal territorial organization* (R.S.Q., Ch. O-9)

³ Ibid section 113

⁴ Ibid section 114

⁵ Section 5 of the Order

⁶ R.S.Q., c. Ch.19

⁷ Section 3 of the Order

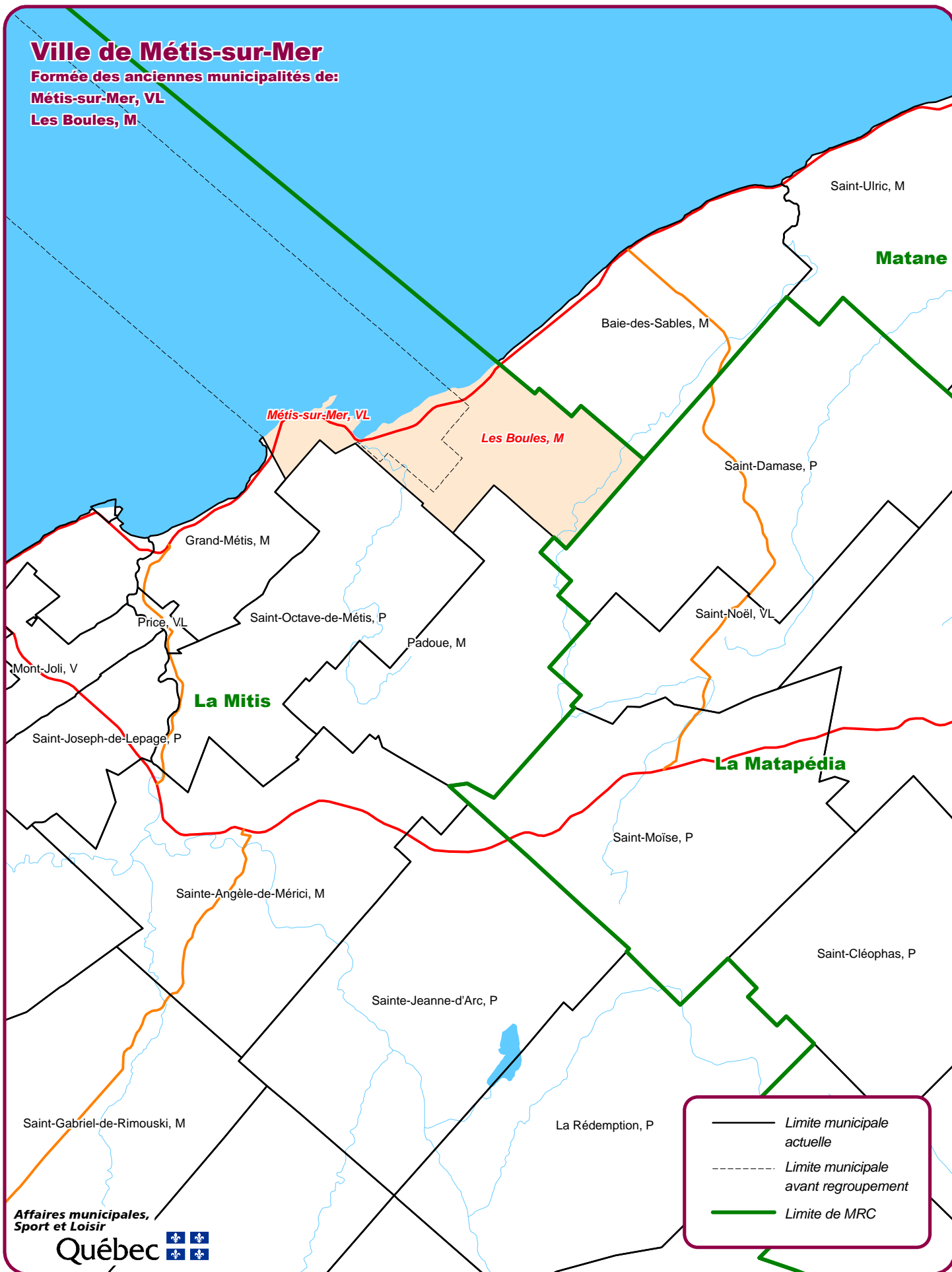
⁸ Information taken from Order in Council 1296-2003, of December 10, 2003

Ville de Métis-sur-Mer

Formée des anciennes municipalités de:

Métis-sur-Mer, VL

Les Boules, M



2. LOCAL POLITICAL ASPECTS

2.1 IMPACT OF THE RECONSTITUTION ON THE OPERATIONS OF SUPRAMUNICIPAL AND PARAMUNICIPAL BODIES

In order to assess the impact of the reconstitution on supramunicipal bodies, we need to refer to Bill 9, which provides for a distribution of powers in the event of a reorganization, if, as a result of the referendum, the former municipalities are reconstituted.

The matters and subjects listed in Division II of Chapter IV (s. 92 to 108), namely the urban agglomeration powers, relate to the unit formed by all the related municipalities (or the central municipality and the reconstituted local municipalities following the referendum) and only the central municipality may act with respect to these matters.⁹ For the purposes of this study, Municipalité les Boules would be the central municipality.

To exercise its powers, the central municipality is provided with an additional deliberative body, namely an urban agglomeration council made up of trained representatives from all the related municipalities, including the central municipality.¹⁰ When the exercise of a jurisdiction covered by Division II requires an act of a deliberative body, this is exercised by the urban agglomeration council.¹¹ A new entity is thus created that contains representatives from all the dependent municipalities. The urban agglomeration council has the authority to levy any tax or other means of financing available to a local municipality¹².

Ville de Métis-sur-Mer is part of the RCM of La Mitis, which has the authority to exercise powers with regard to planning and development under the *Act respecting land use, planning and development*.¹³ The powers of the La Mitis RCM will continue to exist, and the central municipality, for its part, will be able to exercise the urban agglomeration powers set forth in Division II of Chapter IV of Bill 9.

⁹ Section 92 and following Bill 9

¹⁰ Ibid section 109

¹¹ Ibid section 112

¹² Ibid section 113

¹³ Section 3

The Order constituted a municipal housing office under the name of “Office municipal d’habitation de la Ville de Métis-sur-Mer,” in accordance with the *Act respecting the Société d’habitation du Québec*.^{14 15} On the date that the Order came into force, this municipal office succeeded the office of the former Municipalité les Boules.¹⁶ Since social housing is an urban agglomeration power, the reconstituted municipalities have no power and will therefore not have their own office.

Elected representatives of Ville de Métis-sur-Mer also sit on supramunicipal committees (see Schedule 1) that deal with urban planning and the boroughs. In the case of equipment or activities under the jurisdiction of the central municipality, representation within these bodies will be decided by the urban agglomeration council. If a proximity power is involved, the reconstituted municipalities will be able to delegate representatives if they wish.

2.2 POLITICAL REPRESENTATION

2.2.1 The current Ville de Métis-sur-Mer

In accordance with the Order, the first general election following the merger took place on the first Sunday of the fourth month following the effective date of the Order, unless that Sunday corresponded to the first Sunday in January or February, in which case the poll was to be deferred to the first Sunday in March. The second general election will take place in 2005.¹⁷

At the time of the first two general elections and of every by-election held before the third general election, the only people eligible for positions 1, 3 and 5 are those who would be eligible under the *Act respecting elections and referendums in the municipalities*¹⁸ if this election were an election of council members of the former Municipalité les Boules, and the only people eligible for positions 2, 4 and 6 are those who would be eligible under the Act if this election were an election of council members of the former Village de Métis-sur-Mer.¹⁹

¹⁴ R.S.Q. c. S-8

¹⁵ Section 31 of the Order

¹⁶ Section 31(2) of the Order

¹⁷ Section 19 of the Order

¹⁸ R.S.Q. c. E-2.2

¹⁹ Section 20 of the Order

The method of election consists of the block election of the mayor and municipal councillors.

