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Restructuring Proposal

for

Kent County and the City of Chatham

by

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Commissioner

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PREAMBLE

Introduction

On February 6, 1997, the Minister of Municipal Affairs and Housing, the Hon. Al Leach, appointed a Commission under section 25.3 of the Municipal Act. Established at the request of seven local communities, the purpose of the Commission was to develop a solution to Kent County's restructuring challenge. The terms of reference of the Commission included:

> *"to define the most appropriate form of local government in Kent County and the City of Chatham in terms of municipal structure, boundaries, organization, administration and responsibilities".*

The regulations governing the establishment of a restructuring commission stipulate that after consultation with each municipality in the prescribed locality, the commission shall prepare a draft of the restructuring proposal and shall give a copy of the draft to each municipality in the prescribed locality.

This document constitutes the draft restructuring proposal.

Following the publication of the draft proposal, the Commission shall hold at least one public meeting at which any person who attends is given an opportunity to make representations about the draft. Such a meeting is scheduled for March 18, 1997. Details of the meeting will be announced by means of advertisements in the local newspapers, including a newspaper provided at no cost.

In addition, the Commission hereby invites written submissions about the draft to be received on or before March 25, 1997. All submissions will be made available for inspection by each municipality and by members of the public in the prescribed locality. Following the period of inspection and submissions, the Commission shall finalize the restructuring proposal after April 25, 1997, which is thirty days after the deadline for the receipt of written submissions. The final proposal will be in the form of an order to be published in the Ontario Gazette.

Kent County and the City of Chatham

Location and Constituent Municipalities: Kent County is situated in the heart of southwestern Ontario (see Figure 1). It is bounded in the south by Lake Erie, to the west by Lake St. Clair and the County of Essex, to the north by the County of Lambton and to the east by the Counties of Middlesex and Elgin. The area is bisected by a number of rivers and creeks, the most notable being the Thames and Sydenham Rivers. The County is characterized by wide open landscapes, dotted with immaculate farmsteads and well-kept towns and villages. The modern City of Chatham occupies the geographic centre of the County.

Twenty one municipalities currently make up the County of Kent (see Table 1). The local municipalities provide a wide variety of services including local planning, public works, drainage works, local roads and building code and by-law enforcement. The County government is responsible for certain financial and administrative duties, county planning, community and social services, county roads, the Thames View Home for the Aged and county libraries.

The separated City of Chatham is responsible for all municipal services within its boundaries. Table 1 shows the approximate percentage population split of 60-40 between the County and the City of Chatham, and an approximate percentage expenditure distribution of 50-30-20 between the constituent municipalities, the City of Chatham and the County of Kent.

Population Trends[1]: As is shown in Table 1, in 1994, the County of Kent and the City of Chatham had a combined population of 101,974. Going back to 1962, the combined population of County and City has grown by 13 percent. However:

- partly as the result of successive annexations, the City of Chatham has grown by 10,000 people during the thirty-year period, a 34 percent increase; whereas the County has grown by only 1668 people, an increase of 2.7 percent.

- since 1992 the population of both Chatham and the County has decreased. In the case of Chatham by nearly 7 percent (2985 people), in the case of the County, just over 4 percent (1656 people).

- almost uniformly, the Townships in the County have been depopulating during the thirty-two year period. The Township of Chatham for instance has gone down from 8611 people in 1962 to 5987 in 1995, a 30 percent decrease, again partly due to annexations.

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[1] The following analysis has been conducted by Mr. Tim Ryall, Municipal Advisor of the Ministry of Municipal Affairs and Housing. The Commission gratefully acknowledges his contribution.

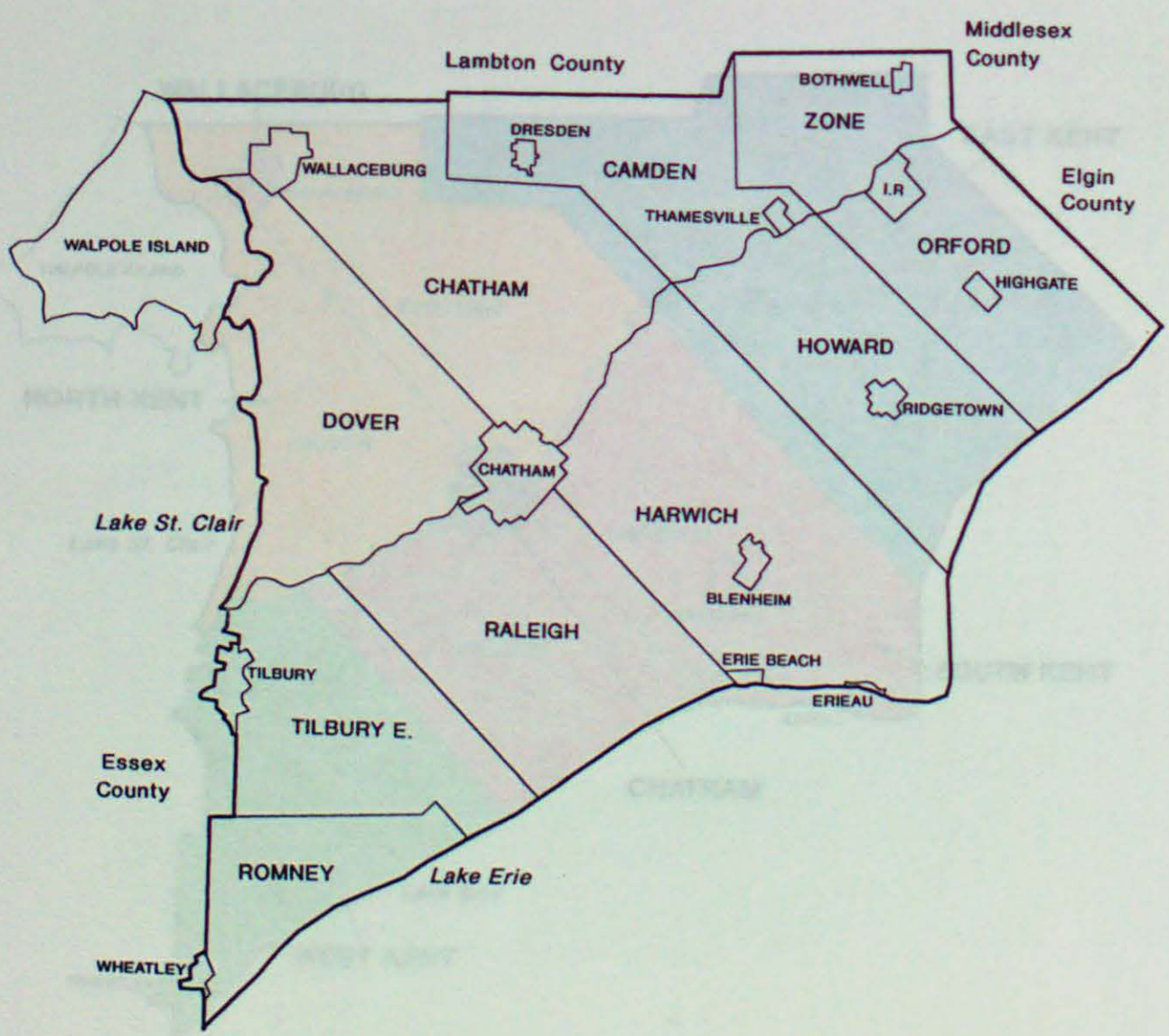

Figure 1

Kent County and City of Chatham

(as it exists today)

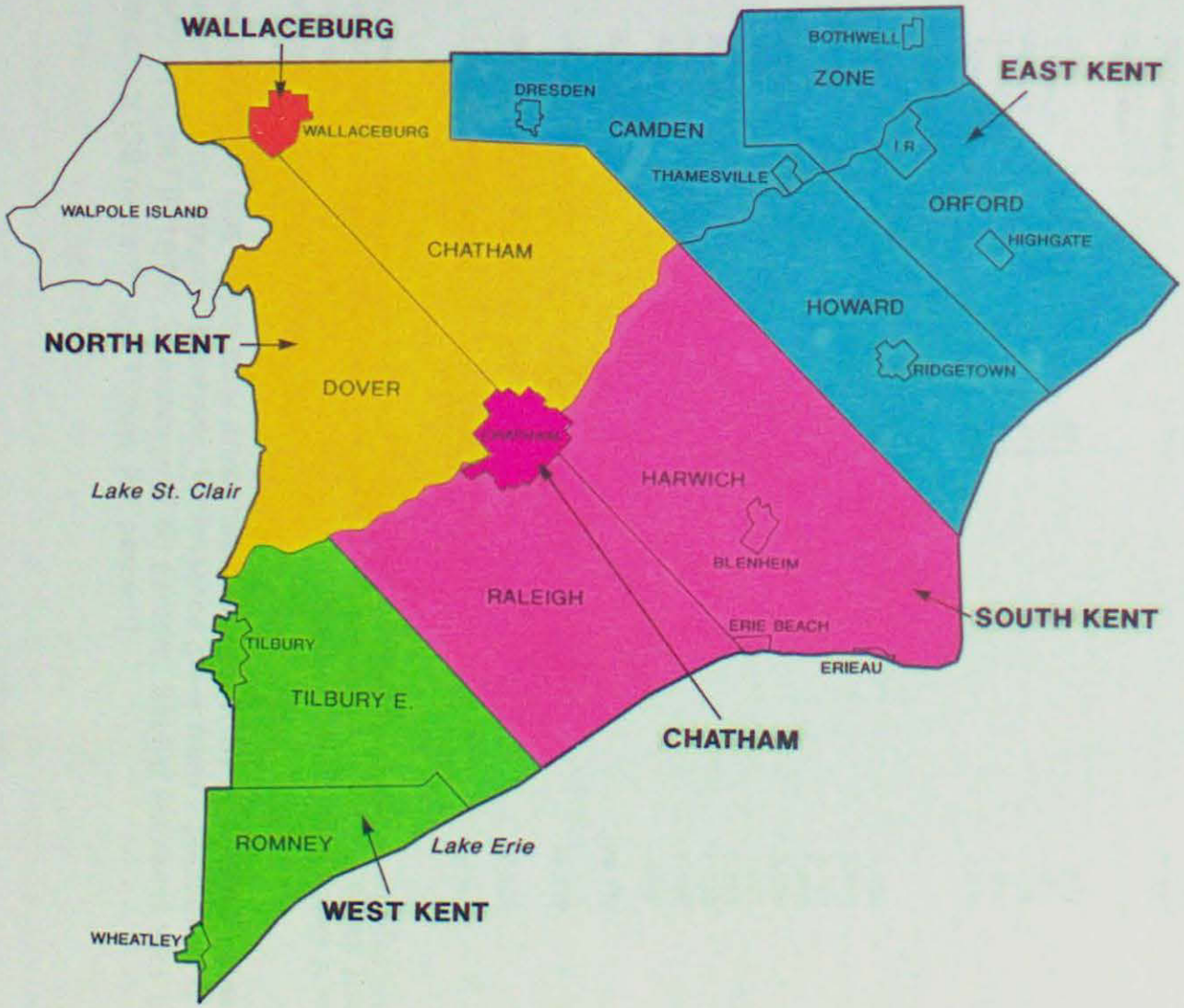

Figure 4

Two–Tier Chatham–Kent Municipality

(draft proposal by commission)

Table 1: Population (1994) and Annual Expenditures (1995) of Kent County, its constituent municipalities, and the City of Chatham

TOWNS:	Population	Expenditures ($ 000)
Blenheim	4,567	5,706
Bothwell	912	3,397
Dresden	2,492	3,059
Ridgetown	3,234	3,509
Tilbury	4,254	8,995
Wallaceburg	10,992	18,694
VILLAGES:		
Erieau	482	313
Erie Beach	236	118
Highgate	418	159
Thamesville	925	1,020
Wheatley	1,557	2,534
TOWNSHIPS:		
Camden	2,067	1,290
Chatham	5,987	5,451
Dover	3,973	6,459
Harwich	6,116	7,295
Howard	2,249	2,379
Orford	1,283	1,085
Raleigh	5,209	2,821
Romney	1,946	1,767
Tilbury East	2,273	2,667
Zone	987	460
Sub-Total		79,178
COUNTY OF KENT	62,159	43,825
CITY OF CHATHAM	39,815	62,875
TOTAL COUNTY AND CITY	101,974	185,878

Note: The source of the population statistics is the 1994 population census as reported in the Kent County Municipal Almanac. The source of the financial statistics is the 1995 MARS print-out. It includes both capital and operating expenditures. The purpose of all of these figures is merely to demonstrate their relative magnitude.

