

Study presented to the Ministère des Affaires municipales, du Sport et du Loisir

**STUDY OF THE CONSEQUENCES AND
POTENTIAL COSTS OF RECONSTITUTION
OF A FORMER MUNICIPALITY**



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POTENTIAL COSTS OF RECONSTITUTION
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FINAL REPORT – ÎLES-DE-LA-MADELEINE

MARCH 2004



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1. INTRODUCTION

1. INTRODUCTION

On December 17, 2003, the Quebec National Assembly passed Bill 9, *An Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities*.

The government considers that the success of new cities is achieved by seeking the support of the largest number of citizens. To assure this support, as provided in Bill 9, citizens will have the opportunity to express their opinions on the future of their sector (former municipality).

To ensure that citizens express themselves in full knowledge of circumstances, the Ministère des Affaires municipales, du Sport et du Loisir entrusted Roche Ltd., Consulting Group, with the responsibility of conducting a study on the consequences and potential costs of the eventual reconstitution of each of the former municipalities of the Municipalité des Îles-de-la-Madeleine.

This study was carried out with the objective of informing citizens so that they make a decision regarding the eventual reconstitution of their municipality. Although all the impacts of reconstituting former municipalities are addressed, it may turn out to be necessary, before the referendum poll, to carry out other complementary studies or analyses in order to clarify or specify certain financial or organizational impacts that have raised specific questions.

1.1 MANDATE

With respect to the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* (Bill 9), Roche Ltd. has been mandated to carry out a comparative study based on a series of assumptions, whose objective is to present a financial portrait of the current city and each of the former municipalities likely to be reconstituted following referendum polls.

More specifically, in accordance with the third paragraph of Section 25 of Bill 9, the study must contain an estimate of the material, human and financial resources

required for the municipality to be able to exercise its powers, while taking into account the framework established in chapter IV or V.

The study must also include an estimate of transition costs and of the impact of the new municipal administration on the tax accounts of the reconstituted municipality.

1.2 History Of The Current City

The current Municipalité des Îles-de-la-Madeleine was created by *Order-in-Council 1043-200*

(“the Order”).¹ The Order constituted the local designated municipality (see map of the Îles-de-la-Madeleine and former municipalities - map 1.1) which was made up of the municipalities of Île-du-Havre-Aubert, Étang-du-Nord, Grande-Entrée, Havre-aux-Maisons, Fatima, Grosse-Île and the village of Cap-aux-Meules. The Order stipulated that the municipality was to be governed by the *Cities and Towns Act* (R.S.Q. c. C-19).²

The Order also provided that the municipality would be created to exercise certain powers of a borough out of the territory of the former municipality of Grosse-Île, which is designated as the “Arrondissement Grosse-Île”.

The new municipality has all the responsibilities of a local municipality, exercises the same powers and fulfills the same obligations.³ In accordance with the , the Municipalité des Îles-de-la-Madeleine is assimilated into a regional county municipality.⁴ It succeeds to the rights, obligations and responsibilities of the regional county municipality of the Îles-de-la-Madeleine as well as those of the intermunicipal management board.⁵ Moreover, the Order terminates all intermunicipal agreements between the municipalities affected by the amalgamation on December 31, 2001 regardless of whether the agreement provided for the formation of a board.⁶

The population of the Municipalité des Îles-de-la-Madeleine is 13 019 inhabitants in an area of 202.4 km².

¹ Order-in-Council 1043-2001, September 12, 2001, *Gazette Officielle*, September 26, 2001, p. 6493, Amended by Order 593-2002, May 22, 2002, *Gazette Officielle du Québec*, June 5, 2002, p. 3401.