During the first two general elections and any by-election held before the third general election, only voters entitled to be registered on the electoral roll of the sector formed by the territory of the former Municipalité les Boules will participate in the election of the council members to positions 1, 3 and 5 and only voters entitled to be registered on the electoral roll related to the sector formed by the territory of the former Ville de Métis-sur-Mer will take part in the election of council members to positions 2, 4 and 6.²⁰

The municipality's affairs are administered in accordance with the division of powers decreed by the Order, either by the municipal council or, in certain cases, by the borough council.²¹ In the exercise of its powers, the latter is subject to the rules set forth in the *Cities and Towns Act* with regard to municipal councils, particularly those relating to the public character of council meetings.²² Following the amalgamation, the election is conducted *en bloc*, and the territory is divided by district.

2.2.2 Municipalities likely to be reconstituted

If the rules and provisions enacted by the government with regard to the anticipated general election so require²³, which will only be known later, the reconstituted municipalities could be divided into electoral districts or see themselves assigned a number of seats for councillors in the anticipated general election and any by-election held before the general election. In the absence of precise information, the best assumption is that the former cities will be subdivided so as to correspond to the same number of electoral districts or elected officials that existed before the mergers. Accordingly, Table 2.1 illustrates the political representation that existed before the merger, for each of the former municipalities. Each reconstituted municipality, including the central municipality, will have a municipal council formed of a mayor and a councillor for each electoral district.

²⁰ Section 20(3) of the Order

²¹ Section 7 of the Order

²² Section 8 of the Order

²³ Sections 50 and 75 of Bill 9

Table 2.1 Political representation

	Electoral districts or number of councillors	Elected (councillors + mayor)	Representative(s) on the RCM
Village de Métis-sur-Mer	6 (divided into districts)	6 + 1	1
Municipalité les Boules	6 (no division)	6 + 1	1

2.2.3 Impact on representation of the reconstitution of former municipalities

The impact will be felt at the level of the central municipality, which will have to be subdivided into districts. There will be also be an impact at the level of the reconstituted municipalities, which will have to return to the mode of subdivision by districts. If, within the framework of the reconstitution, there is no legislative provision for division into districts, the central city and the reconstituted municipalities will have the authority, under the *Act respecting elections and referendums in the municipalities*²⁴, to divide their territory into districts for the next general election, in accordance with the provisions of the Act²⁵.

It is taken for granted that the reconstituted municipalities will be reintegrated into the La Mitis RCM. Of the 17 members of the RCM, only 1 is from Ville de Métis-sur-Mer. Assuming a reconstitution, Village de Métis-sur-Mer and Municipalité les Boules should each have 1 representative on the RCM. These dependent municipalities will also be represented on the urban agglomeration council, since any municipality related to it is entitled to a representative. Total representation will be calculated proportionally, based on the population of the municipality compared to the total population of the related municipalities.²⁶ There may also be weighting of representation. Every related municipality is entitled to at least one representative on the council and the mayor is automatically the representative or one of the representatives.²⁷

²⁴ Sections 4 and 14 of the *Act respecting elections and referendums in the municipalities* R.S.Q., c. E-2.2

²⁵ Idem sections 8, 9, 11, 12 and 42.

²⁶ Section 110 of Bill 9

²⁷ Sections 100, 111 of Bill 9

The working assumption on the number of representatives per municipality on the urban agglomeration council is based on the total number of elected representatives of the reconstituted municipalities multiplied by the percentage of population of each of the municipalities compared with the total population. Table 2.2 presents the projected political representation on the urban agglomeration council for each former municipality likely to be reconstituted.

2.2.3.1 Right of veto in the central municipality

Decisions reached by the agglomeration council concerning agglomeration powers (Division II, Chapter IV of Bill 9) must not only be adopted by a majority of votes cast by all the representatives on the council, but also not be subject to any objection from the representatives of the central municipality (section 112, subsection 2, Bill 9).

Bill 9 in fact stipulates that an objection is considered to have been made to a proposal in the two following situations:

1. If the central municipality has only one representative and that representative votes against the proposal (section 112 (2) (1));
2. If the central municipality has several representatives, and, whether or not the mayor votes against the proposal, a majority of the votes cast by the representatives are against the proposal (section 112 (2) 2).

Table 2.2 Projected representation within the urban agglomeration committee

Former municipalities	Population	No. of members on the council before the merger	Percentage of the population	No. of representatives on a proportional basis	Minimum no. of representatives	No. of representatives on the agglomeration council (Act)
LES BOULES (M)	405	7	64,59%	5	1	5
MÉTIS-SUR-MER (VL)	222	7	35,41%	2	1	2
TOTAL	627	14	100,00%	7	2	7

According to the information collected from Ville de Métis-sur-Mer, the municipality currently has two (2) standing committees on which elected council representatives sit (see Schedule 1). Some of these committees deal with urban agglomeration powers. After demerger, they will report to the central municipality. If the need arises, the reconstituted municipalities will then be able to create similar standing committees on proximity powers.

3. GENERAL ASSUMPTIONS

Assumption 1 For the purposes of the study on the consequences and the cost of reconstituting a former municipality, each of the former municipalities making up the amalgamated unit was reconstituted.

Assumption 2 The purpose of the study was to reconstitute the municipalities as they existed before amalgamation. However, it should be noted that the reconstituted municipalities shall not retrieve the responsibilities they had prior to their merger. Starting from the 2004 budget estimates provided by the current Ville de Métis-sur-Mer, a first computation was carried out in order to determine net agglomeration expenditures as well as net proximity expenditures according to the sharing rules specified in Chapter IV of the *Act regarding the consultation of citizens with respect to the territorial reorganization of certain municipalities*, as well as those suggested by the Ministère des Affaires municipales, Sport et Loisir. The net proximity expenditures are then subdivided in whole or in part to each of the reconstituted municipalities. This distribution of revenue and expenditures between the central municipality for urban agglomeration powers and the reconstituted municipalities will make it possible to estimate the tax bill for the reconstituted municipality.

Assumption 3 The overall tax structure in force in the amalgamated Ville de Métis-sur-Mer immediately prior to its reorganization remains exactly the same as it was, both at the local level and the agglomeration level.

Assumption 4 Tax rates were calculated to ensure a balanced budget, both at the local level and the agglomeration level.

Assumption 5 The pro forma expenditure and revenue budgets for the current city and each former municipality likely to be reconstituted show the anticipated changes in the tax burden over a three-year period and at the end of the harmonization period. For the purposes of this study, no indexing factor was applied.

Assumption 6 The tax burden at the end of the harmonization period anticipates that the former debt burden of the former municipalities will be replaced by debts of the same amount that will be assumed by the body responsible for the equipment in question.

Assumption 7 For the purposes of this study, Ville de Métis-sur-Mer did not succeed a regional county municipality or an urban community. It is to be presumed that the powers granted to this body will continue to be exercised by the latter. Consequently, expenditures related to these powers will be charged to the local powers and not to urban agglomeration powers, even for assessment services, which is identified as an urban agglomeration power. Expenditures are shared between the reconstituted municipalities in proportion to the actual expenditures from the last financial results preceding amalgamation.

