

# Amalgamation CBRM Style

Success or Failure

Maybe a little of both

# CBRM Amalgamation

- Created from:
  - Municipality of the County Of Cape Breton
  - City of Sydney
  - Towns of:
    - Glace Bay
    - New Waterford
    - North Sydney
    - Sydney Mines
    - Louisbourg
    - Dominion

# Circumstances in 1995

- Population was 125,000
- Collective Debt was \$53 Million
- 5 out of 7 municipalities were in deficit
- 71 Elected Officials
- Over 1000 employees



# Circumstances in 2015

- Population Under 100,000
- Debt is \$73 M (\$37 M reduced in past 5 years)
- Municipality has no deficit but no operating reserves
- 13 elected officials
- Just over 800 employees
- Highest Commercial Tax Rate in the province and 2<sup>nd</sup> highest residential rate



# Assistance from Province

- The CBRM decision to amalgamate was legislated by Province
- CBRM was given approximately \$1 million dollars for transitional costs
- CBRM received no debt relief
- Lost Emergency funding
- Lost 6 voices at UNSM



# Were there Successes?

- Regional Planning
  - Municipal Planning Strategy
  - Uniform Bylaws
  - State of the Art LiDar System
- Capacity – Staffing
  - Professional Directors and Staffing Depth
  - Able to Compete for talent
- Facilities that might not otherwise be doable by former towns i.e. – Dominion Waste Water



# Successes

- Strategic Planning
  - Five Year Capital Plan
  - Strategic Transit Plan
  - Fleet Management Plan
  - Recreation Master Plan
  - Fire Services Review
  - Downtown(s) Economic Revitalization
  - Several Organizational Reviews
  - OHS/Health/Return to Work



# Where we are not Succeeding

- Fiscal
  - High Debt (austerity meant Capital Plan was not robustly acted upon) and growing infrastructure deficit
  - No Operating Reserves
  - No Capital Reserves
  - High Taxes (Both Commercial and Residential)
  - High Tax Delinquency
  - Little Return on Tax Sales



# The Troubles

- Provincial Assistance
  - Last 10 years Equalization Grant Dropped by over \$2.0M (Was 55 per cent and is now 48 per cent)
  - Mandatory Costs have increased about the same
  - In 2006-07 differential was over \$4M to the good, now it is \$1M in the Province's favour



# Are we Autonomous?

- We are not the Authors of our Destiny
- The CAP has impacted the CBRM greatly
- Regulations Have Hurt Our Ability to Manage
  - WasteWater Regs will cost CBRM \$457M in Capital
  - Over \$10 Million in Operating
  - Municipal Priorities lose out to Fed/Provincial Priorities



# What Do Indicators Prove

- CBRM are not meeting threshold in five
  - Uncollected Taxes
  - Commercial Property Assessment
  - Deficits in Last Five Years
  - Operating Reserves
  - 5 Year Contributions to Capital Reserves



# On the Margins

- CBRM are on the margins on 4 other Indicators
  - Reliance on Government Transfers
  - Liquidity Ratio
  - Debt Service
  - Undepreciated Assets
- It should also be noted while we rank well in Outstanding Debt that has come through austerity and a negative impact on Capital Investment



# Is there a Solution?

- Yes, the CBRM have taken action on Economic Development and Port related Development
- Recommendation 17 of the Fiscal Review
- A positive Response to the Partnership Objectives of the UNSM



# The Ending

- We are hopeful but do not control our destiny
- If we can stabilize and rebalance the situation with the Province
- If we see Positive Change in regard to the Partnership Agreement

