

Please note that questions similar in nature have been grouped for ease of answering/reading.

Q: What's the real reason for this bylaw?

A: In the spring of 2019, the Province of Nova Scotia and the five municipalities of Cape Breton Island launched a pilot project to begin modernizing bylaws to reduce barriers for local businesses. A Local Improvement Charge (LIC) was first brought up by staff as a recommendation to Council as other municipalities using this type of charge for some infrastructure projects.

Municipal infrastructure is becoming more expensive to construct, maintain, operate, and replace. Provincial and federal funding is becoming increasingly difficult to secure due to aging municipal infrastructure across both the province and the country. With these realities in mind, Council considered how to best support growth and development and chose to explore a Local Improvement Charge (LIC) bylaw as a potential funding mechanism to be fiscally responsible.

Victoria County is experiencing a period of growth with an increasing population and new developments on the immediate horizon. It's expected there will be further development opportunities within Victoria County, including housing projects for seniors, residents, etc. Providing municipal infrastructure such as water and sewer can entice and encourage development projects to move forward.

Q: What unassigned projects are you thinking of putting the LIC under? You say there are no projects attached to the LIC, but do you have any?

A: There are no projects attached to this proposed bylaw. However, there are upcoming potential projects in Victoria County where the use of a Local Improvement Charge could be considered as a potential funding source:

- Wastewater system for Ingonish area – with no local improvement charge, the cost would be charged to all Victoria County taxpayers through the general tax rate. Under an LIC, Ingonish property owners within the system area could be directly charged for a portion of the cost.
- New sidewalks in Baddeck – with no local improvement charge, the cost would be charged to all Victoria County taxpayers through the general tax rate. Using a LIC, property owners using the sidewalk on a day-to-day basis (Baddeck village catchment area) could be directly charged for a portion of the cost.

Q: Why were there no funding models from the analysis done in February 2023 when presented to Council?

A: The February 2023 presentation to Council provided three separate funding scenarios for the proposed Ingonish wastewater project. Additional federal/provincial funding was not included as the full application for funding was not successful. Two of the scenarios presented to Council - all debt paid by an increased general tax rate, and all paid through a LIC - were used as extreme examples to provide reference information only. These scenarios were not recommended in the meeting. The third scenario was a more likely scenario for a debt/LIC mix where the LIC total equals 1/6 of the total cost.

Q: Are there local improvements on the horizon in Victoria County that Council's annual budget for capital expenditures + (+provincial/federal grants) is unable to cover? Do we really need LIC's for extra revenue to pay for capital costs or are LIC's a means of attracting developers who can be promised the cost of their projects will now be reduced by taxpayers? What will stop the municipality from not looking for other funding, such as federal or provincial government?

A: Nothing will stop the municipality from looking for funding. The municipality is always looking for provincial and/or federal grants and other means to fund projects. The municipality would prefer the provincial and/or the federal government fund projects as the municipality's goal is always to minimize costs to taxpayers. Costs are rising and funding opportunities are becoming increasingly difficult to secure as municipal needs across the province/country are also increasing. Victoria County is experiencing growth and development and it's expected there will be more development opportunities, so the municipality has been exploring its options for alternative funding sources.

Q: In the proposed LIC bylaw, why is a non-vote or absentee vote count as a "YES"?

A: Council had to chose YES or NO if there was an absentee vote. As Council's focus is towards supporting more development in Victoria County, it decided to chose YES over NO if a property owner did not vote.

The rationale behind this is twofold. First, Council acknowledges that the municipality's ability to progress is contingent on active resident participation. Unfortunately, there has historically been low levels of engagement from residents on municipal matters. Council hopes that by treating non-votes as YES votes, it can encourage more property owners to take an active role in the decision-making process. Secondly, the decision is not meant to be punitive but rather to support the municipality in moving forward with its development goals.

Q: Under the statement “Council may proceed with a local improvement, at its own discretion...” please explain.

A: Your local Councillor makes decisions on behalf of residents. Currently, Council already makes decisions on all capital projects. This is not something new; this is part of the governance process.

Q: Where are our taxes going now? We only get garbage pickup and road clearing.

A: The amount of property taxes you pay is based two factors:

- The **municipal tax rates** are per \$100 of assessed value and are set annually by Council who reviews and approves the budget.
- The **assessed property value** is determined annually by Property Valuation Services Corporation, also known as PVSC, which is a Crown Corporation responsible for assessing all property in Nova Scotia.

Annual property taxes are calculated by dividing your **assessed property value** by 100, then multiplying that amount by the **municipal tax rate** for your assessment type (residential, commercial, resource).