ASSUMPTIONS RELATED TO FINANCIAL DATA AND ANALYSIS PROCEDURES:

Assumption 8 Method of calculation used in the allocation of net costs:

- a) All items of expenditure related to the agglomeration functions identified in Division II of Chapter IV (sections 92 to 108) are isolated and deducted from the current city's 2004 budget in order to arrive at the expenditures related to the local powers
- b) Thereafter, all revenues other than tax revenue is deducted directly from the expenditure to which they are related, using the same proportions as those used for corresponding expenditures during redistribution to the reconstituted municipalities.
- c) After deducting revenues from local sources and revenues from transfers of corresponding expenditures, tax revenues other than those based on property tax are allocated between the agglomeration and the local power. The same allocation methods as those used for expenditures corresponding to each of the tariffs are applied to reduce expenditures. The share of the revenue ascribable to the local level is subdivided once more between each reconstituted municipality in proportion to the respective revenues from tariffs from the last financial reports prior to amalgamation.

d) In order to simulate the effect of the reconstitution, it is assumed that the accumulated surplus appropriations for 2004 intended to balance the financial activities statement will remain at the same level. However, adding to this are the surplus appropriations to the anticipated investment activities statement for 2004. The amounts thus obtained are allocated to the agglomeration and the reconstituted municipalities in proportion to their respective ownership rights of the surpluses accumulated to date. The balance of the expenditures to be financed after application of the appropriations makes it possible to determine the projected general property tax rate for the agglomeration and for each of the reconstituted municipalities.

The following assumptions illustrate the distribution methods employed for each category of expenditure and revenue.

EXPENDITURES

Assumption 8.1 General Administration

General administration expenses are first decreased by expenditures identified in the subcategories “Property assessment” and “Application of the Act,” for which the urban agglomeration council has exclusive responsibility. However, Ville de Métis-sur-Mer does not have any expenditure in the “Application of the Act” category, and its power with regard to assessment is delegated to the La Mitis RCM. The latter expenditure is thus charged to the proximity power. The balance is then allocated on a prorata basis in proportion to the (gross) operating expenses identified under urban agglomeration powers and proximity services respectively. The proximity expenditures related to general administration are then allocated prorata from actual expenditures related to general administration according to the last financial results prior to amalgamation.

Assumption 8.2 Public Security

The expenditures identified in the subcategories “Fire Protection,” “Civil Security” and “others,” responsibility for which falls exclusively to the urban agglomeration council, were charged entirely to agglomeration expenses. However, Ville de Métis-sur-Mer uses the services of the Sûreté du Québec for its policing services, so the expenditure was charged entirely to proximity expenditures. Thereafter the amount was allocated to the various municipalities in accordance with standardized real estate wealth and the population-based rate determined by the Sûreté du Québec.

Assumption 8.3 Transportation

Expenditures related to roads are allocated according to the percentages obtained from the municipalities regarding their arterial road system (95%) versus their local road system (5%). By applying the respective percentages to the expenditure for the road network, it was possible to determine the share of the expenditure charged to the agglomeration versus that charged to proximity expenditures. Thereafter, proximity expenditures were allocated to each municipality in proportion to the actual expenditures related to the road system according to the last financial results prior to amalgamation.

Assumption 8.4 Community hygiene

Expenditures related to water mains and sewers in the subcategory “water and sewers” are charged to the agglomeration in the proportion represented by the arterial water (51%) and sewer (15%) systems over the entire system. The difference is the expenditure to be charged to local powers. Thereafter, proximity expenditures were shared between each of the municipalities in proportion to the actual expenditure ascribable to the systems according to the last financial results prior to amalgamation.

As regards expenditures in the subcategory “water purification and treatment,” an agreement already existed prior to amalgamation, and these expenditures are therefore assumed entirely by the agglomeration. There is no expenditure for “wastewater treatment.”

Expenditures related to the elimination of solid waste are assigned entirely to the proximity because they are the responsibility of the La Mitis RCM. Expenditures related to the collection and transport of solid waste are also charged entirely to the proximity power. Proximity expenditures are then distributed in proportion to the respective expenditures according to the last financial results prior to amalgamation.

Assumption 8.5 Health and welfare

Expenditures ascribable to the subcategory “social housing” are charged entirely to agglomeration expenditures.

Assumption 8.6 Land use planning, urban planning and development

Expenditures related to the subcategory “land use planning, urban planning and zoning,” like those related to the subcategory “urban renewal” are charged entirely to proximity expenditures and are allocated in proportion to the corresponding expenditures shown in the financial reports of the reconstituted municipalities prior to amalgamation.

The expenditures included in the subcategory “promotion and economic development” are charged entirely to the agglomeration.

Assumption 8.7 Recreation and culture

These expenditures are charged to proximity expenditures in proportion to the corresponding expenditure appearing in the financial reports of the reconstituted municipalities prior to amalgamation. There are no expenditures related to the equipment, infrastructures and activities of collective interest listed in the appendix to Bill 9.

Assumption 8.8 Financial expenses and debt redemption

The assumptions related to this item are considered in the section on the sharing of assets and liabilities.

REVENUES

In general terms, revenues from local sources that are clearly related to a specific expenditure have been directly applied against the latter and allocated to the agglomeration and the proximity power, using the same rules as for expenditures. For purposes of the study, these rules are used for revenues that could not be linked to a specific expenditure:

Assumption 8.9 Payment in lieu of taxes

For revenues relating to payment in lieu of taxes, the percentage representing the respective aggregate tax rate (agglomeration and proximity power) is applied to the sum of the total tax rates obtained for the agglomeration and the proximity power. Thereafter, the revenues are reallocated to the reconstituted municipalities in proportion to their actual revenues in this revenue category as shown in the last financial reports prior to amalgamation.

Assumption 8.10 Other revenues from local sources

Imposition of duties – Licences and permits

Since this revenue generally arises from local regulations, all such revenue is applied against proximity expenditures for “land use planning, urban planning and zoning.”

Imposition of duties – Real estate transfer tax

Revenue from the real estate transfer tax is shared between the agglomeration and the proximity power, based on the percentage represented by the revenue from the respective taxes (agglomeration and proximity power) of the municipality’s total revenue.

Fines and penalties

Revenues entered under the heading of fines have been deducted from expenditures in the following way:

- An amount equivalent to the net expenditure of the municipal court was initially deducted as court expenses so as to completely eliminate the amount from the net cost appearing under this item;

- An amount corresponding to 10% of the balance of revenue from fines was then deducted from proximity expenditures for urban planning and zoning
- The balance was subtracted as traffic and parking offences on a prorata basis and as a deduction under local and arterial road system expenses.

Interest

Revenues from interest are allocated between the agglomeration and the proximity according to the percentage represented by revenues from the respective taxes (agglomeration and proximity) of the municipality's total revenue.

Assumption 8.11 Unconditional transfers

Government grants

- Municipal amalgamation (PAFREM)

The municipal amalgamation assistance grant is charged entirely to the level of the agglomeration.

- Compensation for TGE-FSAL

TGE-FSAL compensation is allocated between the agglomeration and the proximity according to the percentage represented by revenues from taxes (agglomeration and proximity respectively) of the municipality's total revenues.

- Revenue diversification (consumption taxes component)

Initially, revenue from diversification is allocated to the reconstituted municipalities in proportion to their respective NRB tax base. Subsequently, part of the revenue obtained prior to amalgamation is allotted according to the pro rata of the reconstituted municipality's NRB tax receipts based on the agglomeration's revenues from the NRB tax. The same calculation is performed for each reconstituted municipality.

Assumption 8.12 Appropriations

For the purposes of this study, allocations of surpluses to the investment activities budget of the reconstituted municipalities are replaced by an additional financial contribution from financial activities. Thus, no surplus will be allocated directly to investment activities. An allocation of \$9,311 is charged to the agglomeration.

