



# Entity 77 Facilitator's Report 5

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Date: September 16, 2022

Please feel free to share this report as you see fit to assist in communication with your Councils, LSD Committees, and the public at large.

During the planning months of July and August the details of the reform process have been refined as new areas have been examined and the relationships between items led to more clarity in the optimal approach.

Regarding the upcoming election, I can report that the Election NB has been updated to include current information, including detailed maps and candidate information, about the November 28 election. You can access that data at <https://www.electionsnb.ca/content/enb/en/local-government-elections.html>.

During the first week of October all households in the province that are in an area that is having an election will receive a bright yellow envelop with targeted information.

The budgeting process model was introduced to us as undergoing refinement and that has proved to be the case. The update below diverges somewhat from our previous plan, but I must emphasize that it maintains an opportunity for the Advisory Committee to provide meaningful input before I forward my recommendation to the Minister.

The budget draft due at the end of the month is not very consequential. ELG will not be doing any comprehensive review of these draft submissions. All they will be very quickly looking at is that the budget tool was properly understood and used, that estimates are not unreasonable and that all elements are present (for example, shared and local lists, information at the right place, etc.).

There are several key data sets that will not be refined in time for submission on September 30, 2022. They include the 2023 tax base, the unconditional grant, updated policing costs and possibly the fire costs.

As a result, it would be very difficult (and unfair to you) to have a substantive discussion on any item based on the draft. I will be sharing the draft with the committee when I submit it to the department but I do not intend to spend time reviewing it in a meeting.

I will be prepared to answer any questions you have after your examination of the draft.

We will have a formal review when the missing information is provided by ELG which is currently expected to be in the first or second week of October.

When the missing information has been entered into the budget and returned to us, we will meet and so that I may hear your observations and suggestions. I am mandated to do a final review of



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the budget and return it to ELG by the end of October. It is my hope that there will be a consensus in support of the budget but failure to reach consensus will not affect me in meeting my deadline.

Once we have seen the budget and its impact on the tax rates, it may or may not be necessary to consider a transition period for tax increases to respect the 5-cent maximum increase per year.

For clarity, GNB has discussed a cap on increases or decreases of 5 cents per \$100 of assessed value per year. The 5 cents per year cap may be maintained for several years. It applies to local restructuring costs, i.e., in entities where an LSD is joining a local government and residents will be sharing the cost of services delivered by the local government.

The cap is designed to limit the annual increases or decreases to the cost of these services. However, this cap does not apply to all expense categories.

The cap **does not** apply to these expenses:

- Shared costs of **new** RSC services/mandates as these would have to be paid regardless of amalgamation
- Deficits or surpluses being carried into the entity
- New CAO costs if an internal (or for that matter external) candidate was retained and there are expected salary increases over costs already in 2022
- New Council costs (i.e., costs above those in the 2022 budget)
- Changes to the Community Funding and Equalization Grant (CFEG) if any

Concurrent with this budget activity the Technical Committee will be dealing with a growing list of administrative housekeeping items such as banking arrangements, corporate seals and workforce transition.

I will keep updating you as new information comes in or as previous information gets changed or clarified.

Best Regards,

D. R. Fitzgerald  
Transition Facilitator