The tax rate has remained the same since 2018. The Residential/Resource and Commercial tax rates increased in 2018 from \$1.20 and \$2.10 to \$1.22 and \$2.12 respectively.

Property taxes account for 89% of total municipal revenues for the 2023-24 year. Property taxes go toward:

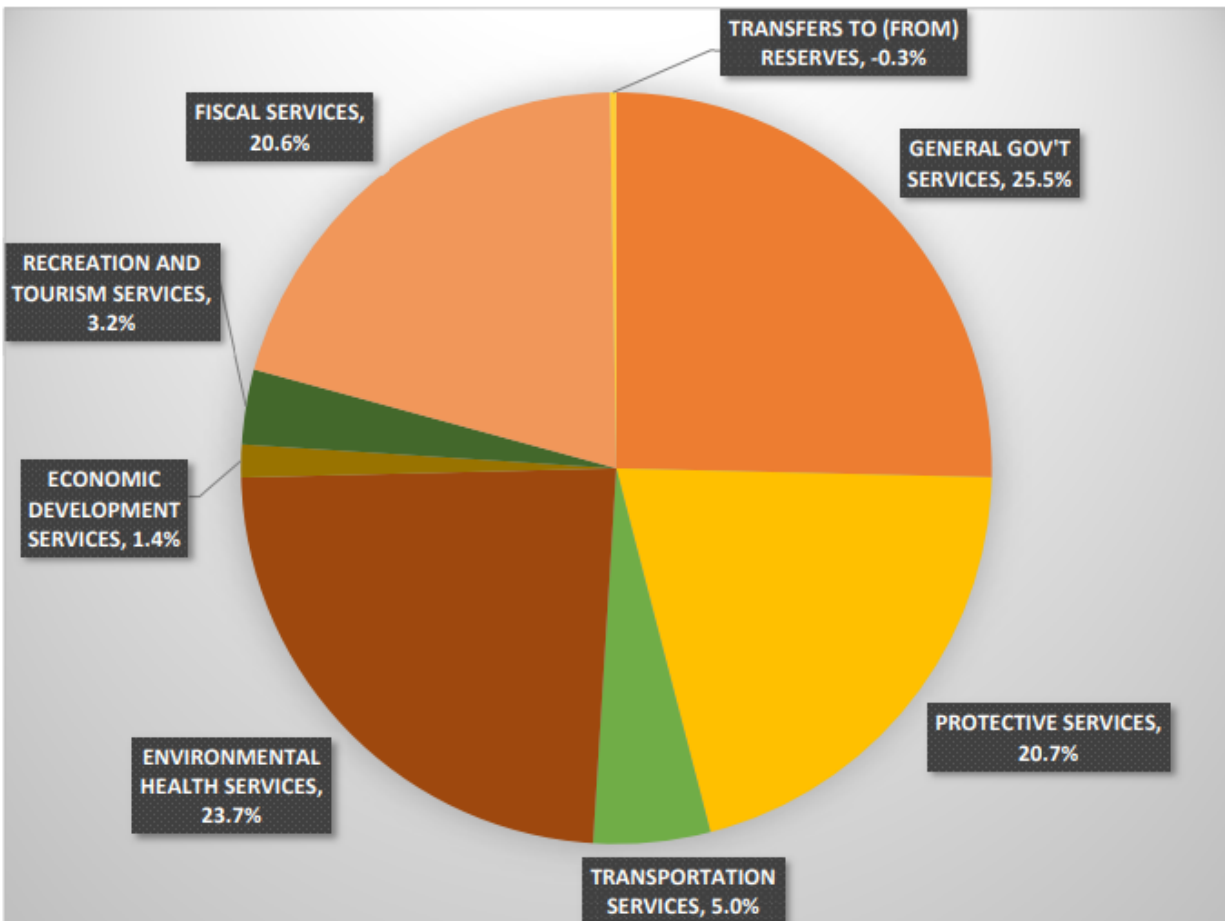
- **General Government** (council, administrative departments, annual grants to organizations)
- **Fire and Protective Services** (volunteer fire department funding, fire services/EMO, planning, RCMP mandatory contribution)
- **Transportation Services** (Maintenance of J class roads and municipally owned roads, streetlights, Victoria County Transit)
- **Solid Waste Collection and Disposal** (two transfer stations, two recycling depots, weekly curbside collection, trucking waste to landfill)
- **Tourism, Recreation, Economic Development** (grants to community organizations, school/rink recreation funding, trail development, placemaking, tourism initiatives)
- **Fiscal Services** (banking/debt, mandatory contributions to Cape Breton-Victoria Regional Centre for Education, Property Valuation Services Corporation, provincial corrections, Cape Breton Housing Authority, Libraries – Baddeck and North of Smokey)

- **Municipal Reserve Funds** (contributions to operating and capital reserves for future use)
- **Municipal Capital Infrastructure** (buildings, machinery, vehicles)

Please refer to the Victoria County website and look under financial documents for detailed information.