- the population loss in the rural areas has been offset by population gains in the urban areas of the County. Blenheim, for instance grew from a population of 3,147 in 1962 to 4,567 in 1995, an increase of 45 percent. Similar increases took place in Wallaceburg (39 percent) and Tilbury (41 percent).

Both the City and the County's population are aging. Between 1981 and 1991, Statistics Canada recorded a growth in those 65 and over of 16.7 percent in the County and 27.8 percent for the same age group among the residents of the City of Chatham. At the same time, the population's youth component, those between the ages of 15 to 24, declined by 19 percent in the City and 26 percent in the County. Declines have also been recorded for the 0 - 14 years age group throughout the Kent County Census Division.

Labour Force Profile: Notwithstanding the visual impact of agriculture in Kent County, the manufacturing industry is the main employer in Kent County, with 22 percent of the labour force employed in this sector in 1991, as compared to 17.3 percent in the rest of Ontario. Manufacturing is mainly automotive-related. With 13.5 percent of the labour force, retail trade is the second largest employer in the County. Agriculture and related industries account for 8.6 percent, the same number as those employed in health and social service industries.

Employment Levels: Unemployment within Kent County and the City of Chatham has decreased from an annual average of 10.8 percent in 1992 to 9.5 percent in 1996, with seasonal highs in excess of 10 percent from February to May.

Social Assistance: The County of Kent has recently passed through the most explosive growth of General Welfare Assistance (GWA) in its existence. While current caseloads have declined from historic highs, Table 2 shows the County's caseload remaining significantly above the 1980's level.

Table 2: Kent County GWA Caseload 1982 - 1996

Year	1982	1984	1986	1988	1990	1992	1994	1996
Cases	401	332	380	467	885	2391	2056	1558

Agriculture: While only the third largest employer in Kent County, agriculture remains Kent's highest profile economic activity. In 1991, the last year for which complete figures are available, some 267,000 acres of land were planted in soybeans, 147,000 acres were planted in corn, and 73,800 acres were planted in winter wheat. Almost all of Kent County is CLI Agricultural Capacity Class 1, 2 or 3. Almost 530,000 acres of improved land exist in Kent County, with much of the improvement relying on extensive drainage and pumping systems. In 1990, the gross value of agricultural products sold from Kent County farms was some $ 295 million, a significant and stabilizing capital inflow into the local economy.

A Brief History of local Government[2]: In 1842, when Upper Canada was divided into districts, Essex and Kent constituted the Western District. Its 26 member Council met at the Sandwich Courthouse, and Kent included the area that later became Lambton. In the words of Victor Lauriston, "schools and roads, assessments and petitions occupied the earnest attention of the District Councillors".

At the end of 1850, with the completion of the courthouse in Chatham, Kent and Lambton were separated for municipal purposes and the first independent County Council of Kent held its inaugural meeting in the new courthouse on February 27, 1851. The Council had 10 members, with George Witherspoon representing the Town of Chatham.

In 1837, Chatham North had been surveyed and in that same year Chatham became an incorporated village. Having been a garrison town until 1845, the village was developing an identity of its own, distinguished from the surrounding townships of which it was still legally a part. Through trade and industry, Chatham grew and in September 1879, Chatham passed a by-law "to withdraw the Town of Chatham from the jurisdiction of the Council of the County of Kent". The separation became effective November 12, 1879.

In 1895, the newly elected Premier of Ontario, the Hon. Arthur Sturgis Hardy introduced a new system of county government based on direct election. Until then, county councils had comprised the reeves and deputy reeves of the various local municipalities. In Kent, the county government consisted of 35 members.

Hardy's measure severed the time-honoured link between the local and county councils. Instead of automatic membership of reeves and deputy reeves on county council, the new law substituted a much smaller number of "county commissioners" elected directly to county council.

In the case of Kent, the townships, towns and villages were regrouped into seven districts, each electing two commissioners. With the Town of Chatham no longer being part of the County of Kent, the new council was reduced from 35 to 14 members.

Although the system was judged by Lauriston to have provided "a high quality of representative", the commissioner era was terminated in 1905 as being too much of a layer between local government and the province. In 1905, the newly elected Whitney government reverted to the old system under which reeves and deputy reeves of the local communities automatically took their seat at county council.

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[2] The following notes are largely based on Victor Lauriston's book "Romantic Kent" first published in 1952 under the auspices of the County of Kent and the City of Chatham and on photocopies of handwritten Council minutes of the City of Chatham obtained through courtesy of His Worship William Erickson, Mayor of Chatham.

The current form of local government in Kent-Chatham is a two-tier system in the County of Kent, consisting of a "lower" tier of locally elected councils in the towns, villages and townships, and an "upper" tier county council made up of reeves and deputy reeves representing those locally elected councils, surrounding the single-tier separated City of Chatham with its own elected council and mayor. As history shows, this system has been in place for nearly a century.

The Current Representation[3]: The 21 municipalities that currently constitute the County of Kent have a total of 123 elected representatives, not counting an additional 19 elected representatives for positions at Public Utility Commissions and Water or Hydro representatives. In the City of Chatham there are 8 elected representatives plus 4 elected representatives for Water and Hydro Commissions. Thus, for City and County there are 131 elected municipal representatives, and 23 elected representatives for a number of special purpose bodies, making a total of 154 elected representatives for a population of 102,000: one elected representative for every 662 resident citizens.

Local Models of Restructuring

Impetus for Restructuring: At the time Ontario's Savings and Restructuring Act was introduced, Premier Michael Harris and other government spokespersons made it known that Ontario's municipal structure was burdened by overlap and duplication between upper and lower tiers of local government, was top heavy with elected representatives, and was not organized in a manner to induce efficient and cost effective local government. Amendments to the Municipal Act were meant to give local municipalities, particularly those in rural Ontario, the means to restructure through amalgamations and thereby achieve savings and generally a lighter form of government. In those instances where municipalities were unable to reach consensus on the most desirable form of restructuring, the Minister of Municipal Affairs and Housing could be requested to appoint a commission whose task it would be to break the deadlock and arrive at a solution.

Criteria for Success: With the terms of reference for the Restructuring Commission, the Minister issued the following principles for the Commission to consider:

Less Government

- fewer municipalities
- reduced municipal spending
- fewer elected representatives
- reduced special purpose bodies

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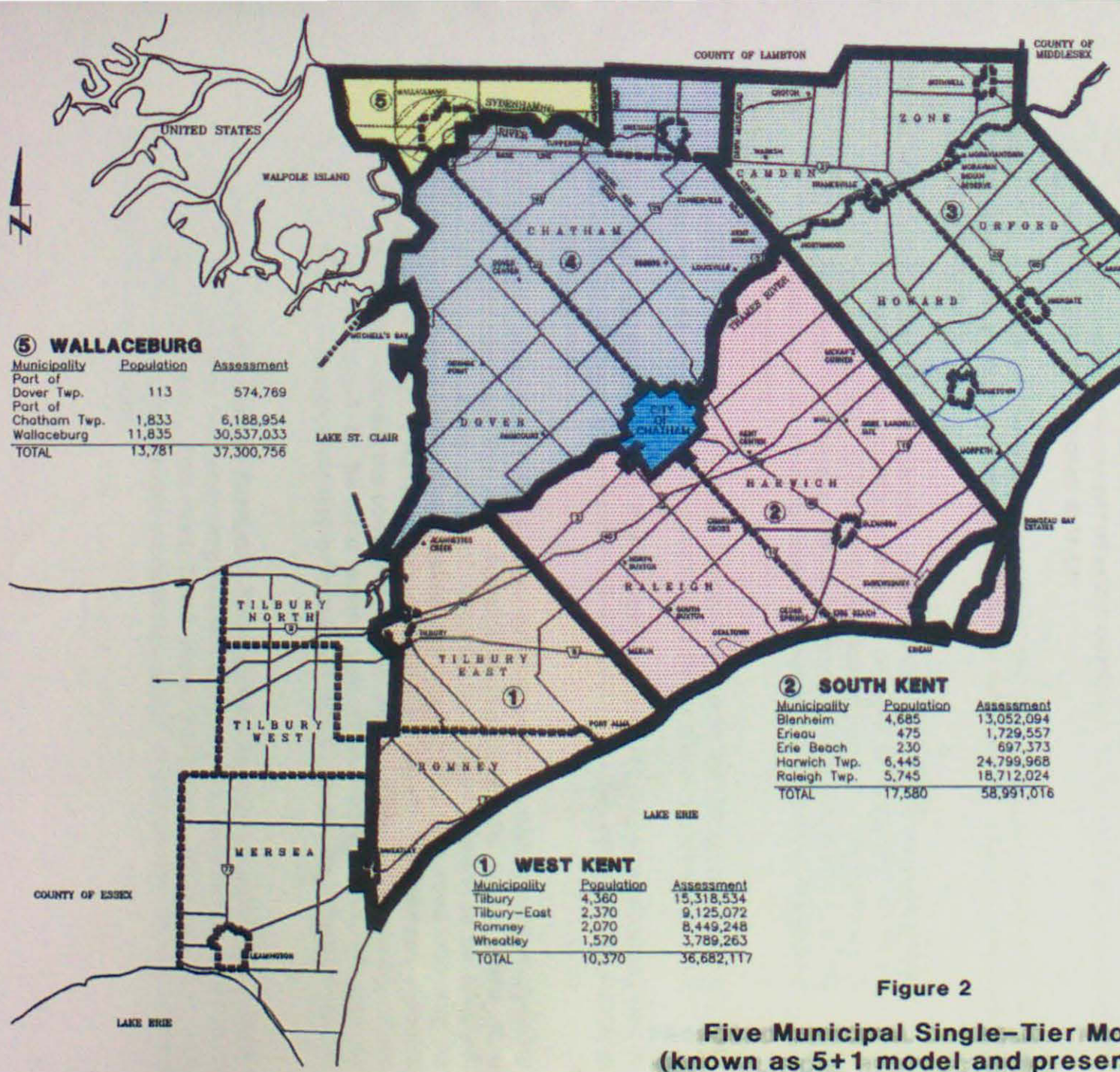
[3] The information in this section is based on information contained in a submission dated January 24, 1997, to the Minister of Municipal Affairs and Housing, the Hon. Al Leach, by W. L.Preston of Chatham.