For the purposes of this study, title to the surpluses is determined as follows:

- Unallocated surpluses belong to the agglomeration;
- The remaining surpluses which, in accordance with the Act or the Amalgamation Order, had been allocated in favour of the former municipalities at the time of amalgamation, continue to belong to each of them;
- The other allocated surpluses belong to the agglomeration, whatever the intended nature of the allocation.

ASSUMPTIONS RELATED TO TRANSITION COSTS

Assumption 9 Total transition costs related to non-recurring expenditures are allocated over three (3) years.

Assumption 10 Whenever the remuneration (indexed in 2004) of the council members of each reconstituted municipality was less than the percentage of the expenditure related to the remuneration of the council members of the current Ville allocated to the proximity, the difference is charged to the reconstituted municipality as a recurring transition cost.

Assumption 11 As there is expected to be a general election for all Québec municipalities in 2005, election-related costs are therefore not regarded as transition costs and are not dealt with in this study.

Assumption 12 Estimated costs for the transition committee are determined on the basis of the total population of the current Ville. Estimated costs within the context of this study are \$45,000. Thereafter, these costs are charged to each reconstituted municipality in proportion to its respective population. For the purposes of financial projections, it is assumed that there will be a transition committee for all of the reconstituted municipalities.

Assumption 13 For the purposes of this study, it is assumed that the cost of a referendum will be roughly the same as the cost incurred for elections, excluding reimbursement of electoral expenditures. The amounts are then allocated to the reconstituted municipalities in proportion to the number of voters.

Assumption 14 Expenditures for reorganizing and/or leasing the buildings used by the reconstituted municipalities were estimated.

Assumption 15 Within the framework of this study, the costs related to the purchase of municipal software and acquisition of a server for Municipalité les Boules were estimated at \$10,000.

Assumption 16 The number of people employed by the new municipality is less than the total number of employees of the former municipalities immediately prior to amalgamation; the salaries of employees needed to fill the positions are calculated in the transition costs of the reconstituted municipality where the employee worked immediately prior to amalgamation. The cost of replacing the position of part-time secretary-treasurer for Municipalité les Boules is estimated at \$25,000.

Assumption 17 As the reconstituted municipalities will need to rework their own regulations; it will cost a projected \$10,000 for each reconstituted municipality to cover this expenditure for each reconstituted municipality.

Assumption 18 A fixed sum of \$10,000 has been charged to each reconstituted municipality to cover the expense related to administrative documents (e.g., logo, posters, memoranda to citizens, etc).

ASSUMPTIONS RELATED TO THE TRANSITION COMMITTEE

Assumption 19 a) (Sections 51, 54 and 60) The cost of the transition committee and, in particular, remuneration for the committee members, employees and consultants to the transition committee are charged to the reconstituted municipality.

Assumption 19 b) (Sections 51, 54 and 60) If, following a referendum, a sector is reattached to an existing local municipality, the latter must assume the costs related to the transition committee.

Assumption 20 (Section 64) Upon the dissolution of the transition committee, its assets and liabilities are deemed to be related to the exercise of an urban agglomeration power and are transferred to the central municipality.

Assumption 21 (Sections 74 and 81) The costs incurred for organizing and holding the referendum when the latter is positive, as well as the cost of remuneration for the electoral personnel hired for the purposes of the anticipated general election are charged to the de-merged city.

Assumption 22 (Section 82) In the case of a negative referendum result involving a sector shared among several municipalities, referendum expenditures are allocated to the various parts of the sector concerned, namely, the ex-municipality, according to the respective proportions of positive votes cast.

Assumption 23 (Section 83) Still in the case of a negative referendum result, the expenses incurred by the chief electoral officer for organizing and holding a referendum are chargeable to the amalgamated city.

ASSUMPTIONS RELATED TO EXCLUSIVE POWERS

Assumption 24 (Section 93) The central municipality will exercise all the exclusive powers described in Bill 9 and will adopt the regulation specified in section 93 of Bill 9.

Assumption 25 (Section 94) The central municipality will exercise the following exclusive powers:

- Property assessment (94 1)
- Municipal water courses (94 2)
- Civil protection (94 3 a)
- Fire protection services (94 3 a)
- Police services (except when the Sûreté du Québec was providing the service before the demerger) (94 3 a)
- The 9-1-1 emergency centre (94 3 b)
- The development, adoption and implementation of a protection plan and the fire safety cover plan (94 3 c)
- Municipal courts (94 4)

- Social housing and assistance intended specifically for the homeless to the extent specified in section 95, which stipulates that the central municipality has exclusive authority over social housing, subject to certain RCM powers (94 5)
- Disposal and reclamation of residual materials as well as development, adoption and implementation of a residual materials management plan (94 6)
- Water supply and water purification, to the extent specified in sections 96 and 97, which states that if the population of a city before the demerger is equal to or greater than 100,000, the central municipality does not have exclusive jurisdiction over truly local mains of the municipality's waterworks and sewer system (Section 96) and that, if the population of the city immediately before the merger is less than 100,000, the exclusive power of the central municipality over the water supply and water purification exists only if, immediately before the forced merger, jurisdiction over this matter was exercised under an agreement between the former municipalities (Section 97). In such a case, the jurisdiction applies only to the infrastructures and equipment covered by such an agreement and those replacing them. The central municipality's exclusive jurisdiction disappears if none of the territories of the former municipalities party to this agreement are included in the territory of the central municipality) (94 7)
- Passenger transportation (94 8)
- The management of the thoroughfares of the arterial road system of the related municipalities, to the extent specified in Section 98.

- The promotion of the territory of a related municipality, including the promotion of tourism, when it is done outside this territory and does not fall under the jurisdiction of a metropolitan community (94 10 a).
- Tourist services in the territory of a related municipality (94 10 b).
- Local development centres, conference centres, ports or airports, to the extent specified in section 99.
- Industrial parks or railway sidings, to the extent specified in sections 100 and 101.
- Assistance intended specifically for a business, to the extent specified in sections 102 and 103 (94 10 e).
- Premises or facilities for the dumping of snow removed from the territory of two or more related municipalities (94 11 e)
- Arts councils whose creation is expressly provided for or permitted by the charter or constituting act of a related municipality (94 12 e).
- If the city succeeded a RCM, any other matter over which the RCM exercised jurisdiction under a legislative provision (94 in fine).

Assumption 26 (Section 105) All equipment, infrastructure and activities of community interest identified in column B of the schedule to the Act are the exclusive jurisdiction of the central city with regard to their management and the equitable sharing of the related revenues and expenditures between the participating municipalities.

MODES OF EXERCISE AND PROVISIONS RELATED TO URBAN AGGLOMERATION POWERS

Assumption 27 (Section 110) The number of representatives of a related municipality on the agglomeration council is in approximately the same proportion to the total number of members as the population of the related municipality is to the total population of all the related municipalities.

Assumption 28 (Section 110) The total number of representatives on the urban agglomeration council is determined as a function of the total number of elected

representatives from all municipalities multiplied by the percentage of their population out of all the municipalities, applying the same standards as those in force in the urban communities or the RCMs before their dissolution.

Assumption 29 (Section 113) The expenditures related to the urban agglomeration council are deemed to be agglomeration expenditures and are financed according to the same allocation methods.

Assumption 30 (Sections 117 to 119) If before the reorganization an urban agglomeration power is exercised by a municipal organization other than the city, revenues and expenditures related to the exercise of this power are entered separately and are included within the agglomeration budget.