<https://victoriacounty.com/government/municipal-council/financial-documents/>

EXPENDITURES BUDGET 2023-24	\$	%
GENERAL GOV'T SERVICES	\$ 4,042,378	25.5%
PROTECTIVE SERVICES	3,276,321	20.7%
TRANSPORTATION SERVICES	799,300	5.0%
ENVIRONMENTAL HEALTH SERVICES	3,758,475	23.7%
ECONOMIC DEVELOPMENT SERVICES	226,000	1.4%
RECREATION AND TOURISM SERVICES	511,825	3.2%
FISCAL SERVICES	3,263,700	20.6%
TRANSFERS TO (FROM) RESERVES	(43,150)	-0.3%
TOTAL EXPENSES	\$ 15,834,849	100.0%



Q: What are the other required capital requirements?

A: Please refer to the Victoria County website and look under Financial Documents for detailed information relating to capital budgeting. <https://victoriacounty.com/government/municipal-council/financial-documents/>

Q: Detail where the funds generated from Local Improvement Charges are allocated and the decision-making process government these revenues?

A: Local improvement charges do not produce general revenue. It has a specific purpose which is the reduction of capital costs for a specific project.

Q: Where's the jurisdictional analysis? Have there been lessons learned from similar municipalities and feedback from public consultations on this proposal?

A: A scan of municipalities in Nova Scotia was completed last year. Several municipalities within Nova Scotia have a similar bylaw including all municipalities within Cape Breton. A local improvement charge bylaw can go by different names in different municipalities, but the intent is the same - some municipalities call it an infrastructure charge, some call it a wastewater charge.

Q: Why wasn't I informed about this bylaw?

A: All proposed bylaws are advertised in the newspaper and posted on the website two weeks prior to a Second Reading which is open to the public and available via livestream if technically able. In the case of the proposed Local Improvement Charge bylaw, Council requested the municipality go beyond the Municipal Government Act (MGA) requirements in an effort get more residents involved and aware of the proposed bylaw. Immediately following First Reading of the proposed bylaw, the draft bylaw was shared on the Victoria County website and on Victoria County Facebook, along with a two-page Question and Answer document. Open house sessions for municipal issues, including a proposed LIC bylaw, were held throughout the county in 2022. In addition, Council asked that a Public Hearing be held to ensure resident questions and opinions were brought to an open forum and then committed to answering each question in detail.

Q: Why weren't there more public hearings?

A: According to the bylaw process, a public hearing is not a requirement for every bylaw, including this bylaw. In this case, the Councillor for Ingonish asked for a public hearing due to the potential impact in the Ingonish area.

Q: Who is going to talk to our seniors about this?

A: As this is bylaw of Council, seniors are encouraged to contact their local Councillor if they require more information. The Council's role is to set bylaws and priorities on behalf of their constituents. Your Councillor is available via phone call, email or in person.

Q: When will the Second Reading vote take place and at what location?

A: The Second Reading on the proposed Local Improvement Charge bylaw will take place at the next council meeting, which is November 14th at the municipal building at 495 Chebucto Street in Baddeck. The Second Reading vote will take place at 2:00 p.m. during the regular council meeting. Council sessions are livestreamed on Victoria County's Facebook site.

Q: How can we stop this by-law; what is the process?

A: Now that the Public Hearing has been completed, Council now considers resident feedback on the proposed bylaw and will vote on the Second Reading which will occur at the next Council Session.

Q: Where can we send our questions and get feedback?

A: You can contact your Councillor or municipal staff by email or phone. Individual contact information can be found on our website (www.victoriacounty.com) or by calling the main Municipal Office (902-295-3231).

Q: Is there any relationship between land-use, planning and other bylaws? If so, what is being done to assure coherence?

A: They are happening concurrently. Planning bylaws deal with land-use matters. This particular bylaw deals with financing of municipal infrastructure.

Q: Who would be exempt from a Local Improvement Charge (LIC)?

A: According to the proposed LIC, Council can decide who may be exempt; for example, a not-for-profit, or perhaps Council could reduce costs for low-income residents. As there are no projects attached to the bylaw, it would depend on the municipal infrastructure being built and would be project specific.