④ NORTH KENT

Municipality	Population	Assessment
Part of Camden Twp.	700	2,373,625
Part of Chatham Twp.	4,807	20,603,053
Dresden	2,640	6,388,445
Part of Dover	3,927	19,952,710
TOTAL	12,074	49,317,833

⑤ WALLACEBURG

Municipality	Population	Assessment
Part of Dover Twp.	113	574,769
Part of Chatham Twp.	1,833	6,188,954
Wallaceburg	11,835	30,537,033
TOTAL	13,781	37,300,756

③ EAST KENT

Municipality	Population	Assessment
Bothwell	955	1,912,519
Part of Camden Twp.	1,575	5,161,693
Highgate	490	809,246
Howard Twp.	2,430	10,496,611
Orford Twp.	1,375	4,695,515
Ridgetown	3,245	8,263,104
Thamesville	1,050	2,073,391
Zone Twp.	1,050	3,260,304
TOTAL	12,170	36,672,383

② SOUTH KENT

Municipality	Population	Assessment
Blenheim	4,685	13,052,094
Erieau	475	1,729,557
Erie Beach	230	697,373
Harwich Twp.	6,445	24,799,968
Raleigh Twp.	5,745	18,712,024
TOTAL	17,580	58,991,016

① WEST KENT

Municipality	Population	Assessment
Tilbury	4,360	15,318,534
Tilbury–East	2,370	9,125,072
Romney	2,070	8,449,248
Wheatley	1,570	3,789,263
TOTAL	10,370	36,682,117

LEGEND :

- POPULATION CENTRES
- MUNICIPAL BOUNDARY
- COUNTY BOUNDARY
- PROPOSED POLITICAL BOUNDARIES
- FOR BOUNDARY ADJUSTMENTS AND THE TOWN OF WALLACEBURG SEE APPENDIX 2

* NOTE:

POPULATION DATA TAKEN FROM 1991 STATISTICS CANADA CENSUS

ASSESSMENT DATA TAKEN FROM 1995 FIR's.

SCALE 0 2 4 6 KILOMETERS

Figure 2

Five Municipal Single–Tier Model (known as 5+1 model and presented by coalition of municipalities)

4. North Kent, is a proposed amalgamation between the Townships of Dover, Chatham, part of Camden and the Town of Dresden. The council would consist of seven members, including a mayor elected at large. The municipalities making up North Kent currently have a comprehensive water servicing agreement with the City of Chatham. Dresden is the commercial and administrative centre.

5. Wallaceburg, would be a slightly enlarged version of the present municipal boundaries by inclusion of the so-called Gore of Chatham and part of the Township of Dover. The council would consist of seven members, including a mayor and deputy mayor, with all members elected at large.

According to p. 46 of the brief dated February 17, 1997 and submitted to the Commission by the coalition of municipalities on February 21, the five municipalities will be supported by a

> *"Board of Management in the Tindal Kingston/Frontenac mode. Such a Board of Management is capable of assuming all of the responsibilities of a County by majority vote of its members. In general, the Board would be composed of representatives of the five lower-tier municipalities and would not be a separate level of government."*

The Board will be used as a vehicle "to facilitate joint servicing arrangements both existing and those which may be downloaded now and in the future" (p. 47).

The savings associated with the five one-tier municipality model were presented to the Commission as being approximately $ 5.5 million (p. 26) per year, not counting initial transition costs.

According to the coalition's brief, a straw vote taken at County council on January 22, 1997, indicated that the five municipal single-tier model would carry, thus receiving the "triple majority approval" required for a local solution to be adopted. However, before the official vote was taken, the meeting was adjourned following the sudden death of the Deputy Reeve of Orford Township, Mr. Claude Johnson, who had spoken in favour of retaining the county structure. The meeting of January 29, where the vote was expected to be held again, was adjourned for lack of quorum. Consequently, the five-municipality proposal has not been put to a County council vote.

Streamlined Two-tier County System: The proposal for a six-municipality two-tier county system assumes the continuing existence of Kent County with six constituent municipalities: North Kent, East Kent, South Kent, West Kent, Wallaceburg and the City of Chatham. Each constituent municipality would be represented by two elected officials at County council.

The streamlined two-tier system, although favoured by some representatives from the Townships of Howard, Orford and Romney as well as from the Town of Tilbury, was not approved by County Council, and has therefore no official status and no appointed advocate in the community.

Unicounty: The Unicounty model that was presented to the Commission by the Reeve of Camden Township, Ms. Lorna Graham, represents the views of elected officials and citizens from fifteen municipalities. The proposal is based on the draft Unicounty model created by the Kent County Municipal Services Review Committee. The model calls for one municipality created by amalgamating the twenty-one existing municipalities and the County of Kent into one municipality. Services like waste management, economic development, planning, policing, fire and roads would all be "under one roof". Long-term savings associated with this model have been calculated to be of the order of $ 5 million.

The council of the new municipality would be reduced to twenty-three members, elected from six wards (see Figure 3) at a ratio of about 2800 citizens per elected representative.

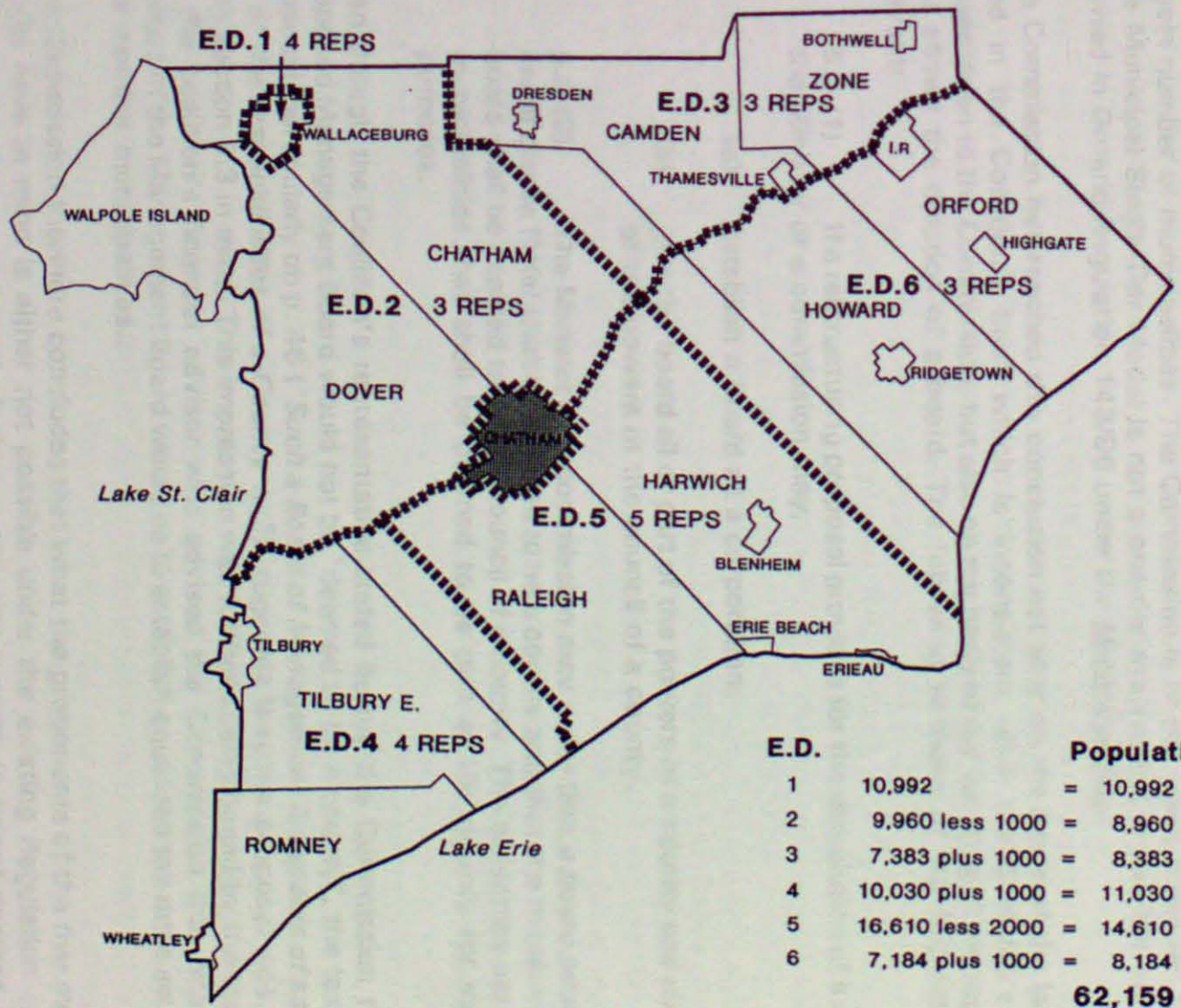
According to the testimony presented to the Commission, the Unicounty model has majority support from the Townships of Camden and Tilbury East, and minority support from the Towns of Blenheim and Dresden, the Village of Erieau, the Village of Erie Beach (who called the proposal "United Kent"), the Village of Highgate, the Township of Harwich, the Township of Orford, the Township of Raleigh, the Township of Romney and the Township of Zone.

Unicity: This model calls for the amalgamation of the City of Chatham, the County of Kent and the twenty-one constituent municipalities. Unicity would have ten councillors, which equates with representation of one councillor per 10,000 population, and a Mayor for a total council of eleven. Savings associated with the Unicity model have been calculated to be of the order of $ 6 million.

The model was supported before the Commission by the Economic Development Commissioner of the Village of Thamesville, Ms. Nola Clarke-Bak. Her brief to the Commission states: "*Harming our own growth through inaction, and working against ourselves because of artificial barriers more than a century old, is dangerous.*"

The Unicity model was endorsed by council minorities from the Towns of Dresden, Ridgetown, and Tilbury and the Village of Erieau.

6 ELECTORAL DISTRICTS 22 ELECTED REPS.



E.D.			Population	#Reps	Popn/Rep
1	10,992	=	10,992	4	2748
2	9,960 less 1000	=	8,960	3	2987
3	7,383 plus 1000	=	8,383	3	2794
4	10,030 plus 1000	=	11,030	4	2758
5	16,610 less 2000	=	14,610	5	2922
6	7,184 plus 1000	=	8,184	3	2728
			62,159	**22**	**Ave.:2825**

Figure 3

Unicounty Model

(presented to commission)

Commission's Assessment of the Local Models of Restructuring

One-tier, Stand-alone, Separated: The Commission assumes that - even in the eyes of the original proponents - the stand-alone separated model has been overtaken by events and need no longer be considered as a restructuring option.

Five Municipal Single-tier Model: This model has received the most attention from the largest number of municipalities. The Commission is of the view, however, that the Five Municipal Single-Tier Model is not a one-tier system but a two-tier system as allowed in Ontario Regulation 143/96 under the Municipal Act.

The Commission has reached this conclusion not only on the basis of the language used in the Coalition's brief which is inconsistent with the Coalition's verbal presentation to the Commission, but also on the basis of the wording of the regulation that allows the creation of a board. The following sections of the Regulation are relevant:

> 5.3 (1) If a restructuring proposal provides for the dissolution of a county, the Minister or a commission may,
>
> (a) establish a board as a corporation;
>
> (b) give the board all or part of the powers of a county and all or part of the powers of the council of a county.
>
> 5.3 (2) The Minister or a commission may order that a board established under clause (1)(a) shall be deemed to be a county and that the members of the board shall be deemed to be the council of a county. The order may set out the municipalities that shall be deemed to be part of the county for municipal purposes.

Even though the Coalition's representative stated before the Commission that the proposed Management Board would not be "deemed to be a county", the text of the proposal, particularly on p. 46 ("*Such a Board of Management is capable of assuming all of the responsibilities of a County ....*") suggests that the proposal was drafted with section 5.3 in mind. This impression was further strengthened by the testimony of the coalition's financial advisor who advised the Commission that one of the powers of the Management Board would be to establish equalized tax rates among the five member municipalities.

The Commission therefore concludes that what the proponents of the five municipal model have in mind is either not possible under the existing Regulation (a board without county powers), or is in fact a two-tier system (a board deemed to be a county) without the accountability structure of a county council.

Another consideration in the assessment of the five municipal one-tier model is the financial viability of the member municipalities. We will return to that concern on p. 14.

Streamlined Two-tier County System: The strengthened two-tier county system, with the inclusion of the City of Chatham is clearly patterned after the recent restructuring in neighbouring Lambton County. In Lambton County, the separated City of Sarnia was amalgamated with the Town of Clearwater and the new City of Sarnia re-joined the County. In order to overcome the representation problems posed by the larger population of the new City of Sarnia (54,329) as opposed to the rest of the County (42,929), the restructuring was based on an agreement to allocate 40 percent of the county council vote to the City and 60 percent to the rural municipalities.

