

RURAL MUNICIPALITY OF  
**VICTORIA**

Exploration of Recommendations  
for Municipality-Owned Assets and Other Options  
SUMMARY

September 2022

## Overview

The following document provides a summary overview of the discussion held on September 15, 2022 to further review the July 2022 key findings and identify the next steps in the process to support future decision making.

MRSB Consulting Services was engaged to facilitate a session to explore and discuss the recommendations and other areas for consideration for the municipality-owned assets with the intent of **making a decision on the next steps and process** that will result in decision-making on behalf of the RMV.

The hope was also to have a high-level discussion about restructuring (potential and impact) and **the next steps** to inform and support what will be a long-term decision-making process. However, there was not sufficient time to hold this discussion during the meeting.

# Municipality-Owned Assets (Shorter term decision-making)

## 1. Municipality-Owned Assets (Shorter term decision-making)

### Work Completed in July

Analysis of assets based on RMV objectives

Completed, working with MRSB

Presentation of recommendations to support sustainability

### Our Focus

Exploration of analysis and recommendations

Today's focus

What is the process to make a decision?

Today's focus

### Next Steps in Support of Sustainability

Decision-making process

Next steps based on today's discussion

Implementation of direction based on decision-making

# Municipal Government Act (Changes Made)

## Clear Purpose and Broad Powers

Municipal councils will have more authority and flexibility to provide services. Under the new Act, **a council is responsible for providing services, facilities and other things that the council considers necessary or desirable for the municipality.** All municipalities will be required to provide three mandatory services: fire protection, land use planning services, and emergency measures planning.

## Duties of Council

- Developing policies for services and programs
- Evaluating services and programs on a regular basis
- Appointing, directing and managing a chief administrative officer (CAO)
- Revoking or suspending the CAO's appointment if required
- Establishing a procedural bylaw
- Establishing a code of conduct that includes conflict of interest rules
- Ensuring the powers of the municipality and council are used appropriately and that their duties and functions are carried out
- Exercising the powers of council or the municipality by passing bylaws or resolutions

# Municipal Government Act Guiding Principles

Purpose of a council to include providing good government, providing stewardship of public assets, developing and maintaining a safe and viable municipality, and encouraging and enabling the public to participate in matters affecting the municipality.

Potential Guiding Principles for RMV (For Discussion Purposes):

- Good government (accountability, transparency, accessible to residents/the public)
- Stewardship of public assets
- Develop and maintain a safe and viable municipality
- Encourage and enable the public to participate in matters affecting the municipality

**During the session, other key discussion making factors were identified, but no consensus was determined:**

- There needs to be consideration for the longer term implications of our decisions
- Relationships matter and it is important to maintain strong community relations
- We have to do what is right for residents/consideration of the benefit/impact on residents
- Consider the different decision-making environment that we are in today versus a few years ago
- There needs to be a strong balance of these comments in order to support the stewardship of public assets

Identifying principles that will guide the discussion would be very valuable to assist with discussions such as this.

# Services and Municipal-Owned Assets

## **Mandatory Services** (Based on Act)

- Fire protection services
- Land use planning services (this was not part of the review)
- Emergency measures planning (this was not part of the review)

## **Municipal-Owned Assets**

- Old Schoolhouse
- Victoria Community Hall
- Leard's Lighthouse
- Welcome Centre, Washrooms and Heritage Park
- Victoria Park (causeway, Provincial)
- High-level water and sewer (this was not part of the MRSB review)

Recommendations were identified based on residents, usage and financial sustainability and revenue generating potential.

# 1. Old Schoolhouse Overview of Recommendations

## Recommendations (July 2022):

### **(1) Retain asset to continue to use Old Schoolhouse for municipal offices**

### **(2) Pursue revenue opportunities for public meeting space**

- Advertise and create awareness of availability of space including through membership in Meetings & Conventions PEI
- Review rental rates; remove discounts and no charge rentals

## **Current Situation**

- Accessible space for the public to access Municipal Office/services
- Property houses municipal wells
- Building showing very little wear – repairs and maintenance est. at \$750 annually
- Average deficit excluding amortization \$11,400
- Meeting space available for public

# 1. Old Schoolhouse Summary Discussion

- There is no clear financial reporting, including a clear understanding of solar power and cost offsets
- One of the most recently renovated assets. There are some areas that may require some further investment (e.g., retrofit to the kitchen, recommendations by the Fire Department) and long-term maintenance costs must be considered
- This building is valuable and can be maintained as the Municipal Office and the “community centre”
- The building is an important asset to the community in terms of culture, history and heritage
- Municipal infrastructure (e.g., well pumps) is located on the land, which must be considered
- There is interest in using the space as a community rental. There was a discussion about reviewing rental fees and with respect to this discussion, some spoke about ensuring fees are based on market value while other comments reflected ensuring the space was reasonably priced to support community events/activities
- Depending on the rental uses, there may be a need for future investment (e.g., retrofit of the Kitchen)
- This would require dedicated resources to support the promotion of community rentals and support during the use of the facilities
- People within the community may take on volunteer roles (e.g., lawn maintenance, event set up and clean-up)
- The comment was made to receive a real estate assessment on the building (where if sold, the Municipal Office would maintain office space within the facility); however, additional concerns were raised about selling the property when there is essential infrastructure located on the land