Q: If this proposed bylaw goes into effect, how is it determined who must pay, and how much will they pay?

A: The proposed Local Improvement Charge bylaw is project-specific which means a local improvement charge could (or could not) be applied depending on the project, the size, a determination of who would benefit (including developers). There are many factors involved. There is no automatic charge that is going to be passed on to all residents, if the LIC was to go through.

Q: Could you please explain reference to the charges being fixed at different rates for different classes or uses of properties. Would this, for example, capture Airbnb?

A: The amount of the charge for each specific project would require a specific formula to be determined. For example, this could include a higher charge for commercial properties vs. residential properties.

Q: What is the definition of “benefit” in the proposed LIC Bylaw?

A: The word “benefit” in the proposed LIC Bylaw would be defined as a municipal infrastructure where the property owner uses it on a day-to-day basis. Based on the individual proposed infrastructure project, day-to-day use would vary. For example, a wastewater system could benefit several users from small properties to a large developer whose property runs along the catchment area of the sewer pipes; a new sidewalk could benefit the community as a whole. Based on each project, the question of who benefits would be assessed by Council.

Q: What’s the definition of “community” in the proposed LIC?

A: “Community” would be defined as an area that could directly benefit from the municipal infrastructure project. For example, if it’s a sewer treatment plant, then it’s the specific community where the sewer line would start and end. If it’s a sidewalk, the larger community of a whole could benefit from a new sidewalk. The decision regarding who benefits would be specific to each infrastructure project.

Q: In the event a development in progress doesn't get the expected funding, who foots the bill if it goes belly up?

A: Under most Federal and Provincial funding programs, a project cannot begin until funding is in place. So, a project that is passing costs on to residents would have those costs determined prior to the project beginning.

Q: The bylaw does not set out a process for dealing with disagreements regarding Council's decisions surrounding an LIC (for example, the decision to impose a particular local improvement project and subsequent LIC, the decision that a particular property benefits from a local improvement to include that property in the LIC, etc.) Could there be an ability to appeal Council's decision-making to a Review Board? If not, what is the process if I disagree with an LIC charged to me?

A: In the proposed bylaw, there is a provision where the decision which can be appealed. As your elected representative, your local Councillor makes decisions on behalf of residents. It's important to share your views and opinions with your elected official who represents your interests in Victoria County Council.

Q: Does installing a water system include the extension of an existing water system?

A: Yes, it does.

Q: I thought the users of the water system already cover the cost of capital improvement and the rate is set by the Utility Board of Nova Scotia?

A: Yes, the rate is set by the UARB. And, yes, this does require capital costs to be passed on to the users of the water system.

Q: What percentage of landowners have inquired about wanting these specific upgrades other than Cape Smokey Holdings?

A: The Councillor for the Ingonish area (District 6) has publicly stated there are three main stakeholders in the community who could benefit from a wastewater system in addition to residents. The three main stakeholders are Parks Canada, Cape Smokey, and the Keltic Lodge. Also, over the years, the local Councillor has heard from several residents who state they could benefit from a wastewater system.

Q: How many proposals have been submitted to date? Are these proposals considered in progress? Specifically, are the condos on the peninsula at Cape Smokey considered “in progress”? If there are proposals submitted, valid for three years from the date of submission and how critical in nature are these proposals?

A: There are no proposals to date.

Q: Please provide a summary of any engineering or impact studies conducted to assess the proposed development’s necessity and its alignment with future demands.

A: This bylaw is not specific to any project. Specific projects are considered and evaluated through the budgeting process. Questions related to specific projects should be brought to your Councillor.

Q: Has Council considered a referendum?

A: At this point, Council has not discussed holding a referendum.

Q: What are each of your feelings?

A: At the Second Reading, each Councillor will vote publicly on whether to approve the proposed bylaw. This vote will be livestreamed and each of the Councillor votes will be recorded in the Council minutes.

Q: Is the County going to subdivide my property to get more money for Local Improvement charges?

A: A municipality cannot subdivide a private property; only a property owner can subdivide their property.

Q: Are you going to give me the money back for the septic and well that I’m still paying for through a bank loan?

A: No, the County will not give you money back.

Q: How many taxpayers in Victoria County?

A: There are approximately 7,400 properties in Victoria County. It’s difficult to give an exact number of taxpayers in the county as one taxpayer could own multiple properties.

Q: Where are the funds going in the Special Purpose Facilities Municipal Deposit Account?

A: There is no Special Purpose Facilities Account.

Q: Is the Deputy Warden, Larry Dauphinee on the Board of Cape Smokey Holdings?

A: No, he is not.