According to a case study by the University of Western Ontario[4], "*Implementation proceeded quickly and quietly. Problems which were expected to slow the process have been remarkably absent*". In an interview with the Mayor of Sarnia, His Worship Mr. Mike Bradley, the Commission was told that the feared rural-urban split has never been an issue in the County's governance.

In 1996, the "Who-Does-What" Panel examined the relationship between county government and separated cities. On pages 9 and 10 of a letter dated December 6, 1996, the Hon. David Crombie as Chair of the Panel, recommended to the Minister of Municipal Affairs and Housing to:

- Maintain and strengthen the two-tier county system of governance, except where a one-tier structure is a compelling and locally agreed-upon option,
- Reduce the number of area municipalities by amalgamation to create strong local governments, capable of delivering services and encompassing interdependent urban and rural communities,
- Bring separated cities and towns back into the county federation where separated cities have a smaller or similar population base to the surrounding county,
- Provide flexibility for:
  - direct election to county council by ward, with head of council directly elected for the term of council, or
  - a combination of indirect election of heads of lower tier councils, and direct election of other county councillors from within lower tier boundaries, with weighted voting if necessary. Head of county council to be directly elected for the term of council.

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[4] "Annexation and Restructuring in Sarnia-Lambton: A Model for Ontario County Government" by Brian Montgomery, 1990, Department of Political Science, University of Western Ontario.

Measured against the criteria for success, the Commission is of the view that the streamlined county system scores relatively high on reduced government and high on effective representation. However, by maintaining any lower tier municipalities, it is not clear to what extent the sub-criteria under "best value for taxpayers money" can be satisfied. As with any two-tier system, there will undoubtedly remain some duplication between the upper and the lower tier, and the delineation of responsibilities between local government bodies will not always be clear.

Finally, the Commission has doubt about the renewed County's ability to "attract and retain highly qualified staff". The current county administration has no senior treasury officer, no senior personnel officer, limited or no county growth management and economic development function, and the chief administrative officer has just resigned.

Unicounty: In the Commission's opinion, the Unicounty model has many attractive features. It clearly reduces government, it maintains an effective system of representation, it reduces overlap and duplication (within the county, that is) and could certainly deliver services effectively and efficiently.

However, by leaving out the City of Chatham, the Commission fears that the model might be less than optimal in several ways. It would lead to two centralized administrations existing side by side and would, therefore, not reduce duplication and overlap as much as would be possible if the City of Chatham were included in the model.

Unicity: Measured against the criteria for success, the Unicity scores high. It reduces government, it enhances efficiency, it is likely to deliver services in an equitable way throughout its territory, it would allow better economic development in the 401 corridor and would by most measures be seen as a "streamlined, simplified government". However, where the model fails in the eyes of many, is its perceived inability to deal with strictly rural issues: the administration of Ontario's Drainage Act, the recognition that rural property standards by the very nature of rural property can not be the same as urban property standards, the need to keep taxes on agricultural lands as low as possible as a competitive advantage to Kent County farmers, and the loss of contact between individual ratepayers and their elected representatives.

Conversely, it does not address the fear of City representatives that the City would inevitably lose some of its identity in a Unicity model.

Financial Impact of New Responsibilities: Before coming to a final assessment as to the merits of any of the local restructuring proposals, we should examine the financial impact of the new responsibilities that have been announced for transfer to the municipalities as part of the "Who-Does-What" re-alignment.

The following analysis is the unanimous result of a joint analysis by Commission staff[5], the financial advisor to the five-municipal one-tier coalition, Mr. William J. Day, B.Comm, C.A., the Chief Administrative Officer of the City of Chatham, Mr. Hugh Thomas P.Eng., the Director of the Social and Seniors' Services Department of the City of Chatham, Mr. Greg G. Keating, B.A., the Deputy Treasurer of the City of Chatham, Mr. Gerry Wolting, Mr. John Maddox, Senior Municipal Advisor of the Ministry of Municipal Affairs and Housing, and Mr. Don Taylor also of the Ministry of Municipal Affairs and Housing.

Table 3 shows that - without mitigation - the financial impact of the Who-Does-What re-alignment on Kent County and the City of Chatham would be a net cost of $ 28 million, or a 15 percent increase over the 1995 combined budgets of the two municipalities.

Returning now to the five one-tier municipal model, the Commission has been advised that for the Town of Wallaceburg, for instance, the pro-rated effect of this total impact would be $ 3.7 million on a tax levy of $ 8 million. If the Who-Does-What realignment were to be implemented as announced, and keeping in mind that one of the criteria of successful restructuring is financial self-sufficiency, the Commission must conclude that municipalities will be in a much better position to deal with these impacts by creating bigger, not smaller municipal entities.

With respect to mitigating the impact of the service re-alignments, the Government of Ontario announced on February 21, 1997 the creation of two special teams to deal with the financial impact of the Who-Does-What changes. One team, co-chaired by the President of the Association of Municipalities of Ontario, Mr. Terry Mundell and the Parliamentary Assistant to the Minister of Community Services, Mr. Jack Carroll, will address social and community health services. A second team, co-chaired by Mr. Mundell as well, and the Parliamentary Assistant to the Minister of Municipal Affairs and Housing, Mr. Ernie Hardeman, will deal with all other proposed WDW changes.

In the words of the Minister of Community and Social Services, the Hon. Janet Ecker, these teams will "help to ensure that all parties are fully prepared to handle their new responsibilities". On the social and community health services team, one of the first issues to be discussed will be the design of the *Municipal Social Assistance Reserve*, and the potential for alternative cost-sharing methods for social programs.

The teams are expected to work through 1997, and beyond, during the design, transition and implementation stages. Whatever the final restructured configuration of Kent County and the City of Chatham might be, it appears to the Commission that one of the first orders of business for the municipal transition board(s) will be to assess to what extent the estimated WDW shortfall can be alleviated from restructuring efficiencies, using best management practices, and to what extent the new municipality/ties would require transition assistance from one or both of the provincial teams.

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[5] For the purpose of this analysis, the Commission engaged the services of Kime, Mills, Dunlop, Chartered Accountants in London, Ontario, and particularly of Mr. James C.Dunlop, B.Sc., C.A., a partner in the firm.

Table 3: ANALYSIS ($ 000) OF WHO-DOES-WHAT RE-ALIGNMENT

	City of Chatham	County of Kent
	Increase (or Decrease)	Increase (or Decrease)
Removal of Residential Education Tax	**($ 13,200)**	**($ 26,223)**
Children's Aid Society	($ 450)	($ 775)
Provincial Offences	($ 273)	($ 427)
Women's Centre	($ 9)	($ 9)
Total Income	**($ 13,932)**	**($ 26,984)**
New Expenses:		
Health Unit	$ 863	$ 1,365
Homes for the Aged	635	1,630
Social Services, GWA & FBA	8,484	13,775
Non profit housing	3,065	1,770
Day Care, own centres	320	219
Other local day care subsidies	666	1,097
Long-term care - Home Care	1,983	3,096
Homes for special	27	43
Nursing Homes	2,568	2,879
Community support	176	275
Police Service	-	4,443
Farm Tax Rebate Reduction	-	4,315
Transit	298	-
Ambulance	905	1,413
Municipal Support Grant	2,169	7,506
Library	76	300
Assessment delivery	421	953
Gross Receipts Tax Revenue	435	677
Total new Expenses	**$ 23,091**	**$ 45,756**
Net Cost	**$ 9,159**	**$ 18,772**

Conclusion

This concludes the Preamble of the draft restructuring proposal. After considering all factors and submissions that have been put before the Commission on the governance of the County of Kent and the City of Chatham, and taking into account to the extent possible the emotions that have been expressed about the differences between rural and urban life, the Commission is of the view that Canada's current societal and economic circumstances demand that ways must be found to bring the two solitudes together so that civic leaders of this area can work together towards a future that ensures a safe and comfortable place to live and raise children, an environment that offers fulfilment and prosperity in meaningful work, and a place to enjoy the days of retirement.

In working towards this goal, the Commission urges the citizens of Kent and Chatham to acknowledge the natural and historical advantages of all parts of their environment:

- the beauty and natural bounty of its farmland,
- the comforts, amenities, and opportunities of its city and towns, and
- the faith and ingenuity of all of its people.

The fear that identities will be dissolved through governance is not borne out by history and ignores the power of the human spirit to maintain its identity. The community of Pain Court in Dover Township is a convincing case in point.

Seen against this backdrop, the Commission has concluded that at this time two models offer themselves for further consideration and public consultation:

- *A strengthened and simplified two-tier county system, including the City of Chatham as advocated by the Who-Does-What Panel, based on one representative from the councils of the Towns of East Kent, North Kent, West Kent, and Wallaceburg, two representatives from the Town of South Kent, four representatives from the City of Chatham, and a warden elected at large. This proposal will be called the* ***"Two-tier Chatham-Kent Proposal"****.*

- *A one-tier municipal model, made up of one representative from each of the wards of East Kent, North Kent, West Kent and Wallaceburg, two representatives from the ward of South Kent, and four representatives from the ward of Chatham and a mayor elected at large. In the next section of this paper this proposal will be referred to as the* ***"One-tier Chatham-Kent Proposal"****.*

The configuration of both proposals, respecting existing municipal boundaries, is shown in Figures 4 and 5. The next section of this document contains the draft orders that would establish either model of governance.

DRAFT ORDER

TWO TIER CHATHAM-KENT

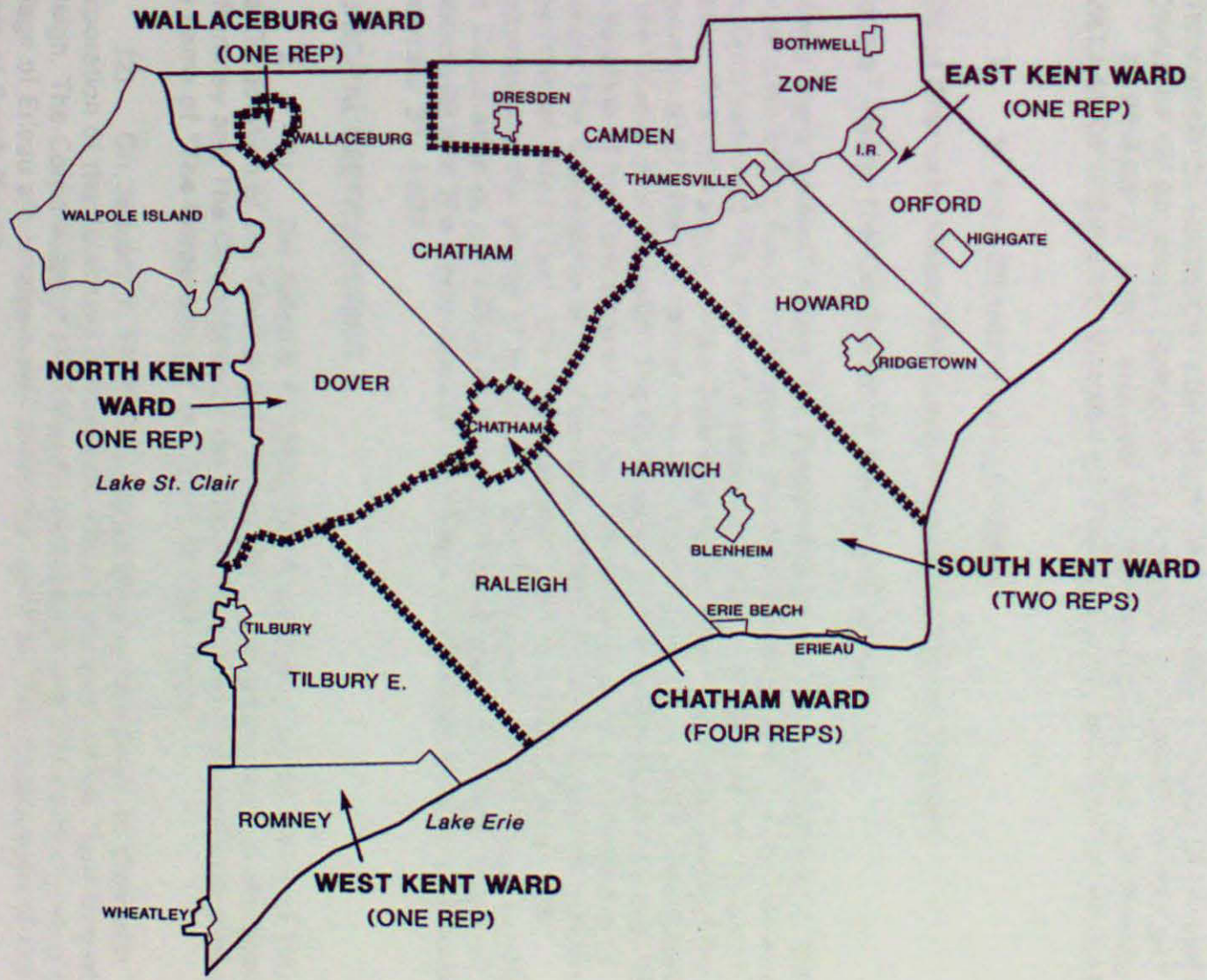

Figure 5

Wards for Single–Tier Chatham–Kent Municipality

(draft proposal by commission)