# 1. Old Schoolhouse Actions

Recommendation 1: Retain asset to continue to use Old Schoolhouse for municipal offices

Recommendation 2: Pursue revenue opportunities with public meeting space

## **Actions to Support Decision Making:**

- Better understand the impacts of the previous investment in solar
- Improve financial reporting for the asset
- Gain a stronger understanding of any additional capital improvements (to support rentals) and budget for longer term maintenance requirements
- Prepare annual budget including estimated rental revenue generation

## 2. Community Hall Overview of Recommendations

### Recommendations (July 2022):

#### **(1) Divest of asset**

#### **(2) Sell the Community Hall to Victoria Playhouse Inc.**

#### **Current Situation**

- Minimal utilization during Oct - May, sporadic and not marketed
- Theatre lighting limits use of auditorium outside of performances
- Limited rental income
- Difficult to heat sporadically in winter season (2 day warmup required)
- Approx. \$11,000 in immediate repairs required
- Over next 5 years approx. \$100,000 in repairs and maintenance required
- Annual deficit (excluding amortization) past four years approx. \$6,000 per year

## 2. Community Hall Summary Discussion

- Comments that the Municipal Office does not have the administrative resources to maintain this asset and that there should be a real estate assessment completed to determine the market value of the asset. Covenants could be placed on the development to help ensure it is maintained as a heritage building
- Other comments identified the potential to establish a lease arrangement, with the first point of contact to take place with the Victoria Playhouse
- The lease agreement would reflect what is required to operate and help maintain the asset
- There were some concerns about what would happen with the asset if it was sold
- This building is a designated heritage building. Comments were shared that the asset is very valuable to the heart of the community and for tourism. It was identified that there is a war monument on the property, but that this may be moved
- Comments were shared about how the Victoria Playhouse has made investments in the facility in the past and may be a good partner to continue to do so in the future
- Concerns were raised about making sure the asset does not carry a financial burden to the residents of the Rural Municipality
- There were comments about the need to “break even” with the asset. It is important to note that operational and capital investments need to be considered
- Comment that another organization (outside of the Municipality) may be able to take the organization to the next level
- Meet with the Victoria Playhouse to discuss their interests and the financial situation (the real estate assessment will help with these discussions)

## 2. Community Hall Actions

Recommendation 1: Divest of asset

Recommendation 2: Sell the Community Hall to Victoria Playhouse Inc.

### **Actions to Support Decision Making:**

- Gather and review additional information on the asset including operational and capital costs as well as conduct a real estate assessment to determine market value
- Have a discussion with the Victoria Playhouse about the financial situation, potential solutions and potential options
- Look at potential infrastructure funding (recognizing that the Rural Municipality has limited resources to take on this work; potential to form committees to support some of the work was identified)

## 3. Leard's Lighthouse Overview of Recommendations

### Recommendations (July 2022):

#### (1) Retain the Lighthouse

#### (2) Identify a third-party to operate as a museum

#### (3) Apply for grants to support maintenance and upkeep

- Provide a **fair and equitable opportunity** for all interested parties to operate the lighthouse as a museum within the municipality by issuing an RFP.
- Any agreement for the operation of the lighthouse should provide clarity on the collection and use of donations, financial responsibility for exhibit development and repairs and maintenance of the facility.
- Review and apply for grants to support the maintenance and upkeep.

### Current Situation

- Lift station located on property – uncertainty around sale of property due to the location of this asset
- Approx. \$3,100 in immediate repairs required
- Over next 5 years approx. \$61,000 in repairs and maintenance required
- RMV has no control over donations collected and their use

## 3. Leard's Lighthouse Summary Discussion

- Concerns were raised about the financial situation with the lighthouse given the costs to maintain the asset in the longer term as well as about the use of donations
- It was shared that others in the community have identified an interest in operating the lighthouse
- Some concerns were raised about proposals/ideas not being shared with Council. There also needs to be a clear understanding of the role of Council and the role of CAO in terms of processes such as request for proposals and selection process
- Comments were shared about the importance of having discussions with the existing relationship
- Other comments were shared about the need for an equitable and fair process that will bring the greatest benefit to residents (criteria should be determined)
- The question was asked about which was most important: the lighthouse operations and/or the operation of the lighthouse as a museum. People agreed that the lighthouse was most important, but there was little comments shared that suggested an interested in exploring other opportunities for use of the asset (this may be a future consideration)
- The question was asked if the lighthouse has sufficient space to run the Welcome Centre
- This heritage property is important to the Rural Municipality
- It was identified that there may be funding programs to support the maintenance of this asset (although resources would be required to explore these opportunities)
- There is a need to gain a stronger understanding of the financial commitment operationally and in terms of longer term maintenance and what this may mean in terms of any go forward arrangement
- Options identified include going direct to existing holder of the agreement; a request for proposals open to the public for a lighthouse museum; or a request for proposals for the public for different uses of the lighthouse