EFFECTS OF THE REORGANIZATION ON PERSONNEL

Assumption 31 (Section 123) Since employees may not suffer a salary reduction, be laid off or dismissed simply as a result of the reorganization of the city, their wages and working conditions in the reconstituted municipality are maintained throughout the analysis horizon.

Assumption 32 The allocation of resources to the reconstituted municipality is based, for each budget item, on the resources that prevailed in the territory before the merger, which, for the purposes of this study, are considered to reflect the optimal allocation.

Assumption 33 Given the maintenance of salary and working conditions stipulated by the Act, the preceding assumption implies that if a collective agreement had been adjusted upward following a merger, the reconstituted municipality would have to assume the financial consequences.

SHARING OF ASSETS AND LIABILITIES

Assumption 34 (Section 139) The reconstituted cities resume responsibility for the balance of their debts at the time of the merger and continue to finance these themselves.

Assumption 35 (Section 139) However, if before the reorganization the financing of such debts were assumed by several former municipalities, these debts become debts of the central municipality, which finances them via a share payable by each municipality according to the allocation basis applicable before the reorganization.

Assumption 36 (Section 140) The central municipality assumes the debts related to property and services under its exclusive jurisdiction if such debts were contracted between the time of the merger and the reorganization.

Assumption 37 (Section 141) Debts of the city contracted after its creation and before the demerger that fall under the exercise of urban agglomeration powers become debts of the central municipality.

Assumption 38 (Section 141) Debts of the city contracted after its creation and before the demerger that fall under the exercise of local powers become the debts of the central municipality that finances them via a share paid by the beneficiary municipalities.

Assumption 39 (Section 142) Any property the city owns immediately prior to the reorganization that is related to the exercise of an exclusive urban agglomeration power remains or becomes the property of the central municipality, as the case may be.

Assumption 40 (Section 142) For the purposes of this study, it will be assumed that there will be no alienation of the property in question and thus no surplus to be redistributed.

Assumption 41 (Section 143) Any property the city owned immediately before its constitution that is related to the exercise of a local power becomes the property of the related municipality following reorganization if it is located on its territory (immovable) or if it serves the territory (moveable).

Assumption 42 (Section 143) Movables and immovables that were the property of a related municipality before constitution of the municipality, become so again if the moveable was used to provide a service on the territory of this municipality prior to reorganization.

Assumption 43 (Section 143) The two preceding assumptions remain true even in the case of an immovable located on the territory of a municipality other than the one to which it belongs and in the case of a vehicle assigned before the reorganization to the territory of a municipality other than the one to which it belongs.

Assumption 44 (Section 144) Following reorganization, a compensatory amount is paid to the reconstituted municipality by the central municipality if the city has sold a property belonging to the latter that was related to the exercise of its local powers (including its city hall) if this property comprised a debt which still exists at the time of the reorganization and was exclusively financed by revenues from the territory concerned and, finally, if the proceeds of the sale were not used in any way to benefit the territory concerned or its residents.

Assumption 45 (Section 144) If the reconstituted municipality is granted a compensatory amount under the terms of the preceding assumption, this amount equals the lesser of the proceeds of the alienation or the balance of the debt related to the property in question and is financed by all of the related municipalities (including the beneficiary reconstituted municipality and the central municipality) according to a share based on the standardized real estate wealth of each municipality concerned.

SHARING DEFICITS AND SURPLUSES (SECTIONS 145 TO 148)

Assumption 46 (Section 145) Following the reorganization, the reconstituted municipality resumes responsibility for the unpaid balance of a deficit and any surplus that may be allocated exclusively to its territory, including surpluses from a fund intended for this territory and constituted prior to the reorganization.

Assumption 47 (Section 146) In the case of a fund constituted before the reorganization and intended for several territories or districts having to be reconstituted in related municipalities, the division of the surpluses is carried out according to a quota based on the standardized real estate wealth of the municipalities concerned.

Assumption 48 (Section 147) A surplus or deficit that cannot be allocated exclusively to the territory of a reconstituted municipality falls to the central municipality.

Assumption 49 (Section 148) The balance receivable of the grant under municipal amalgamation (PAFREM) is paid to the central municipality, to be used in the exercise of its urban agglomeration powers.

STANDARDIZATION OF TAX SYSTEMS

Assumption 50 (Sections 173 and 174) In the case of the central municipalities that prior to reorganization constituted the cities, the period for standardization of the taxation system throughout their territory is extended to twenty (20) years as of the first financial year from their creation.

Assumption 51 In the case of amalgamation, for which the Order has a clause stipulating that the increase in the rate of the general property tax be spread out over a period of less than ten years (maximum permitted by the Act), the study assumes that this city will not be granted a longer extension period but that it will retain the one specified in the Order. However, if an amalgamated municipality has chosen to spread out its rate over a ten-year period, it is assumed that the central municipality will avail itself of a prolongation of the extension period over twenty years. In the case of Métis-sur-Mer, the planned period is eight years, that is, from 2003 to 2010.

4. PROVISION AND OPERATION OF MUNICIPAL SERVICES

4.1 IMPACT OF THE RECONSTITUTION OF THE FORMER MUNICIPALITIES ON THE ORGANIZATION AND OPERATION OF SERVICES

If the territory of the current municipality of Métis-sur-Mer were dismembered, an urban agglomeration council would be constituted. This council would be formed of trained, elected representatives from all the municipalities, whose mayors would be vested with decision-making, taxation and tariff-setting powers with respect to agglomeration services.

For reasons of effectiveness and equity, the central municipality will provide the services common to the whole of the territory, designated as agglomeration services.

The impacts of possible reconstitution of the former municipalities on the organization and operation of the services are a consequence of the principles set out in Bill 9 concerning the services, equipment, infrastructures or activities that will continue to be shared by the municipalities as a whole. At this stage, it is important to define the general position adopted on the type and cost of services with regard to proximity powers in the framework of this study. On the one hand, when the former municipality prior to amalgamation did not provide a service, we have assumed that the reconstituted municipality will not offer this service. On the other hand, when the former municipality prior to amalgamation provided the service, we have assumed that it will continue to offer this service at the same cost as in the current Ville Métis-sur-Mer.

For the purposes of the study, only the central municipality acts with regard to the powers listed below; powers that are designated as “urban agglomeration powers.” The following services, equipment, infrastructures or activities are the responsibility of the urban agglomeration council formed in the event of the reconstitution of the former municipalities of Métis-sur-Mer:

- Management of municipal watercourses
- Fire protection services
- Social housing

- Water supply equipment and infrastructures, except for local mains
- Management of the thoroughfares of the arterial road system
- Economic promotion, including promotion of tourism outside the territory of an agglomeration municipality

The following proximity powers are under the direction of the municipal council of each reconstituted municipality:

- The urban plan, by-laws and minor derogations
- The issuance of construction and renovation permits
- Local water mains and sewer lines
- Residual materials pick-up and transport
- Water purification equipment and infrastructures, except arterial mains
- Management of local streets
- Local sports and recreational equipment
- Local parks

For the purposes of the study, services currently provided by La Mitis regional county municipality on the territory of the Municipalité de Métis-sur-Mer will continue to be the responsibility of the RCM, notwithstanding the fact that this involves an urban agglomeration or proximity power. The services currently offered by the RCM include property assessment, management of municipal watercourses, implementation of the civil security plan and the fire safety cover plan, implementation of the residual materials management plan and development and adoption of the residual materials management plan.

As for police services, the Sûreté du Québec will continue to offer its services throughout the territory and each reconstituted municipality (including the central municipality) will bear the costs.