TWO TIER CHATHAM-KENT
DRAFT RESTRUCTURING PROPOSAL

COUNTY OF KENT
CITY OF CHATHAM
TOWN OF BLENHEIM, TOWN OF BOTHWELL, TOWN OF DRESDEN
TOWN OF RIDGETOWN, TOWN OF TILBURY, TOWN OF WALLACEBURG,
TOWNSHIP OF CAMDEN, TOWNSHIP OF CHATHAM, TOWNSHIP OF DOVER
TOWNSHIP OF HARWICH, TOWNSHIP OF HOWARD, TOWNSHIP OF ORFORD
TOWNSHIP OF RALEIGH,TOWNSHIP OF ROMNEY, TOWNSHIP OF TILBURY EAST
TOWNSHIP OF ZONE, VILLAGE OF ERIE BEACH, VILLAGE OF ERIEAU
VILLAGE OF HIGHGATE, VILLAGE OF THAMESVILLE, VILLAGE OF WHEATLEY

1. In this draft restructuring proposal,

"City of Chatham" means The Corporation of the City of Chatham;

"County" means The Corporation of the County of Kent; and

"former municipalities" means The Corporation of the Town of Blenheim, The Corporation of the Town of Bothwell, The Corporation of the Town of Dresden, The Corporation of the Town of Ridgetown, The Corporation of the Town of Tilbury, The Corporation of the Township of Camden, The Corporation of the Township of Chatham, The Corporation of the Township of Dover, The Corporation of the Township of Harwich, The Corporation of the Township of Howard, The Corporation of the Township of Oxford, The Corporation of the Township of Raleigh, The Corporation of the Township of Romney, The Corporation of the Township of Tilbury East, The Corporation of the Township of Zone, The Corporation of the Village of Erie Beach, The Corporation of the Village of Erieau, The Corporation of the Village of Highgate, The Corporation of the Village of Thamesville and The Corporation of the Village of Wheatley as they existed on December 31, 1997.

MUNICIPAL RESTRUCTURING

2. (1) On January 1, 1998, The Corporation of the Town of Tilbury, The Corporation of the Township of Tilbury East, The Corporation of the Township of Romney and The Corporation of the Village of Wheatley are amalgamated under the name of "The Corporation of the **Town of West Kent**".

(2) On January 1, 1998, The Corporation of the Town of Blenheim, The Corporation of the Township of Harwich, The Corporation of the Township of Raleigh, The Corporation of the Village of Erie Beach and The Corporation of the Village of Erieau are amalgamated under the name of "The Corporation of the **Town of South Kent**".

(3) On January 1, 1998, The Corporation of the Town of Bothwell, The Corporation of the Town of Dresden, The Corporation of the Town of Ridgetown, The Corporation of the Township of Howard, The Corporation of the Township of Orford, The Corporation of the Township of Zone, The Corporation of the Township of Camden, The Corporation of the Village of Thamesville and The Corporation of the Village of Highgate are amalgamated under the name of "The Corporation of the **Town of East Kent**".

(4) On January 1, 1998, The Corporation of the Township of Chatham and The Corporation of the Township of Dover are amalgamated under the name of "The Corporation of the **Town of North Kent**".

(5) On January 1, 1998, the City of Chatham forms part of the County for municipal purposes.

(6) On January 1, 1998, the County of Kent is composed of the municipalities of the City of Chatham, the Town of Wallaceburg, the Town of West Kent, the Town of South Kent, the Town of East Kent and the Town of North Kent as set out in this section.

POLICE VILLAGE

3. (1) The Police Village of Merlin is dissolved on January 1, 1998.

(2) The terms of office of the trustees of the Police Village of Merlin are extended until December 31, 1997.

(3) On January 1, 1998, all by-laws or resolutions of the former Police Village of Merlin become by-laws or resolutions of the Town of South Kent and its local boards.

(4) On January 1, 1998, all assets and liabilities, rights and obligations of the former Police Village of Merlin become assets and liabilities, rights and obligations of the Town of South Kent and its local boards.

WARDS

4. Effective January 1, 1998, all wards in the former municipalities are dissolved.

5. (1) Effective January 1, 1998, the Town of West Kent shall be divided into three wards as set out in this section.

(2) Ward one shall be composed of the former Town of Tilbury.

(3) Ward two shall be composed of the former Township of Romney and the Village of Wheatley.

(4) Ward three shall be composed of the former Township of Tilbury East.

6. (1) Effective January 1, 1998, the Town of South Kent shall be divided into three wards as set out in this section.

(2) Ward one shall be composed of the former Township of Raleigh.

(3) Ward two shall be composed of the former Township of Harwich, the former Village of Erieau and the former Village of Erie Beach.

(4) Ward three shall be composed of the former Town of Blenheim.

7. (1) Effective January 1, 1998, the Town of East Kent shall be divided into five wards as set out in this section.

(2) Ward one shall be composed of the former Town of Ridgetown.

(3) Ward two shall be composed of the former Township of Howard.

(4) Ward three shall be composed of the former Township of Orford and the Village of Highgate.

(5) Ward four shall be composed of the former Town of Bothwell and the Township of Zone.

(6) Ward five shall be composed of the former Town of Dresden, the Township of Camden, the Village of Thamesville.

8. (1) Effective January 1, 1998, the Town of North Kent shall be divided into two wards as set out in this section.

(2) Ward one shall be composed of the former Township of Chatham.

(3) Ward two shall be composed of the former Township of Dover.

COUNTY COUNCIL

9. The terms of office of the members of the County council are extended until December 31, 1997.

10. (1) The council of the County of Kent shall, effective January 1, 1998, be composed of a head of council and ten members of council.

(2) The county council shall be composed of,

(a) a head of council who shall be elected by general vote;

(b) the heads of councils of each local municipality;

(c) one additional member of the council of the Town of South Kent; and

(d) three additional members of the council of the City of Chatham.

(3) The head of council and each member of council shall each have one vote.

11. The members of County council elected in the 1997 municipal elections shall not take their seats until January 1, 1998.

LOCAL COUNCILS

12. The terms of office of the members of the councils of the former municipalities and the City of Chatham are extended until December 31, 1997.

13. (1) Effective January 1, 1998, the council of the City of Chatham shall be composed of a head of council and eight members who shall be elected by general vote.

(2) Effective January 1, 1998, the council of the Town of Wallaceburg shall be composed of a head of council and four members who shall be elected by general vote.

(3) Effective January 1, 1998, the council of the Town of West Kent shall be composed of,

(a) a head of council who shall be elected by general vote;

(b) three members for Ward one;

(c) two members for Ward two; and

(d) one member for Ward three.

(4) Effective January 1, 1998, the council of the Town of South Kent shall be composed of,

(a) the head of council who shall be elected by general vote;

(b) two members from Ward one;

(c) two members from Ward two; and

(d) two members from Ward three.

(5) Effective January 1, 1998, the council of the Town of East Kent shall be composed of,

(a) a head of council who shall be elected by general vote;

(b) one member from Ward one;

(c) one member from Ward two;

(d) one member from Ward three;

(e) one member from Ward four; and

(f) two members from Ward five.

(6) Effective January 1, 1998, the council of the Town of North Kent shall be composed of,

(a) a head of council who shall be elected by general vote;

(b) two members from Ward one; and

(c) two members from Ward two.

(7) Each member of the council of a local municipality shall have one vote.

MUNICIPAL ELECTIONS

14. (1) The 1997 regular municipal elections shall be conducted as if the amalgamations under section 2 were already in effect and the commissions under section 40 were already established.

(2) For the Town of West Kent amalgamated under subsection 2(1), the clerk of the Town of Tilbury shall be responsible for conducting the election pursuant to Municipal Elections Act, 1996.

(3) For the Town of South Kent amalgamated under subsection 2(2), the clerk of the Town of Blenheim shall be responsible for conducting the election pursuant to Municipal Elections Act, 1996.

(4) For the Town of East Kent amalgamated under subsection 2(3), the clerk of the Town of Ridgetown shall be responsible for conducting the election pursuant to Municipal Elections Act, 1996.

(5) For the Town of North Kent amalgamated under subsection 2(4), the clerk of the Township of Chatham shall be responsible for conducting the election pursuant to Municipal Elections Act, 1996.

ASSETS AND LIABILITIES

15. (1) All assets and liabilities, rights and obligations including employees, of the former municipalities of the Town of Tilbury, the Township of Tilbury East, the Township of Romney and the Village of Wheatley and their local boards become the assets and liabilities, rights and obligations of the Town of West Kent and its local boards, and the Town of West Kent and its local boards stand in the place of the former municipality and its local boards.

(2) Employees that held non-bargaining unit positions with a former municipality listed in subsection (1) or its local boards and will be employed by the Town of West Kent or its local boards, in a bargaining unit position, will be credited with seniority at a rate of one hundred percent of the employee's length of service as if the position held with the former municipality or its local boards was a bargaining unit position with the Town of West Kent.

16. (1) All assets and liabilities, rights and obligations including employees, of the former municipalities of the Town of Blenheim, the Township of Raleigh, the Township of Harwich, the Village of Erie Beach and the Village of Erieau and their local boards become the assets and liabilities, rights and obligations of the Town of South Kent and its local boards, and the Town of South

Effective Representation System

- accessible
- accountable
- representative of population served
- size that permits efficient priority-setting

Best Value for Taxpayer's Money

- efficient service delivery
- reduced duplication and overlap
- ability to capture costs and benefits of municipal services within the same jurisdiction
- clear delineation of responsibilities between local government bodies

Ability to Provide Municipal Services from Municipal Resources

- local self reliance to finance municipal services
- ability to attract and retain highly qualified staff

Supportive Environment for Job Creation, Investment and Growth

- streamlined, simplified, government
- high quality services at the lowest possible cost

In applying these principles, there will be trade-offs. The optimum size of a council that permits efficient priority setting may not be the optimum size from the point of view of effective representation. Keeping these judgements in mind, the Commission is required by the Minister to find a solution that satisfies all of these principles to some degree, and as many as possible to a maximum degree.

Against this backdrop, we will now turn to the restructuring models that had been developed locally at the time the Commission was appointed.

Local Models: In Kent County, the attempts at municipal restructuring have essentially followed one of four models: (1) stand-alone one-tier structures separated from the County, (2) County government to be replaced by a small number of one-tier structures made up of amalgamated lower tier municipalities, with coordination or joint purchase of some services through a management board, (3) an improved two-tier County structure made up of amalgamated lower tier municipalities including the City of Chatham and two person representation on a smaller county council, and (4) a one-tier system constructed by amalgamating all lower tier rural municipalities into one governing body while abolishing the upper tier county government, generally referred to as "Unicounty" or "United Kent". With the exception of (3), all of these models assume the continuation of Chatham's status as a separate City, although some models see the City of Chatham as a provider of services.

