



MGA: Restructure Process



What is restructuring?

- Municipal restructuring is when a municipality changes its boundaries.
- Restructuring could mean any of the following (or a combination):
 - Amalgamation*
 - Annexation*
 - Establishment*
 - Dissolution

Restructuring Type

- **Amalgamation**
 - When two or more municipalities join to form one municipality
- **Annexation**
 - When a municipality expands to take in property or properties that are not part of a municipality (unincorporated areas)
- **Establishment**
 - When a new municipality is formed;
 - ▶ an area, or areas, not covered by a municipality (unincorporated) is established as a municipality.
 - When an existing municipality moves from one class to another class.
- **Dissolution**
 - When a municipality ceases to be incorporated

Why would a municipality restructure?

EC2020-104

**MUNICIPAL GOVERNMENT ACT
RURAL MUNICIPALITY OF WELLINGTON
EXTENSION OF MUNICIPAL BOUNDARY
(APPLICATION TO ANNEX
PROVINCIAL PROPERTY NO. 755371)
APPROVED**

EC2021-842

**MUNICIPAL GOVERNMENT ACT
TOWN OF KENSINGTON
EXTENSION OF MUNICIPAL BOUNDARY
(APPLICATION TO ANNEX
PROVINCIAL PROPERTY NO. 76174)
APPROVED**

EC2023-696

**MUNICIPAL GOVERNMENT ACT
RURAL MUNICIPALITY OF KINKORA
EXTENSION OF MUNICIPAL BOUNDARY
(APPLICATION TO ANNEX
PROVINCIAL PROPERTY NO. 779934 AND 778662, AND A PORTION OF
PROVINCIAL PROPERTY NO. 876698 and 273458.)**

Legislative Process

- Two pieces of legislation outline restructuring:
 - *Municipal Government Act*, Division 1 (sections 11 – 23) ;
 - *Principles Standards and Criteria Regulations*
- In order to restructure a proposal must be filed with the Island Regulatory and Appeals Committee (IRAC)
- If the proposal is to restructure a rural municipality (that does not result in meeting reqs. for a city or a town) the proposal must be submitted to the Minister for approval before being filed with IRAC
- Restructuring proposals may be initiated by a municipality, the Minister or a group of electors who would be within the proposed municipality (establishment)

Legislative Process

- IRAC will publish a notice in The Guardian about the restructuring to solicit public input.
 - There also must be a notice in at least 3 visible places in the area that is going to be affected (such as a community hall or a rink). IRAC can also use additional methods, such as electronic means, to publish the notice.
- The notice must include information about how a person can make comments or file an objection to the restructuring proposal.
- IRAC must notify adjoining municipalities, and municipalities and First Nations Bands that may be affected by the restructuring. The Federation of PEI Municipalities (FPEIM) must also be notified.

Legislative Process

- IRAC will accept opinions within 30 days of the notice being posted.
- IRAC may choose to hold a public hearing if there are objections.
 - IRAC will hold a hearing if the Minister determines there is significant public interest.
- If another municipality objects to the proposed restructuring IRAC will appoint a mediator to assist the municipalities in resolving the dispute.
 - If the dispute can't be resolved, and the other municipality does not withdraw the objection, IRAC will hold a public meeting.

How is the decision made?

- IRAC considers the requirements of the MGA, and the Regs, and the information gathered through the process.
- After public meetings and mediation (if any) IRAC provides the Minister with a report of their findings, recommendations and the reasons behind the recommendations.
 - IRAC will share the report with the council(s), nearby municipalities, FPEIM, nearby First Nations Bands, and anyone else IRAC believes should receive it.
- The Minister will review the report and make a recommendation to the LGC.
 - The LGC may decide to:
 - ▶ Restructure as proposed (or with changes)
 - ▶ Deny the proposal

Proposal to Restructure

- A proposal to establish or restructure must include:
 - A statement that the proposal is to restructure the municipality
 - The reason for the proposal;
 - The names of the municipalities and unincorporated areas affected by the restructuring;
 - Estimated population and total property assessment, a map with boundaries, the class of municipality (city, town or rural municipality), the name of the proposed municipality, services that will be provided, and existing or proposed assets;
 - The information required in the *Principles, Standards and Criteria Regulations* for a specific restructuring situation (the details of amalgamation, annexation, or combined annexation and amalgamation).

Fundamental Principles

- IRAC will consider the following in evaluating a proposal (section 2 – *Principles Standards and Criteria Regulations*):
 - (a) whether the proposal demonstrates that the municipality has or will have the ability and capacity to meet the immediate and long-term needs of the residents within the boundaries proposed;
 - (b) whether the proposed municipality is likely to be financially viable;
 - (c) whether the proposed municipality has a stable base of economic activity;
 - (d) whether the proposed municipality will hinder an existing municipality's ability to expand its boundaries or provide services to its residents; and
 - (e) whether the proposal demonstrates that the municipality has a vision of the services it intends to provide its residents in the immediate and long term. (EC750/17)

Criteria for establishing a City or a Town

- Criteria for establishing a new city:
 - Population of 15,000 +
 - Total property assessment value of \$750,000,000 +
- Criteria for establishing a new town:
 - Population of 4,000 – 14,999
 - Total property assessment value of \$200,000,000 – \$749,999,999
- If the proposal is to establish a new municipality but doesn't meet the criteria if the Minister feels it in the public interest to establish that municipality the Minister may forward the proposal to IRAC.
- If the proposal is to restructure a rural municipality that doesn't meet the criteria for a city or town the proposal must be submitted to the Minister for approval and won't go to IRAC until it's been approved.

Preparing a Proposal

- What are we proposing?
 - Annexation
 - Amalgamation
 - Establishment
- Is there interest among residents outside our Municipality in joining?
- Have we discussed options with our neighboring municipalities?
- How much would we have to expand to meet the criteria?
- Why is it in the public's best interest to restructure?
 - (a) whether the proposal demonstrates that the municipality has or will have the ability and capacity to meet the immediate and long-term needs of the residents within the boundaries proposed;
 - (b) whether the proposed municipality is likely to be financially viable;
 - (c) whether the proposed municipality has a stable base of economic activity;
 - (d) whether the proposed municipality will hinder an existing municipality's ability to expand its boundaries or provide services to its residents; and
 - (e) whether the proposal demonstrates that the municipality has a vision of the services it intends to provide its residents in the immediate and long term. *(EC750/17)*



Any questions?