4.1.1 Human resources

Bill 9 states that a reorganization is deemed to constitute the alienation of an undertaking in favour of the central municipality and any other related municipality²⁸ so that the collective agreements will be transferred. The collective agreements thus transferred expire upon whichever of the following comes first:

- The scheduled expiry date, or
- Six months after the reorganization.²⁹

Consequently, according to these principles, when the collective agreements were standardized in the current municipality, the same salaries and employment benefits are reflected in the calculations for the reconstituted municipalities, even if the collective agreements in force in the reconstituted municipality prior to amalgamation contained lesser employment conditions.

According to Bill 9, an officer or employee of the city remains or becomes, as the case may be, an officer or employee of the central municipality.³⁰ However, such persons may be transferred to a related municipality other than the central municipality in accordance with the rules set forth in Bill 9.³¹

Furthermore, no officer or employee may suffer a salary reduction, be laid off or dismissed simply as a result of the reorganization of the city or because of the transfer. Such a person retains seniority and employment benefits and continues to be a member of the same pension plan as before the reorganization.³² Consequently, the assumption adopted is that there would be no reduction in current total staff and the costs used are those listed in the 2004 budget for personnel.

Human resources requirements have been established taking into account the agglomeration powers that will remain with the central municipality by allocating it the personnel needed to exercise its powers.

²⁸ Bill 9 section 124, subsection 1

²⁹ Idem section 124 subsection 2

³⁰ Idem section 122

³¹ Idem section 122 subsection 2

³² Idem section 123

Thereafter, to calculate the staff that will be allocated to the municipalities for their proximity powers, the total number of current employees was reduced by the number allocated to urban agglomeration powers. The reconstituted municipalities were allocated the same number of employees as they had prior to amalgamation. Any employees in excess of this number were allocated to urban agglomeration powers.

If the staff was smaller than that of all the municipalities prior to amalgamation, information on voluntary terminations without replacement was obtained and the cost of these non-replaced employees was charged directly to the former municipalities to which the employees belonged.

Obviously, if a reconstitution occurs, it might be necessary to conduct an additional study on the optimal reassignment of personnel in the reconstituted cities.

4.1.1.1 Impact on employee payrolls

According to the information obtained, if all the municipalities were reconstituted, the employees currently employed by Ville de Métis-sur-Mer could be reassigned to their former municipality, taking into consideration the division of agglomeration and proximity services. However, since an executive employee of the former town of les Boules has left since the amalgamation and has not been replaced, reconstituting the former municipality will involve a recurring expenditure of \$25,000.

4.1.1.2 Impact on remuneration - municipal council and urban agglomeration council

There is no specific provision in Bill 9 concerning the remuneration paid to elected officials, either on the new municipal councils or the urban agglomeration council. Consequently, *The Act respecting the remuneration of elected municipal officers* (R.S.Q. T-11.001) will apply and the new councils will be able to decide this remuneration by regulation.

Furthermore, to establish the costs related to the urban agglomeration council, since the remuneration of elected officials is included under the general administration category, the same assumption as that adopted for sharing general administration expenditures between the agglomeration and the proximity was applied. For the purposes of the financial projections, we assumed that the amount obtained for the remuneration of the elected officials on the urban agglomeration council following the sharing would be sufficient to cover their remuneration.

As for the share charged to proximity powers (the balance), this amount was reallocated to each reconstituted municipality in proportion to the remuneration expenditures of the town council based on the financial results for the year prior to amalgamation. Thereafter, the amount allocated to each reconstituted municipality was adjusted (both upwards and downwards) so that remuneration for elected municipal officials resulting from the division complies with the amounts in the financial year prior to amalgamation (remuneration before the indexed amalgamation). Table 4.1 illustrates the recurring impact of transition costs on the remuneration of elected officials.

Table 4.1 Impact on remuneration – Municipal council

	Elected officials' salary / current city reallocated	Elected officials' salary year 1 of reconstitution	Adjustment made
Agglomeration council	13 630 \$	n/a	n/a
Les Boules municipal council	4 738 \$	14 925 \$	8 978 \$
Métis-sur-Mer municipal council	6 932 \$	14 561 \$	8 759 \$
Remuneration of elected officials/current city	25 300 \$		

4.1.2 Material resources

In accordance with the provisions of Bill 9, the cost of maintenance for buildings, machinery and vehicles related to a municipal service that depends entirely on an urban agglomeration power have been charged to agglomeration expenditures irrespective of the building's location or the municipality the equipment belonged to prior to amalgamation. Considering this application, it was not relevant at this stage of the study to draw up an exhaustive list of all the buildings, machinery and vehicles that will remain in the agglomeration. The objective was to make sure, in the event of reconstitution of the former municipalities, that the current assets of the Ville de Métis-sur-Mer would be sufficient for each one (including the central municipality) to exercise both urban agglomeration powers (for the central municipality only) and proximity powers.

Consequently, based on information obtained from the personnel of the Ville de Métis-sur-Mer, the material resources available in the current municipality are sufficient to meet the needs of each of the former cities if reconstituted, based on the assets that it had prior to the reorganization. Therefore, no additional costs related to the acquisition of new assets were considered. In spite of the information obtained, Ville de Métis-sur-Mer does not anticipate any problems regarding the possible allocation of assets in the event of reconstitution of the former municipalities. Nevertheless, if reconstitution were to take place, a more thorough analysis of the allocation of assets might be advisable.

4.1.3 Financial and tax considerations

4.1.3.1.1 Nonrecurring costs related to the reconstitution of each former municipality and formulation of a financing assumption

Nonrecurring costs related to the possible reconstitution of each former municipality have been financed over a three-year period. Table 4.1 shows the estimate of nonrecurring costs and the impact on the annual budget for each municipality if reconstituted. Nonrecurring costs estimated previously at item 4.1.1 for requirements in human resources have been added to illustrate the impact of the costs of reconstitution on the annual budget of each former municipality.

Table 4.2 Costs related to reconstitution

COST OF RECONSTITUTION	Elected officials' salary / current city reallocated	Elected officials' salary year 1 of reconstitution	Adjustment made
Referendum	2 500 \$	2 500 \$	5 000 \$
Council	8 978 \$	8 759 \$	17 737 \$
Transition committee - 2001	29 067 \$	15 933 \$	45 000 \$
Reorganizing office space		9 200 \$	9 200 \$
Allocation of assets – acquisition of equipment			
Computer equipment	10 000 \$		\$10 000 \$
Administrative (stationery)	10 000 \$	10 000 \$	20 000 \$
Revision of regulations	10 000 \$	10 000 \$	20 000 \$
Collective agreement – union accreditation and harm.	25 000 \$		25 000 \$
NON-RECURRING RECONSTITUTION COSTS	95 545 \$	56 392 \$	151 937 \$
Impact of annual budget	31 848 \$	18 797 \$	50 646 \$
Recurring reconstitution costs	25 000 \$	4 200 \$	29 200 \$
Total reconstitution costs	56 848 \$	22 997 \$	79 846 \$

4.1.3.2 Use of the balance of financial assistance issued under the Programme d'aide financière au regroupement municipal (PAFREM)

The balance of the financial assistance to be paid under the municipal amalgamation financial assistance program (PAFREM) will be applied to reducing agglomeration expenditures. The balance of the financial assistance receivable as at December 31, 2004 is \$8,024; this includes \$5,015 in 2005 and \$3,009 in 2006. Since year 1 of the reconstitution of the eastern municipalities is established on the basis of Ville de Métis-sur-Mer's 2004 budget estimates and since this budget takes into account \$10,030 in revenue in the form of an amalgamation assistance grant, year 3 of the budget estimates is the last year when this revenue is considered.