More recently, a fifth model has emerged, one consisting of a complete amalgamation of all lower tier County municipalities and the City of Chatham, with dissolution of the County government. This model was being referred to by several municipal delegations as "Unicity".

Through all of these efforts run two opposing thoughts: on the one hand are those who wish to abolish the two-tier county system (without agreement as to the scale or nature of the resulting one-tier system), while on the other side stand those who wish to streamline and strengthen the existing two-tier county system by including the City of Chatham and by reducing the number of constituent municipalities and thus the number of representatives on County council. The motivation of the first group appears to be frustration with the inefficiencies of the two-tier system, its cumbersome and slow decision-making process, its lack of county-wide planning, and the waste inherent in overlapping bureaucracies. The motivation of the second group appears to be a genuine belief in the historic value and validity of the County system of government, its ability to share financial loads through tax equalization, and its ability to maximize political involvement at the local level.

There is a unifying thought to most of these models as well: the assumption that the rural needs and priorities are so different from the urban needs and priorities, that it is impossible to contemplate a joint enterprise between the County and the City of Chatham. This view is not confined to the rural municipalities. In its submission to the Commission the City of Chatham stated: "*We implore you to reject any inclusion of the City in a County model*". The Chatham Daily News reported on February 21: "*Politicians clamor to keep city, county separate entities*". A similar headline in the London Free Press of February 19 read: "*Kent Councillors' only common goal is wanting to keep clear of Chatham*".

Following are brief descriptions of the five local models, augmented with comments and endorsations received from individual delegations during the consultations with all municipal councils in the Kent-Chatham area.

One-tier, Stand-alone, Separated: In November 1996, in the spirit of the newly proclaimed amendments to the Municipal Act, the Township of Dover developed a restructuring proposal that contemplated "*a separation of Dover from the County of Kent, thereby rendering Dover a single-tier municipality*", to be called the Town of Dover. The proposal envisaged that the new Town of Dover would be responsible for all municipal services, including those mandated by legislation and/or provided by the County of Kent. The savings resulting from the new structure were calculated to be approximately $ 400,000.00

When the proposal failed to achieve the requisite level of County support, the Township Council resolved on November 18, that the Minister of Municipal Affairs and Housing be asked to appoint a Commission for the Township in accordance with section 25.3(1) of the Municipal Act.

At the time of Dover's proposal, other municipalities were contemplating similar one-tier separated restructuring solutions, notably the municipalities of Harwich, Blenheim and Raleigh.

Although none of these individual initiatives found favour with surrounding municipalities, there grew, nevertheless, a general determination among a significant number of civic leaders that a way should be found to replace the two-tier County system with some form of one-tier system. The resulting proposal by a coalition of twelve municipalities in Kent County is called the Five Municipal Single-tier Model.

Five Municipal Single-tier Model: This model, referred to by some as "5 + 1", because of the silent presence of the City of Chatham at the planned Management Board, is supported by a coalition of twelve municipalities, representing nearly 80 percent of Kent's population. The proposal, which was presented to the Commission by the Deputy Reeve of the Town of Ridgetown, Mr. Roy Wilkinson Jr. is structured as follows (see Figure 2):

The County of Kent will be replaced by five single-tier municipalities made up of amalgamated constituent municipalities. Based on existing communities of interests, the proposed new municipalities are:

1. East Kent, representing the proposed amalgamation of Ridgetown, Howard Township, Orford Township, Zone Township, Bothwell, Camden Township, Highgate and Thamesville. The council would consist of seven members, including a mayor to be elected at large. The administrative centre of East Kent south of the Thames River would be Ridgetown, whereas Bothwell and Thamesville would provide corresponding services north of the Thames.

2. South Kent, comprising Harwich Township, Raleigh Township, Blenheim, Erie Beach and Erieau. The council would consist of seven members, including a mayor to be elected at large. Blenheim would continue to be the urban hub of the new community. The Townships of Raleigh and Harwich have a comprehensive agreement with the City of Chatham establishing a joint planning area and planning advisory board, a process for extension of water lines from the City into adjacent rural areas and a commitment to pursue cooperatively the economic development of the so-called 401 corridor.

3. West Kent, the municipalities constituting the new West Kent are: the Town of Tilbury, the Township of Tilbury East, the Village of Wheatley, and Romney Township. The council would consist of seven members with a mayor to be selected from within the members of council for the first term, and at large thereafter. Tilbury would continue to be the central recreational, medical and education centre of the new municipality.

AREA RATING

14. The new municipality may provide for a special mill rate adjustment upon the rateable property located in the area of the former municipalities to pay for any debts, deficits, surpluses, reserves or reserve funds created prior to January 1, 1998, by that former municipality.

LOCAL BOARDS

15. The terms of office of the members of any local boards are extended until December 31, 1997.

16. All local boards in the former municipalities (excluding those required by any general or special legislation) are dissolved on January 1, 1998.

PUBLIC UTILITIES COMMISSIONS

17. The terms of office of the members of any public utilities commissions are extended until December 31, 1997.

18. (1) All public utilities commissions in the former municipalities are dissolved on January 1, 1998.

(2) All assets and liabilities, rights and obligations including employees, of the former public utilities commissions become assets and liabilities, rights and obligations, and employees of the public utilities commissions created under section 19.

19. (1) On January 1, 1998, a hydro-electric power commission is established for the new municipality under the name the "Public Utilities Commission for the Municipality of Chatham-Kent".

(2) The commission established under subsection (1) shall be subject to the provisions of the Public Utilities Act and the Power Corporation Act.

(3) The commission established under subsection (1) shall consist of five members, of whom the head of council shall be one by virtue of office and the others shall be qualified electors under the Municipal Elections Act, 1996 appointed by the council of the new city.

COUNTY SERVICES

20. (1) The power and obligation of the County to establish and maintain a home for the aged under the Homes for the Aged and Rest Homes Act is transferred to the new municipality on January 1, 1998.

(2) All powers and obligations of the County to provide services it is required to do under any general or specific Act is transferred to the new municipality and its local boards on January 1, 1998.

TRANSITION BOARD

21. For the purposes of this section,

"resident" means a person who is a permanent resident or temporary resident having a permanent dwelling within a locality and who is a Canadian citizen and is at least 18 years of age;

"Commissioner" means the person established by the Minister of Municipal Affairs and Housing as the commission to develop a proposal for restructuring municipalities pursuant to section 25.3 of the Municipal Act in the County of Kent and the City of Chatham.

22. (1) On or after May 1, 1997, a transition board shall be established for the new municipality and shall be constituted as a body corporate.

(2) The board established under subsection (1) ceases to exist on the day after the first meeting of the council of the new municipality.

(3) The board established under subsection (1) shall be composed of the following thirteen members,

(a) four members of the council of the City of Chatham appointed by that council;

(b) one member of the council of any of the municipalities that comprise Ward one established under section 7 appointed by those councils;

(c) two members of the council of any of the municipalities that comprise Ward two established under section 7 appointed by those councils;

(d) one member of the council of any of the municipalities that comprise Ward three established under section 7 appointed by those councils;

(e) one member of the council of any of the municipalities that comprise Ward four established under section 7 appointed by those councils;

(f) one member of the council of the Town of Wallaceburg appointed by that council;

(g) one representative from the Ministry of Municipal Affairs and Housing; and

(h) two residents of the County of Kent area appointed by the Commissioner.

23. (1) The board established under section 22 may exercise the following powers:

1. Adopt transition plans for 1997, including budgets.

2. Establish the basic organizational structure of the new municipality.

3. Hire an interim administrative head and other employees as the transition board considers necessary to ensure the good management of the new municipality and the continuity of municipal services.

3. Require the production of financial and other data, information and statistics from any of the former municipalities and their local boards in order to make recommendations to the council of the new municipality regarding its budget for 1998.

(2) The board established under section 22 is subject to the provisions governing the conduct of meetings under section 55 of the Municipal Act.

TRANSITIONAL COMMITTEES

24. (1) On or after January 1, 1998, the new municipality shall establish four transitional committees to discuss issues relating to and to make recommendations to council with respect to the local administration of the Drainage Act.

(2) One committee shall address Drainage Act matters within the geographic area of Ward one and the meetings shall be held in the Town of Tilbury.

(3) One committee shall address Drainage Act matters within the geographic area of Ward two and the meetings shall be held in the Town of Blenheim.

(4) One committee shall address Drainage Act matters within the geographic area of Ward three and the meetings shall be held in the Town of Ridgetown.

(5) One committee shall address Drainage Act matters within the geographic area of Ward four and the meetings shall be held in the Ward.

GENERAL

25. The municipalities affected by this restructuring proposal shall not request a commission under section 25.3 of the Municipal Act or make a restructuring proposal under section 25.2 of the Municipal Act or make an application or enter into an agreement which could be implemented under section 2 of the Municipal Boundary Negotiations Act before December 31, 2002.

DISPUTE RESOLUTION

26. Where a dispute arises with respect to any issue arising out of the interpretation of this proposal, any one of the parties may,

(a) refer the matter in dispute to arbitration in accordance with the provisions of the Arbitration Act, 1991; or

(b) defer the matter to the council of the new municipality, subsequent to January 1, 1998, for resolution.

_____

Commissioner

Dated at ..... on ....., 1997.

DRAFT ORDER

ONE TIER CHATHAM-KENT

ONE TIER CHATHAM-KENT
DRAFT RESTRUCTURING PROPOSAL

COUNTY OF KENT
CITY OF CHATHAM
TOWN OF BLENHEIM, TOWN OF BOTHWELL, TOWN OF DRESDEN
TOWN OF RIDGETOWN, TOWN OF TILBURY, TOWN OF WALLACEBURG
TOWNSHIP OF CAMDEN, TOWNSHIP OF CHATHAM, TOWNSHIP OF DOVER
TOWNSHIP OF HARWICH, TOWNSHIP OF HOWARD, TOWNSHIP OF ORFORD
TOWNSHIP OF RALEIGH,TOWNSHIP OF ROMNEY, TOWNSHIP OF TILBURY EAST
TOWNSHIP OF ZONE, VILLAGE OF ERIE BEACH, VILLAGE OF ERIEAU
VILLAGE OF HIGHGATE, VILLAGE OF THAMESVILLE, VILLAGE OF WHEATLEY

1. In this draft restructuring proposal,

"County" means The Corporation of the County of Kent as it existed on December 31, 1997;

"County of Kent area" means the area that comprises the geographic area of jurisdiction of The Corporation of the County of Kent and The Corporation of the City of Chatham as they existed on December 31, 1997;

"former municipalities" means The Corporation of the County of Kent, The Corporation of the City of Chatham, The Corporation of the Town of Blenheim, The Corporation of the Town of Bothwell, The Corporation of the Town of Dresden, The Corporation of the Town of Ridgetown, The Corporation of the Town of Tilbury, The Corporation of the Town of Wallaceburg, The Corporation of the Township of Camden, The Corporation of the Township of Chatham, The Corporation of the Township of Dover, The Corporation of the Township of Harwich, The Corporation of the Township of Howard, The Corporation of the Township of Orford, The Corporation of the Township of Raleigh, The Corporation of the Township of Romney, The Corporation of the Township of Tilbury East, The Corporation of the Township of Zone, The Corporation of the Village of Erie Beach, The Corporation of the Village of Erieau, The Corporation of the Village of Highgate, The Corporation of the Village of Thamesville and The Corporation of the Village of Wheatley as they existed on December 31, 1997; and

"new municipality" means The Corporation of the Municipality of Chatham-Kent.

