An Image of the Future – Entity 1 and Regional Service District 1

To illustrate the benefits of this new framework, take the example of Entity 1, the municipality covering New Brunswick’s panhandle. For the duration of this discussion the municipality shall be referred to as Entity 1, as while the municipality could conceivably adopt Haut-Madawaska or Lac Baker, the naming of the 53 municipal entities remains a task for the citizens of each entity.[[1]](#footnote-1) Leaving the name of each entity undetermined is an important measure for the development of sustainable new municipal identities to compliment those of the existing towns, villages, and LSDs.

**Geographic Boundaries**

Entity 1 would border both Quebec and the United States and run all the way to Edmundston. It would be comprised of the Village of Lac Baker and the Rural Community of Haut-Madawaska. Prior to 2017, the area also included the villages of St. Hilaire, Baker Brook, Lac Baker, Clair, Saint-Francois de Madawaska, and the LSDs of Saint-Hilaire, Baker Brook, Lac Baker, Clair, Madwaska and Saint-Francois. However, these local governance entities decided to amalgamate into the Rural Community of Haut-Madawaska in 2016, largely accomplishing the geographic recommendations outlined within the 2008 Finn report.

The only remaining community not now integrated into the Rural Community is the Village of Lac Baker. The Village was not initially included in plans for the Rural Community, though a plebiscite was held in 2017 to determine the community’s interest in incorporating the village into Haut-Madawaska. The vote was unfortunately defeated in Lac Baker.

**Demographic Base**

The total population of the municipality would be approximately 4400 – down from 4700 in 2011. In accordance with the *Official Languages Act*, Entity 1 would not be required to operate bilingually because nearly 95% of the residents are Francophones.

As has been witnessed since the 2017 amalgamation of the majority of the proposed Entity 1, the unification of contiguous communities can improve the state of local democratic institutions. Admittedly, those municipalities which were able to hold contested elections in the area in the 2016 quadrennial election cycle had impressive voter turnouts. In 2016, Lac Baker reported the second highest municipal voter turnout in the province with 79.61% of residents casting a ballot. However, the challenge in the proposed Entity 1 – and in the north of the province generally – is not lower voter turnout but a shrinking pool of potential candidates. Over the last two quadrennial election cycles, every municipality in the proposed Entity 1 had an election by acclamation, including Lac Baker.

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| **Voter Turnout by Existing Municipality** |
| **Municipality** | **Voter Participation 20121** | **Voter Participation 2016** | **Voter Participation 2017** |
| Clair | 59.2% | acclaimed  | N/A |
| Lac Baker | acclaimed | 79.6% | N/A |
| Baker-Brook | 45.5% | acclaimed  | N/A |
| Saint-Francois de Madawaska | acclaimed | 67.4% | N/A |
| St. Hilaire | acclaimed | 60.5% | N/A |
| Haut-Madawaska | N/A | N/A | 61.79%\* |
| 1. Elections NB |
| \*Elections NB provides official turnout rates only for quadrennial election results. This figure is derived from the total number of ballots cast and an approximated electorate from Stats Can |

Haut-Madawaska’s first election in 2017 appears to demonstrate that larger municipal entities can addressed the issue of shrinking candidate pools. Each of the Rural Community’s 5 council positions saw at least 3 candidates contesting where previously each individual community had a significant chance of being unable to hold a contested election at all. Likewise, a tentative estimation of the 2017 election’s voter turnout rate demonstrates that despite the large size of the municipality, voters still turned out in numbers far higher than the provincial average.

The concern for Entity 1 as it relates to this report is therefore the continued independence of Lac Baker. While Lac Baker did have the second highest voter participation rate in 2016, it is unlikely that the community can maintain its democratic institutions much longer. In 2018, Lac Baker’s byelection went uncontested, and while byelections typically do garner far less interest than quadrennial elections, this 2018 result in addition to 2012’s general acclamation indicate a looming crisis for Lac Baker’s institutions. Furthermore, Lac Baker is now entirely encompassed by the Rural Community of Haut-Madawaska, leaving little doubt of the two communities’ economic interdependence. Moving forward, it is recommended that Lac Baker undertake another plebiscite and join the rest of Haut-Madawaska.

**Financial Base**

While the majority of proposed Entity 1 has already amalgamated into a single municipality, the benefits of the new framework expand beyond those offered by Rural Community status. Entity 1 would have a financial base capable of service provision beyond a simple aggregation of the assessed value of each constituent municipality and LSD. Under the new framework, municipal revenues will come from a combination of equalization payments from the provincial government, municipal property taxes, and other user fees related to services like water and wastewater usage.

Because its population is below 10,000, Entity 1 would qualify as a ‘Group A’ municipality. However, because Entity 1’s property assessment base per capita would be greater than the group average, it would not require additional equalization funds to operate effectively. Like a Rural Community, the proposed municipal entity will have a property assessment base of at least $200 million, but Entity 1 will have a far greater tax warrant than existing Rural Communities or municipalities. With the tax room transfer from the provincial government to municipal governments included in the proposed new framework, Entity 1’s assessment base of $320 million will be able to yield more revenue than it could today. Equal Opportunity among municipalities remains a priority in the new framework, but the primary guarantor of said equality would be tax warrants rather than equalization payments.