4.1.3.3 Working capital, accumulated surplus (deficit) and all sums available for all other funds of the current municipality and anticipated allocation

The reserves and the surpluses, which were assigned according to the terms of the Order in favour of the former municipalities at the time of the amalgamation, will continue to belong to each of them in the event of a reconstitution. Since amalgamation, Ville de Métis-sur-Mer created no new reserves; all existing reserves come from the former municipalities. The balance of the surplus accumulated since amalgamation is estimated at \$116,141 as at December 31, 2003. By applying the principles set forth under Assumption 8.13 in Chapter 4, the balance of the surplus accumulated prior to reconstitution would be returned to the agglomeration.

Table 4.3 shows the anticipated distribution of surpluses between each former reconstituted municipality as at December 31, 2003.

Table 4.3 Anticipated distribution of surpluses as at December 31, 2003

	Reconstituted municipalities		Current city	Total
	Les Boules	Métis-sur-Mer	Métis-sur-Mer	
ACCUMULATED SURPLUS	81 595 \$	3 812 \$	30 734 \$	116 141 \$
Total	81 595 \$	3 812 \$	30 734 \$	116 141 \$

4.1.3.4 Long-term debt in the current municipality and anticipated allocation

The former reorganized municipalities take back responsibility for the balance of the debts at the time of the merger, and continue to finance themselves.

However, if the financing of such debts was assumed by several former municipalities prior to the reorganization, these debts become debts of the central municipality, which finances them paid via a share from each related municipality concerned, according to the same allocation principles as those applied immediately before reorganization. To simplify the presentation of financial projections, the terms (capital and interest) have been charged directly to the reconstituted municipalities. This procedure in no way changes the results and produces exactly the same effect as if the shares had been applied.

The central municipality (agglomeration) assumes the debts related to property and services that fall under its exclusive jurisdiction if these debts were contracted between the time of the merger and the reorganization.

Debts contracted by the municipality after its creation and before the demerger that relate to the exercise of the urban agglomeration powers become the debts of the central municipality (agglomeration).

Debts contracted by the municipality after its creation and before the demerger that relate to the exercise of local powers become the debts of the central municipality (agglomeration) that finances them via a share paid by the beneficiary municipality or municipalities. Once more, the terms (capital and interest) have been charged directly to the former reconstituted municipalities.

Table 4.4 shows the long-term debt of as at December 31, 2003 and its anticipated allocation, taking into account the assumptions mentioned above. It is important note that the status of the debt in a situation of amalgamation is the same as in a situation of reconstitution. In the present instance, no capital investment is necessary in the reconstitution of the former municipalities.

Table 4.4. Debt statement as at 31-12-2003 and anticipated allocation

List of regulations	Les Boules	Métis-sur-Mer	Agglomeration	Total
Balance of debt as at 12-31-2003	0 \$	30 480 \$	54 500 \$	84 980 \$

4.1.3.5 Capital expenditures of the current municipality and anticipated allocation

For the purposes of this study, in order not to skew the results by including under debt servicing all the projects planned under the triennial capital investment project, only capital investment projects for which the borrowing rules were or are in the process of being

adopted have been considered. For Ville de Métis-sur-Mer, since there is no regulation currently being adopted, there is no problem with the eventual allocation of the loan.

4.1.3.6 Summary of the current city's municipal assessment roll and allocation of real estate values among the former municipalities.

Table 4.5 shows a summary of the current city's taxable assessment roll and the allocation of real estate values among the former municipalities.

Table 4.5 Summary of the taxable municipal assessment roll

Category of immovable	Assessment – Current City	Assessment Les Boules	Assessment Métis-sur-Mer
Residential	40 819 500 \$	11 950 500 \$	28 869 000 \$
Total tax base	40 819 500 \$	11 950 500 \$	28 869 000 \$

Table 4.6 shows the current municipality's pro forma budget of annual net expenditures and each reconstituted municipality's agglomeration budgets for Year 1 of the reconstitution.

4.1.4 Amount to be recovered by property tax

Table 4.7 Shows the amount to be recovered by property tax for the agglomeration and each reconstituted municipality in order to respect the budgetary balance. This amount will make it possible to establish the rate of the general property tax for Year 1 of reconstitution.

Table 4.7 Amount to be recovered by the general property tax

	AGGLOMERATION SERVICES	Les Boules	Métis-sur-Mer	TOTAL
REVENUE OTHER THAN REVENUE FROM GENERAL TAXES	9 734 \$	4 838 \$	3 553 \$	18 125 \$
Total payments in lieu of taxes	9 734 \$	4 838 \$	3 553 \$	18 125 \$
Total revenue				
Net expenditures				
General administration	41 554 \$	81 607 \$	59 442 \$	182 603 \$
Public security	24 556 \$	19 174 \$	45 326 \$	89 056 \$
Transportation	122 578 \$	968 \$	13 184 \$	136 729 \$
Environmental hygiene	0 \$	1 331 \$	391 \$	1 723 \$
Health and social welfare	4 504 \$	- \$	- \$	4 504 \$
Urban planning	4 493 \$	4 332 \$	3 503 \$	12 328 \$
Recreation and Culture	\$	14 136 \$	8 785 \$	22 921 \$
Financing charges	1 800 \$	3 000 \$	- \$	4 800 \$
Financial activities	28 905 \$	- \$	- \$	28 905 \$
Allocations	9 311 \$			9 311 \$
Total net expenditures	237 701 \$	124 549 \$	130 630 \$	492 880 \$
AMOUNT TO BE BORNE BY GENERAL TAX	227 967 \$	119 771 \$	127 077 \$	474 755 \$

4.1.5 Tax rate in force in the current city for each former municipality

Table 4.8 shows the tax rates in force in the current city for each former municipality.

Table 4.8 Tax rates in force in the current city

Current tax rate	Les Boules	Métis-sur-Mer
Property tax rate – residential	1,3060 \$	0,9060 \$
Property tax rate – non-residential	1,3060 \$	0,9060 \$
Tariff - water	227 \$	227 \$
Tariff– sewers	42 \$	
Tariff – residual materials	69 \$	69 \$

4.1.6 Proposed tax structure for each former municipality

For the purposes of this study, the tax structure selected will be the same as that adopted by Ville de Métis-sur-Mer in 2004 for all of the former reconstituted municipalities (see table 4.8)

4.1.7 Comparison of tax rates (reconstituted municipality versus current city)

Tables 4.9 to 4.12 show the tax rates for each reconstituted municipality compared with those of the current city for years 1 to 3 and for the final year in the transition period.

4.1.8 Variations between the annual budgets

The tax rates for years 2 to 3, and for the final year in the transition period were obtained by considering the following variations:

- Variations between the current and reconstituted situations in payments at maturity of principal and interest on loans;
- End of payment of the transition costs for the final year in the transition period for the reconstituted situation;
- End of the amalgamation assistance subsidy for the final year in the transition period for the current situation;
- Variation in the amalgamation assistance subsidy between years 1 to 3 for the current and reconstituted situation.