MUNICIPAL RESTRUCTURING

2. (1) On January 1, 1998, the following municipalities are amalgamated under the name "The Corporation of the **Municipality of Chatham-Kent**":

1. The Corporation of the City of Chatham
2. The Corporation of the Town of Blenheim
3. The Corporation of the Town of Bothwell
4. The Corporation of the Town of Dresden
5. The Corporation of the Town of Ridgetown
6. The Corporation of the Town of Tilbury
7. The Corporation of the Town of Wallaceburg
8. The Corporation of the Township of Camden
9. The Corporation of the Township of Chatham
10. The Corporation of the Township of Dover
11. The Corporation of the Township of Harwich
12. The Corporation of the Township of Howard
13. The Corporation of the Township of Orford
14. The Corporation of the Township of Raleigh
15. The Corporation of the Township of Romney
16. The Corporation of the Township of Tilbury East
17. The Corporation of the Township of Zone
18. The Corporation of the Village of Erie Beach
19. The Corporation of the Village of Erieau
20. The Corporation of the Village of Highgate
21. The Corporation of the Village of Thamesville
22. The Corporation of the Village of Wheatley

(2) The body corporate is a city and a local municipality for all purposes.

(3) On January 1, 1998, the County of Kent is dissolved.

(4) The new municipality stands in the place of the County for all purposes.

POLICE VILLAGE

3. (1) The Police Village of Merlin is dissolved on January 1, 1998.

(2) The terms of office of the trustees of the Police Village of Merlin are extended until December 31, 1997.

(3) On January 1, 1998, all by-laws or resolutions of the former Police Village of Merlin become by-laws or resolutions of the new municipality and its local boards.

(4) On January 1, 1998, all assets and liabilities, rights and obligations of the former Police Village of Merlin become assets and liabilities, rights and obligations of the new municipality and its local boards.

WARDS

4. Effective January 1, 1998, all wards in the former municipalities are dissolved.

5. (1) Effective January 1, 1998, the new municipality shall be divided into six wards as set out in this section.

(2) Ward one shall be composed of land that composed the former municipalities of the Town of Tilbury, the Township of Tilbury East, the Township of Romney and the Village of Wheatley on December 31, 1997, to be known as the Ward of West Kent.

(3) Ward two shall be composed of land that composed the former municipalities of the Town of Blenheim, the Township of Raleigh, the Township of Harwich, the Village of Erie Beach and the Village of Erieau on December 31, 1997, to be known as the Ward of South Kent.

(4) Ward three shall be composed of land that composed the former municipalities of the Town of Dresden, Town of Bothwell, the Town of Ridgetown, the Township of Howard, the Township of Orford, the Township of Zone, the

Township of Camden, the Village of Thamesville and the Village of Highgate on December 31, 1997, to be known as the Ward of East Kent.

(5) Ward four shall be composed of land that composed the former municipalities of the Township of Chatham and the Township of Dover on December 31, 1997, to be known as the Ward of North Kent.

(6) Ward five shall be composed of the former Town of Wallaceburg on December 31, 1997, to be known as the Ward of Wallaceburg.

(7) Ward six shall be composed of the former City of Chatham on December 31, 1997.

COUNCIL

6. The terms of office of the members of the councils of the former municipalities are extended until December 31, 1997.

7. (1) The council of the new municipality shall be composed of eleven members consisting of,

(a) a head of council who shall be elected by general vote;

(b) one member each from Wards one, three, four and five;

(c) two members from Ward two; and

(d) four members from Ward six.

(2) Each member of the council of the new municipality shall have one vote.

MUNICIPAL ELECTIONS

8. (1) The 1997 regular municipal elections shall be conducted as if the former municipalities and their local boards were dissolved and the new municipality was already incorporated and the commission established under section 19 was already established.

(2) The clerk of the City of Chatham shall be responsible for conducting the election pursuant to Municipal Elections Act, 1996.

ASSETS AND LIABILITIES

9. (1) All assets and liabilities, rights and obligations including employees, of the former municipalities and their local boards are vested in and become assets and liabilities of the new municipality and its local boards and the new municipality and its local boards stand in the place of the former municipalities and their local boards.

(2) Employees that held non-bargaining unit positions with a former municipality or its local boards and will be employed by the new municipality or its local boards, in a bargaining unit position, will be credited with seniority at a rate of one hundred percent of the employee's length of service as if the position held with the former municipality or its local boards was a bargaining unit position with the new municipality.

BY-LAWS AND RESOLUTIONS

10. (1) Every by-law and resolution of a former municipality shall be continued and deemed to be a by-law or resolution of the new municipality and shall remain in force in the area of the former municipality until the earlier of,

(a) the date it is amended or repealed; and

(b) December 31, 2002.

(2) Despite subsection (1), any by-law of a former municipality passed under section 34 of the Planning Act or a predecessor of that section, and any official plan of a former municipality approved under the Planning Act, or a predecessor of that Act, shall be deemed to be a by-law or official plan of the new municipality and shall remain in force until amended or repealed.

(3) If a former municipality has commenced procedures to enact a by-law under any Act or adopt an official plan or amendment to it under the Planning Act, and that by-law, official plan or amendment applies to a former municipality and is not in force on January 1, 1998, the council of the new municipality may continue the procedures to enact the by-law or adopt the official plan or amendment to the extent that it applies to the former municipality.

(4) Nothing in this section repeals or authorizes the amendment or repeal of,

(a) by-laws or resolutions of the former municipalities passed under section 45, 58 and 61 of the Drainage Act or a predecessor of those sections;

(b) by-laws that were passed under the Highway Traffic Act or the Municipal Act that regulate the use of highways by vehicles and pedestrians and that regulate the encroachment of projection of buildings or any portion thereof upon or over highways; or

(c) by-laws conferring rights, privileges, franchises, immunities or exemptions that could not have been lawfully repealed by the councils of the former municipalities.

TAXES AND CHARGES

11. (1) All taxes, charges and rates levied under any general or special Act and uncollected by the former municipalities or their local boards which are due and unpaid on December 31, 1997, shall be deemed to be taxes, charges and rates due and payable to the new municipality and may be collected by the new municipality or its local boards.

(2) If a former municipality has commenced procedures under the Municipal Tax Sales Act and the procedures are not completed by January 1, 1998, the new municipality may continue the procedures.

TAX PHASE-INS

12. (1) Any increase in the rates of taxation for municipal purposes for the new municipality that would occur solely as a result of this proposal shall be phased in for the municipal portion of the real property tax bill over a five year period.

(2) The five year phase-in period for any increase in the rates of taxation for municipal purposes for the new municipality shall be financed by a reduction over an equivalent five year period in the decrease in the rates of taxation that would occur solely as a result of this proposal.

RESERVES AND RESERVE FUNDS

13. The former municipalities shall not change the purpose for which any reserves and reserve funds designated by by-law for specific purposes were established by any of the former municipalities on or before the date this proposal comes into effect.

Kent and its local boards stand in the place of the former municipalities and its local boards.

(2) Employees that held non-bargaining unit positions with a former municipality listed in subsection (1) or its local boards and will be employed by the Town of South Kent or its local boards, in a bargaining unit position, will be credited with seniority at a rate of one hundred percent of the employee's length of service as if the position held with the former municipality or its local boards was a bargaining unit position with the Town of South Kent.

17. (1) All assets and liabilities, rights and obligations including employees, of the former municipalities of the Town of Bothwell, the Town of Dresden, the Town of Ridgetown, the Township of Howard, the Township of Orford, the Township of Zone, the Township of Camden, the Village of Thamesville and the Village of Highgate and their local boards become the assets and liabilities, rights and obligations of the Town of East Kent and its local boards, and the Town of East Kent and its local boards stand in the place of the former municipalities and its local boards.

(2) Employees that held non-bargaining unit positions with a former municipality listed in subsection (1) or its local boards and will be employed by the Town of East Kent or its local boards, in a bargaining unit position, will be credited with seniority at a rate of one hundred percent of the employee's length of service as if the position held with the former municipality or its local boards was a bargaining unit position with the Town of East Kent.

18. (1) All assets and liabilities, rights and obligations including employees, of the former municipalities of the Township of Chatham and the Township of Dover and their local boards become the assets and liabilities, rights and obligations of the Town of North Kent and its local boards, and the Town of North Kent and its local boards stand in the place of the former municipalities and its local boards.

(2) Employees that held non-bargaining unit positions with a former municipality listed in subsection (1) or its local boards and will be employed by the Town of North Kent or its local boards, in a bargaining unit position, will be credited with seniority at a rate of one hundred percent of the employee's length of service as if the position held with the former municipality or its local boards was a bargaining unit position with the Town of North Kent.

BY-LAWS AND RESOLUTIONS

19. (1) On January 1, 1998, every by-law or resolution of the former municipalities of the Town of Tilbury, the Township of Tilbury East, the Township of Romney and the Village of Wheatley and their local boards shall be deemed to be a by-law or resolution of the Town of West Kent and its local boards and shall remain in force in the area of the former municipalities until the earlier of,

(a) the date it is amended or repealed by the council of the municipality; or

(b) December 31, 2002.

(2) Despite subsection (1), any by-law of a municipality passed under section 34 of the Planning Act, or a predecessor of that section, and any official plan of a former municipality approved under the Planning Act, or a predecessor of that Act, shall be deemed to be a by-law or official plan of the Town of West Kent and shall remain in force until amended or repealed.

(3) If a former municipality has commenced procedures to adopt an official plan or amendment to it under the Planning Act, and the by-law, official plan or amendment to it is not in force on January 1, 1998, the Town of West Kent may continue the procedures.

(4) Nothing in this section repeals or authorizes the amendment or repeal of,

(a) by-laws or resolutions of the former municipalities passed under section 45, 58 and 61 of the Drainage Act or a predecessor of those sections;

(b) by-laws that were passed under the Highway Traffic Act or the Municipal Act that regulate the use of highways by vehicles and pedestrians and that regulate the encroachment of projection of buildings or any portion thereof upon or over highways; or

(c) by-laws conferring rights, privileges, franchises, immunities or exemptions that could not have been lawfully repealed by the councils of the former municipalities.

20. (1) On January 1, 1998, every by-law or resolution of the former municipalities of the Town of Blenheim, the Township of Raleigh, the Township of Harwich, the Village of Erie Beach and the Village of Erieau and their local boards

shall be deemed to be a by-law or resolution of the Town of South Kent and its local boards and shall remain in force in the area of the former municipalities until the earlier of,

(a) the date it is amended or repealed by the council of the municipality; or

(b) December 31, 2002.

(2) Despite subsection (1), any by-law of a municipality passed under section 34 of the Planning Act, or a predecessor of that section, and any official plan of a former municipality approved under the Planning Act, or a predecessor of that Act, shall be deemed to be a by-law or official plan of the Town of South Kent and shall remain in force until amended or repealed.

(3) If a former municipality has commenced procedures to adopt an official plan or amendment to it under the Planning Act, and the by-law, official plan or amendment to it is not in force on January 1, 1998, the Town of South Kent may continue the procedures.

(4) Nothing in this section repeals or authorizes the amendment or repeal of,

(a) by-laws or resolutions of the former municipalities passed under section 45, 58 and 61 of the Drainage Act or a predecessor of those sections;

(b) by-laws that were passed under the Highway Traffic Act or the Municipal Act that regulate the use of highways by vehicles and pedestrians and that regulate the encroachment of projection of buildings or any portion thereof upon or over highways; or

(c) by-laws conferring rights, privileges, franchises, immunities or exemptions that could not have been lawfully repealed by the councils of the former municipalities.

21. (1) On January 1, 1998, every by-law or resolution of the former municipalities of the Town of Bothwell, the Town of Dresden, the Town of Ridgetown, the Township of Howard, the Township of Orford, the Township of Zone, the Township of Camden, the Village of Thamesville and the Village of Highgate and their local boards shall be deemed to be a by-law or resolution of the Town of East Kent and its local boards and shall remain in force in the area of the former municipalities until the earlier of,

(a) the date it is amended or repealed by the council of the municipality; or

(b) December 31, 2002.