Of course, this tax room transfer does not necessitate that property tax rates will increase by $1.50 per $100 of valuation across Entity 1, nor does it indicate that the entire municipality will operate with one uniform property tax rate. Because Entity 1 would be composed of suburban and rural populations and since the level of local services may vary considerably within the same municipality, existing provisions regarding differentiated tax rates within the same municipality would need to be used. Residents within each municipality should be taxed for the level of services they receive.[[2]](#footnote-2)

As has been seen in many municipalities around the province, municipalities can adopt differing tax rates for different areas under their jurisdiction. For example, while Eel River Crossing’s property tax rate in 2011 was $1.32 per $100, each former LSD had different, lower property tax rates appropriate to their circumstances. Similar situations can be found across the province, with some cities even imposing different tax rates for those inside and outside the urban center. As the communities within Entity 1 move forward together, it is entirely possible that each former local governance entity maintain their own respective property tax regimes, though strict adherence to such a scheme would fail to take advantage of the opportunities offered by their amalgamation.

Overall, then, Entity 1 would have a financial base appropriate to its size and population. With such a financial base, the municipal entity could be as ambitious or cautious in its service provision as its residents please.

**Division of Municipal and Provincial Responsibilities**

In addition to policing, emergency measures planning, fire prevention and suppression, roads, and garbage disposal, a municipality may choose to enlarge its role and provide a great number of other services. Many municipalities also take responsibility for local arts and culture, parks and recreation, public transportation, and more. Whether or not this sort of expansion is done is entirely up to the residents of Entity 1, and the tax rates of the entity would reflect this level of service.

Many of these services, however, would be better served being provided at the regional rather than local level. Rather than leaving some services in the care of the province, the new framework provides Regional Service Districts within which municipalities can collaborate on such basic services as policing, waste management, economic development, and land-use planning. Collaboration on these issues will further reduce cost for services, allowing property tax rates to remain at a reasonable rate.

Entity 1 would belong to RSD 1 along with its neighbours Entities 2 to 6, covering Madawaska, Victoria and a portion of Restigouche county. As with each municipal entity, RSDs could conceivably be named, but this would be left to each community to determine for itself. All 6 entities would be partners in the provision of regional services, with each contributing in accordance with their respective demographic and tax bases.

While this region is far too large to be incorporated into a single municipality, the populations nonetheless have a great deal of shared experiences and challenges.

The commuting population of RSD 1 is relatively evenly split between those who commute to work within their own community (46%) and those who commute to a different community within the same county (40%). Furthermore, 10% of the population commute to a different county entirely. The proposed entities with the highest proportion of their commuting populations travelling to different counties are Entities 3 & 4, indicating that the Madawaska and Victoria counties are particularly suited to collaborative economic planning. It is clear, therefore, that economic hubs such as Edmundston and Grand Falls are important sources of employment for the region as a whole, and such economic interconnection requires collaboration in land use planning and economic development policy.

Entity 1 is especially dependent on regional cooperation and interdependence, with 75% of the labour force commuting to a different community within the RSD. Based on its physical proximity to Edmundston, it’s probably that much of these commuters work in the nearby city. In addition to common planning initiatives, collaborative service provision would therefore be of enormous help to the comparatively small Entity 1.

The new framework would therefore clarify the distinction between municipal and provincial responsibilities. While today the service provision of roads, animal control, and policing is dependent on whether or not you live in an incorporated or unincorporated local governance entity, in the new framework, all of these services will be provided by the municipal government. When the residents know exactly who is accountable for what, services will improve.

**Summation**

Overall, Entity 1 would allow all residents of the province’s northern panhandle to enjoy a comparable level of service in correlation with their level of taxation, to feel represented at a local level and have a real say in how their property tax dollars are being spent, and create a municipal entity that is sustainable enough to navigate the demographic and economic challenges of the 21st century.

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| **Entity 1 : Regional Service District 1** |
| **Communities** | **Entity Type** | **2020 Residential Property Assessment**  | **2020 Non-Residential Property Assessment** | **2020 Total Assessment Base** | **Population 20162** | **Population 2011** | **% Change** | **Anglophones** | **Francophones** |
| Haut-Madawaska | Rural Community | $200,610,700 | $55,872,300 | $256,483,000 | 3714 | 3987 | -6.85% | 205 | 3350 |
| Lac Baker | Village | $62,881,800 | $847,600 | $63,729,400 | 690 | 719 | -4.03% | 40 | 635 |
| **Totals** |   | $263,492,500 | $56,719,900 | $320,212,400 | 4404 | 4706 | -6.42% | 245 | 3985 |
| 1. Source: Department of Environment and Local Government |
| 2. Source: Statistics Canada |

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| **Regional Service District 1** |
| **Entity** | **Group Type** | **2020 Total Assessment Base** | **Population 20162** | **Population 2011** | **% Change** | **Anglophones** | **Francophones** |
| Entity 1 | Group A | $320,212,400 | 4404 | 4706 | -6.42% | 245 | 3985 |
| Entity 2 | Group B | $1,558,040,300 | 20306 | 20519 | -1.04% | 1030 | 18810 |
| Entity 3 | Group A | $328,755,200 | 5906 | 6039 | -2.20% | 255 | 5480 |
| Entity 4 | Group A | $870,714,800 | 8992 | 9550 | -5.84% | 1385 | 7430 |
| Entity 5 | Group A | $556,189,500 | 9429 | 10151 | -7.11% | 8115 | 1600 |
| Entity 6 | Group A | $385,385,800 | 6403 | 6433 | -0.47% | 445 | 6205 |
| **Totals** | $4,019,298,000 | 55440 | 57398 | -3.41% | 11475 | 43510 |

1. Finn, 111. [↑](#footnote-ref-1)
2. Finn, 90. [↑](#footnote-ref-2)