## 3. Leard's Lighthouse Actions

### **Recommendation 1: Retain the Lighthouse**

#### **Actions to Support Decision Making:**

- Confirm the objective of the Rural Municipality related to the maintenance of the lighthouse
- Review the financial situation
- Hold a discussion with the current party operating the lighthouse
- Make a decision on how to proceed in terms of direct discussion with a first right of refusal or a Request for Proposal process that would allow for additional ideas
- Look at potential infrastructure funding (recognizing that the Rural Municipality has limited resources to take on this work; potential to form committees to support some of the work was identified)

## 4. Welcome Centre, Washrooms and Heritage Park Overview of Recommendations

### Recommendation (July 2022):

#### **(1) Divest the Welcome Centre facility through a sale**

##### **Current Situation**

- An information resource for visitors to Victoria; distribution of Points of Interest walking map (also distributed in other locations)
- Provides washroom access for visitors and locals supporting in-home businesses
- Approx. \$4,300 in immediate repairs required for the Welcome Centre and \$1,200 for the washrooms
- Over next 5 years approx. \$154,000 in repairs and maintenance required for the Welcome Centre and boardwalk area
- Cost to maintain washrooms over the next 5 years approx. \$11,400 in repairs
- Risk and liability if municipality unable to fund immediate and ongoing repairs and maintenance
- Annual deficit (excluding amortization) past four years approx. \$8,800 per year



## 4. Welcome Centre, Washrooms and Heritage Park Summary Discussion

- There was some discussion about what is included as part of this category
- There was also discussion as to whether or not the parcel of land where the Welcome Centre is located could be sold separately. There were concerns identified about the sale of the asset which is strategically located at the waterfront
- An infrastructure investment is required for the Boardwalk
- There was discussion about whether or not the Welcome Centre is needed in the community. Some did not believe so, while there was a comment that the Centre is important provided that it functions as a Tourism Centre
- There were questions about the operation of the Welcome Centre and the relationship/current arrangement with the Victoria Business Association (including supervision of the student staff). There may be a lack of clarity including of the arrangement with the VBA, and additional information to keep everyone informed is required including use of the facility/tourism service
- There was a comment in favour of issuing a Request for Proposal (RFP) that would be direct between the Rural Municipality and the operator and that would be made available to the current operator and the public to provide a response. The RFP would consider a reasonable financial arrangement
- A comment was made that the Rural Municipality needs to consider transparency, accountability and efficient management of resources
- The suggestion was to set up a longer term lease for the Welcome Centre
- It was shared that the Heritage Park is important for residents
- Further consider paid parking to help maintain the infrastructure was identified

## 4. Welcome Centre, Washrooms and Heritage Park Actions

Recommendation 1: Divest the Welcome Centre facility through a sale

### **Actions to Support Decision Making:**

- Better understand the current relationship/situation and value to the Rural Municipality
- Review the financial situation
- Hold a discussion with the Victoria Business Association (VBA) to explore options (including to support the long-term financial situation)
- Determine next steps based on pros and cons (e.g., request for proposal)
- Look at potential infrastructure funding for the boardwalk (recognizing that the Rural Municipality has limited resources to take on this work; potential to form committees to support some of the work was identified)
- Explore the option for paid parking for Boardwalk

## 5. Victoria Park (Causeway) Overview of Recommendations

### Recommendation (July 2022):

#### **(1) Return asset to Province**

##### **Current Situation**

- 10-year lease with Province (expiring Aug 2023) at a cost of \$1 annually for rent
- Day-use park open to the public and one of the main greenspaces in RMV
- Washrooms and playground equipment available
- Beach front access used by visitors and residents, main beachfront access for residents specifically
- Annual deficit past four years approx. \$8,900 per year
- Notable erosion of cliffs
- Use limited to day park so limited revenue opportunity

## 5. Victoria Park (Causeway) Summary Discussion

### Recommendation 1: Return asset to Province

- There is a lot of erosion along the water and concerns were raised about where the financial investment would come from
- There are some concerns related to the maintenance of the Park
- There are some concerns related to long-term plans for any potential development (and as a suggestion, should align with the guiding principles of the Rural Municipality)
- Comments shared about previous development discussions and about AMAR Seafood PEI's proposal (including an interpretative centre, washrooms and park, as well as investment along the coast)
- Comments were also shared about the important sources of taxes this would bring to the community
- It was identified that other proposals have been provided in the past, but not presented to the Council
- One comment was made that the Rural Municipality should renew the lease; while others did not see the need for this/or it was too soon to identify this as the potential direction

## 5. Victoria Park (Causeway) Actions

Recommendation 1: Return asset to Province

### **Action to Support Decision Making:**

- Set up a meeting with AMAR Seafood PEI to discuss the current status of their proposal for development and to discuss the potential for a presentation at a public meeting