(2) Despite subsection (1), any by-law of a municipality passed under section 34 of the Planning Act, or a predecessor of that section, and any official plan of a former municipality approved under the Planning Act, or a predecessor of that Act, shall be deemed to be a by-law or official plan of the Town of East Kent and shall remain in force until amended or repealed.

(3) If a former municipality has commenced procedures to adopt an official plan or amendment to it under the Planning Act, and the by-law, official plan or amendment to it is not in force on January 1, 1998, the Town of East Kent may continue the procedures.

(4) Nothing in this section repeals or authorizes the amendment or repeal of,

(a) by-laws or resolutions of the former municipalities passed under section 45, 58 and 61 of the Drainage Act or a predecessor of those sections;

(b) by-laws that were passed under the Highway Traffic Act or the Municipal Act that regulate the use of highways by vehicles and pedestrians and that regulate the encroachment of projection of buildings or any portion thereof upon or over highways; or

(c) by-laws conferring rights, privileges, franchises, immunities or exemptions that could not have been lawfully repealed by the councils of the former municipalities.

22. (1) On January 1, 1998, every by-law or resolution of the former municipalities of the Township of Chatham and the Township of Dover and their local boards shall be deemed to be a by-law or resolution of the Town of North Kent and its local boards and shall remain in force in the area of the former municipalities until the earlier of,

(a) the date it is amended or repealed by the council of the municipality; or

(b) December 31, 2002.

(2) Despite subsection (1), any by-law of a municipality passed under section 34 of the Planning Act, or a predecessor of that section, and any official plan of a former municipality approved under the Planning Act, or a predecessor of that Act, shall be deemed to be a by-law or official plan of the Town of North Kent and shall remain in force until amended or repealed.

(3) If a former municipality has commenced procedures to adopt an official plan or amendment to it under the Planning Act, and the by-law, official plan or amendment to it is not in force on January 1, 1998, the Town of North Kent may continue the procedures.

(4) Nothing in this section repeals or authorizes the amendment or repeal of,

(a) by-laws or resolutions of the former municipalities passed under section 45, 58 and 61 of the Drainage Act or a predecessor of those sections;

(b) by-laws that were passed under the Highway Traffic Act or the Municipal Act that regulate the use of highways by vehicles and pedestrians and that regulate the encroachment of projection of buildings or any portion thereof upon or over highways; or

(c) by-laws conferring rights, privileges, franchises, immunities or exemptions that could not have been lawfully repealed by the councils of the former municipalities.

TAXES AND CHARGES

23. (1) All taxes, charges and rates levied under any general or special Act and uncollected in the former municipalities of the Town of Tilbury, the Township of Tilbury East, the Township of Romney and the Village of Wheatley or their local boards which are due and unpaid on December 31, 1997, shall be deemed to be taxes, charges and rates due and payable to the Town of West Kent and may be collected by the Town or its local boards.

(2) If a former municipality listed under subsection (1) has commenced procedures under the Municipal Tax Sales Act and the procedures are not completed by January 1, 1998, the Town of West Kent may continue the procedures.

24. (1) All taxes, charges and rates levied under any general or special Act and uncollected in the former municipalities of the Town of Blenheim, the Township of Raleigh, the Township of Harwich, the Village of Erie Beach and the Village of Erieau or their local boards which are due and unpaid on December 31, 1997, shall be deemed to be taxes, charges and rates due and payable to the Town of South Kent and may be collected by the Town or its local boards.

(2) If a former municipality listed under subsection (1) has commenced procedures under the Municipal Tax Sales Act and the procedures are not completed by January 1, 1998, the Town of South Kent may continue the procedures.

25. (1) All taxes, charges and rates levied under any general or special Act and uncollected in the former municipalities of the Town of Bothwell, the Town of Dresden, the Town of Ridgetown, the Township of Howard, the Township of Orford, the Township of Zone, the Township of Camden, the Village of Thamesville and the Village of Highgate or their local boards which are due and unpaid on December 31, 1997, shall be deemed to be taxes, charges and rates due and payable to the Town of East Kent and may be collected by the Town or its local boards.

(2) If a former municipality listed under subsection (1) has commenced procedures under the Municipal Tax Sales Act and the procedures are not completed by January 1, 1998, the Town of East Kent may continue the procedures.

26. (1) All taxes, charges and rates levied under any general or special Act and uncollected in the former municipalities of the Township of Chatham and the Township of Dover or their local boards which are due and unpaid on December 31, 1997, shall be deemed to be taxes, charges and rates due and payable to the Town of North Kent and may be collected by the Town or its local boards.

(2) If a former municipality listed under subsection (1) has commenced procedures under the Municipal Tax Sales Act and the procedures are not completed by January 1, 1998, the Town of North Kent may continue the procedures.

TAX PHASE-INS

27. (1) Any increase in the rates of taxation for municipal purposes for each municipality that would occur solely as a result of this proposal shall be phased in for the municipal portion of the real property tax bill over a five year period.

(2) The five year phase-in period for any increase in the rates of taxation for municipal purposes for each municipality shall be financed by a reduction over an equivalent five year period in the decrease in the rates of taxation that would occur solely as a result of this proposal.

RESERVES AND RESERVE FUNDS

28. The former municipalities shall not change the purpose for which any reserves and reserve funds designated by by-law for specific purposes by any of the former municipalities on or before the date this proposal comes into effect were established.

AREA RATING

29. The Town of West Kent may provide for a special mill rate adjustment upon the rateable property located in the area of the former municipality of the Town of Tilbury, the Town of Tilbury East, the Township of Romney and the Village of Wheatley to pay for any debts, deficits, surpluses, reserves or reserve funds created prior to January 1, 1998, by that former municipality.

30. The Town of South Kent may provide for a special mill rate adjustment upon the rateable property located in the area of the former municipality of the Town of Blenheim, the Township of Raleigh, the Township of Harwich, the Village of Erie Beach and the Village of Erieau to pay for any debts, deficits, surpluses, reserves or reserve funds created prior to January 1, 1998, by that former municipality.

31. The Town of East Kent may provide for a special mill rate adjustment upon the rateable property located in the area of the former municipality of the Town of Bothwell, the Town of Dresden, the Town of Ridgetown, the Township of Howard, the Township of Orford, the Township of Zone, the Township of Camden, the Village of Thamesville and the Village of Highgate on to pay for any debts, deficits, surpluses, reserves or reserve funds created prior to January 1, 1998, by that former municipality.

32. The Town of North Kent may provide for a special mill rate adjustment upon the rateable property located in the area of the former municipality of the Township of Chatham and the Township of Dover to pay for any debts, deficits, surpluses, reserves or reserve funds created prior to January 1, 1998, by that former municipality.

LOCAL BOARDS

33. The terms of office of the members of any local boards are extended until December 31, 1997.

34. All local boards (excluding those required by any general or special Act) in the former municipalities are dissolved on January 1, 1998.

PUBLIC UTILITIES COMMISSIONS

35. The terms of office of the members of any public utilities commissions are extended until December 31, 1997.

36. (1) All public utilities commissions in the former municipalities are dissolved on January 1, 1998.

(2) All assets and liabilities, rights and obligations including employees, of the former public utilities commissions become assets and liabilities, rights and obligations, of the public utilities commissions established under section 37.

37. (1) On January 1, 1998, a hydro-electric power commission is established for each of the local municipalities of:

1. The Town of West Kent.

2. The Town of South Kent.

3. The Town of East Kent.

4. The Town of North Kent.

(2) Each commission established under subsection (1) shall be subject to the provisions of the Public Utilities Act and the Power Corporation Act.

(3) Each commission established under subsection (1) shall consist of five members, of whom the head of council shall be one by virtue of office and the others shall be qualified electors under the Municipal Elections Act, 1996 appointed by the councils of each of the respective local municipalities.

TRANSITION BOARDS

38. For the purposes of this section,

"resident" means a person who is a permanent resident or temporary resident having a permanent dwelling within a locality and who is a Canadian citizen and is at least 18 years of age;

"Commissioner" means the person established by the Minister of Municipal Affairs and Housing as the commission to develop a proposal for restructuring municipalities pursuant to section 25.3 of the Municipal Act in the County of Kent and the City of Chatham; and

"new municipality" means the municipality that will be the result of an amalgamation under section 2.

39. (1) On or after May 1, 1997, a transition board shall be established for the Town of Tilbury, the Township of Tilbury East, the Township of Romney and the Village of Wheatley.

(2) The board established under subsection (1) is constituted as body corporate and ceases to exist on the day after the first meeting of the council of the Town of West Kent.

(3) The board established under subsection (1) shall be composed of following six members,

(a) one member of the council of each of the municipalities listed in subsection (1) appointed by those respective councils;

(b) one representative from the Ministry of Municipal Affairs and Housing; and

(c) a resident of one of the municipalities listed in subsection (1) appointed by the Commissioner.

40. (1) On or after May 1, 1997, a transition board shall be established for the Town of Blenheim, the Township of Raleigh, the Township of Harwich, the Village of Erie Beach and the Village of Erieau.

(2) The board established under subsection (1) is constituted as body corporate and ceases to exist on the day after the first meeting of the new council of the Town of South Kent.

(3) The board established under subsection (1) shall be composed of the following seven members,

(a) one member of the council of each of the municipalities listed in subsection (1) appointed by those respective councils;

(b) one representative from the Ministry of Municipal Affairs and Housing; and

(c) a resident of one of the municipalities listed in subsection (1) appointed by the Commissioner.

41. (1) On or after May 1, 1997, a transition board shall be established for the Town of Bothwell, the Town of Dresden, the Town of Ridgetown, the Township of Howard, the Township of Orford, the Township of Zone, the Township of Camden, the Village of Thamesville and the Village of Highgate.

(2) The board established under subsection (1) is constituted as body corporate and ceases to exist on the day after the first meeting of the new council of the Town of East Kent.

(3) The board established under subsection (1) shall be composed of the following ten members,

(a) one member of the council of each of the municipalities listed in subsection (1) appointed by those respective councils;

(b) one representative from the Ministry of Municipal Affairs and Housing; and

(c) a resident of one of the municipalities listed in subsection (1) appointed by the Commissioner.

42. (1) On or after May 1, 1997, a transition board shall be established for the Township of Chatham and the Township of Dover.

(2) The board established under subsection (1) is constituted as body corporate and ceases to exist on the day after the first meeting of the new council of the Town of North Kent.

(3) The board established under subsection (1) shall be composed of the following four members,

(a) one member of the council of each of the municipalities listed in subsection (1) appointed by those respective councils;

(b) one representative from the Ministry of Municipal Affairs and Housing; and

(c) a resident of one of the municipalities listed in subsection (1) appointed by the Commissioner.

43. (1) Each of the boards established under sections 39, 40, 41 and 42 may exercise the following powers:

1. Adopt transition plans for 1997, including budgets.

2. Establish the basic organizational structure of the new municipality.

3. Hire interim administrative heads and other employees as the transition board considers necessary to ensure the good management of the new municipality and the continuity of municipal services.

3. Require the production of financial and other data, information and statistics from any of the former municipalities and each of their local boards in order to make recommendations to the councils of the new municipalities regarding their budgets for 1998.

(2) Each of the boards established under sections 39, 40, 41 and 42 is subject to the provisions governing the conduct of meetings under section 55 of the Municipal Act.

GENERAL

44. The municipalities affected by this restructuring proposal shall not request a commission under section 25.3 of the Municipal Act or make a restructuring proposal under section 25.2 of the Municipal Act or make an application or enter into an agreement which could be implemented under section 2 of the Municipal Boundary Negotiations Act before December 31, 2002.

DISPUTE RESOLUTION

45. Where a dispute arises with respect to any issue arising out of the interpretation of this proposal, any one of the parties may,

(a) refer the matter in dispute to arbitration in accordance with the provisions of the Arbitration Act, 1991; or

(b) defer the matter to the council of the municipality in the area to which the dispute pertains, subsequent to January 1, 1998, for resolution.

_____

Commissioner

Dated at ..... on ....., 1997.