Table 4.9 Comparative tax rates for year 1 of reconstitution

Tax rate – Year 1	Current city	Les Boules		\$Variance	\$Variance
		Reconstituted municipality Agglomeration	Proximity		
Property tax rate (per \$100 evaluation)	1,3060 \$	0,5585 \$	1,0017 \$	0,25 \$	19,46%
Property tax rate (per \$100 evaluation)	1,3060 \$	0,5585 \$	1,0017 \$	0,25 \$	19,46%
Tariff – water	227 \$	34 \$	193 \$	0,00 \$	0,00%
Tariff – sewers	42 \$		42 \$	0,00 \$	0,00%
Tariff – residual materials	69 \$		69 \$	0,00 \$	0,00%

Tax rate – Year 2	Current city	Métis-sur-Mer		\$Variance	\$Variance
		Reconstituted municipality Agglomeration	Proximity		
Property tax rate (per \$100 evaluation)	0,9060 \$	0,5585 \$	0,4402 \$	0,09 \$	10,23%
Non-residential property tax rate (per \$100 evaluation)	0,9060 \$	0,5585 \$	0,4402 \$	0,09 \$	10,23%
Tariff – water	227 \$	34 \$	193 \$	0,00 \$	0,00%
Tariff – residual materials	69 \$		69 \$	0,00 \$	0,00%

Table 4.10 Comparative tax rates for year 2 of reconstitution

Tax rate – Year 2	Les Boules			
	Current city	Reconstituted municipality	\$Variance	\$Variance
Property tax rate (per \$100 evaluation)	1,2991 \$	1,6410 \$	0,34 \$	26,32%
Non-residential property tax rate (per \$100 evaluation)_	1,2991 \$	1,6410 \$	0,34 \$	26,32%
Tariff– water	227 \$	227 \$	- \$	0,00%
Tariff – sewers	42 \$	42 \$		
Tariff – residual materials	69 \$	69 \$	- \$	0,00%

Tax rate – Year 2	Métis-sur-Mer			
	Current city	Reconstituted municipality	\$Variance	\$Variance
Property tax rate (per \$100 evaluation)	0,9991 \$	1,0350 \$	0,04 \$	3,59%
Non-residential property tax rate (per \$100 evaluation)_	0,9991 \$	1,0350 \$	0,04 \$	3,59%
Tariff– water	227 \$	227 \$	- \$	0,00%
Tariff – sewers				
Tariff – residual materials	69 \$	69 \$	- \$	0,00%

Table 4.11 Comparative tax rates for year 3 of reconstitution

Tax rate – Year 2	Les Boules			
	Current city	Reconstituted municipality	\$Variance	\$Variance
Property tax rate (per \$100 evaluation)	1,2991 \$	1,6453 \$	0,35 \$	26,65%
Non-residential property tax rate (per \$100 evaluation)_	1,2991 \$	1,6453 \$	0,35 \$	26,65%
Tariff– water	227 \$	227 \$	- \$	0,00%
Tariff – sewers	42 \$	42 \$		
Tariff – residual materials	69 \$	69 \$	- \$	0,00%

Tax rate – Year 2	Métis-sur-Mer			
	Current city	Reconstituted municipality	\$Variance	\$Variance
Property tax rate (per \$100 evaluation)	1,0991 \$	1,0393 \$	-0,06 \$	-5,44%
Non-residential property tax rate (per \$100 evaluation)_	1,0991 \$	1,0393 \$	-0,06 \$	-5,44%
Tariff– water	227 \$	227 \$	- \$	0,00%
Tariff – sewers				
Tariff – residual materials	69 \$	69 \$	- \$	0,00%

Table 4.12 Comparative tax rates for the final year in the transitional period

Tax rate – Year 2	Les Boules			
	Current city	Reconstituted municipality	\$Variance	\$Variance
Property tax rate (per \$100 evaluation)	1,2991 \$	1,4754 \$	0,18 \$	13,57%
Non-residential property tax rate (per \$100 evaluation)	1,2991 \$	1,4754 \$	0,18 \$	13,57%
Tariff – water	227 \$	227 \$	- \$	0,00%
Tariff – sewers	42 \$	42 \$		
Tariff – residual materials	69 \$	69 \$	- \$	0,00%

Tax rate – Year 2	Métis-sur-Mer			
	Current city	Reconstituted municipality	\$Variance	\$Variance
Property tax rate (per \$100 evaluation)	1,2991 \$	0,9914 \$	-0,31 \$	23,69%
Non-residential property tax rate (per \$100 evaluation)	1,2991 \$	0,9914 \$	-0,31 \$	23,69%
Tariff – water	227 \$	227 \$	- \$	0,00%
Tariff – sewers				
Tariff – residual materials	69 \$	69 \$	- \$	0,00%

Tables 4.13 and 4.14 illustrate the comparative tax burden between the current situation and each reconstituted former municipality for residential (Table 4.13) and non-residential (Table 4.14) sectors for years 1 to 3 and for the final year of the transition period.

Table 4.13 Comparative tax burden of residential sectors

TAX BILL FOR A SINGLE FAMILY DWELLING		
Note: The situation illustrated would usually have water and sewer service. The firm may however choose to illustrate the situation of a sector that does not have water and sewer service, such as a rural community where most taxpayers do not enjoy these services. It can also illustrate the situation of a sector with only one of these services. In such cases, there should be a note in the table for the municipality concerned mentioning this.		
	Former Municipalité les Boules	Former Municipalité de Métis-sur-Mer
AVERAGE VALUE OF A DWELLING	35 783 \$	71 447 \$
TAX BILL IN THE CURRENT SITUATION		
Year 1	805 \$	943 \$
Year 2	803 \$	1010 \$
Year 3	803 \$	1081 \$
TAX BILL ASSUMING RECONSTITUTION		
Year 1	896 \$	1 010 \$
Year 2	925 \$	1 035 \$
Year 3	927 \$	1 039 \$
INCREASE (DECREASE)		
Year 1	91 \$	66 \$
Year 2	122 \$	26 \$
Year 3	124 \$	-43 \$
PERCENTAGE OF IMPACT		
Year 1	11,29%	7,02%
Year 2	15,24%	2,54%
Year 3	15,43%	-3,95%

Local improvement taxes (sector taxes) will continue to apply; they must be added where applicable.

Table 4.14 Comparative tax burden of non-residential sectors

TAX BILL FOR A NON-RESIDENTIAL PROPERTY		
Note: The situation illustrated would usually not have water, sewer or residual materials disposal services.		
	Former municipality of Les Boules	Former municipality of Métis-sur-Mer
AVERAGE VALUE OF A NON-RESIDENTIAL BUILDING	81 067 \$	239 688 \$
TAX BILL IN THE CURRENT SITUATION		
Year 1	1 059 \$	2 172 \$
Year 2	1 053 \$	2 395 \$
Year 3	1 053 \$	2 634 \$
TAX BILL ASSUMING RECONSTITUTION		
Year 1	1 265 \$	2 394 \$
Year 2	1 330 \$	2 481 \$
Year 3	1 334 \$	2 491 \$
INCREASE (DECREASE)		
Year 1	206 \$	222 \$
Year 2	277 \$	86 \$
Year 3	281 \$	-143 \$
PERCENTAGE OF IMPACT		
Year 1	19,46%	10,23%
Year 2	26,32%	3,59%
Year 3	26,65%	-5,44%

Local improvement taxes (sector taxes) will continue to apply; they must be added where applicable.

APPENDIX 1

List of major commissions and permanent committees

Municipality of Métis-sur-Mer

Municipality: (418) 936-3420

RCM: (418) 775-8445

Permanent municipal committees (number of elected representatives)

Urban planning advisory committee (2)

Borough council (3)

Composition of La Mitis RCM

Total number of representatives: 17

Representatives from Ville de Métis-sur-Mer: 1

APPENDIX II

Tax burden of former municipalities

before amalgamation

TAX BILL FOR A SINGLE-FAMILY DWELLING		
	Former municipality of Métis-sur-Mer	Former municipality of Les Boules
TAX IN CONSTANT 2004 DOLLARS	\$1,168	\$740

Sources

2002 profil financier, charge fiscale (http://www.msm.gouv.qc.ca/finances/fina_info_prof_2002.htm).

IPC Institut de la statistique du Québec.