² Section 3 of the Order

³ Section 21 of the Order

⁴ Section 21 of the Order

⁵ Section 21 (2nd), sections 70 and 71 of the Order

⁶ Sections 70 and 72 of the Order

Municipality of Îles-de-la-Madeleine

Formed by the former municipalities of:

Étang-du-Nord, M
Fatima, M
Île-du-Havre-Aubert, M
Havre-aux-Maisons, M
Cap-aux-Meules, C
Grande-Entrée, M
Grosse-Île, M



2. LOCAL POLITICAL ASPECTS

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2.1 Impact of The Reconstitution On The Operations of Supra-Municipal and Para-Municipal Bodies

In order to evaluate the future impacts of the reconstitution on supra-municipal bodies, it is necessary to refer to the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* (Bill 9) which provides for the division of powers in the event of a reorganization, if former cities are reconstituted following a referendum poll.

Matters and subjects such as the urban agglomeration powers, which are outlined in Section II of chapter IV (Sections 92 to 108), are of interest to the body formed by the related municipalities (i.e. the central municipality and the local municipalities reconstituted following a referendum poll) and only the central municipality may act with respect to these matters and subjects.⁷ As the Municipalité des Îles-de-la-Madeleine succeeded a regional county municipality, Bill 9 stipulates that the powers previously exercised by the RCM become the exclusive jurisdiction of the central municipality.⁸

According to Bill 9, the Municipalité de L'Étang-du-Nord has the largest population. It has therefore been designated as the central municipality for the purposes of this report. However, it is possible that, under the provisions of subparagraph 2b) of Section 2 of the bill, the city that delivered services before the merger will be designated as the central municipality by the government.

To exercise its powers, the central municipality is provided with an additional deliberative body, i.e. an urban agglomeration council made up of representatives from all the related municipalities, including the central municipality.⁹ When the exercise of a power referred to in section II requires an action by a deliberative body, this action is carried out by the urban agglomeration council.¹⁰ A new entity made up of representatives from all the related municipalities is thus created.

⁷ Sections 92 et seq Bill 9

⁸ Section 94(13th) Bill 9

⁹ Section 109, Bill 9

¹⁰ Section 112, Bill 9

The urban agglomeration council has the power to impose all taxes or all other means of funding available to a local municipality.¹¹

With the creation of the new Municipalité des Îles-de-la-Madeleine, the RCM of the Îles-de-la-Madeleine and the intermunicipal management board have been dissolved.¹²

The Order constituted a municipal housing office in the name of “Office municipal d’habitation des Îles-de-la-Madeleine”.¹³ On January 1, 2002, this office succeeded the municipal bureau of the former municipalities of Grande-Entrée, Grosse-Île, Hâvre-aux-Maisons, Fatima, Étang du Nord, Île du Havre- Aubert and the village of Cap-aux-Meules, which are extinguished.¹⁴ Social housing will be under the exclusive jurisdiction of the central municipality so that the reconstituted municipalities that have no powers will not have their own bureau.

Before the amalgamation, the municipalities of Étang-du-Nord, Fatima and Cap-aux-Meules were members of the Régie de l’eau potable de l’Île centrale. It is therefore possible that the central municipality will maintain this exclusive jurisdiction if one of the three municipalities remains in the territory of the central municipality.

Besides the organizations referred to in this section, the assumption is held that no other supra-municipal organizations will be created.

The assumption is held that an RCM will not be created in the event of a reconstitution of municipalities.¹⁵

¹¹ Section 113 Bill 9

¹² Section 71 of the Order

¹³ Section 76 du of the Order

¹⁴ Section 76 (2nd) of the Order

¹⁵ Section 97 Bill 9

2.2 POLITICAL REPRESENTATION

2.2.1 Current city

The Municipalité des Îles-de-la-Madeleine has 9 elected representatives—8 councillors and one mayor. For the purposes of the first three general elections (the first general election held on November 25, 2001 and the second to be held in 2005)¹⁶ and all by-elections held before the fourth general election, the territory of the new municipality will be divided into 8 electoral districts corresponding to the territories of former municipalities and the territory of the former municipality of Grande-Entrée as it existed before Order 745-2000 came into effect on June 1, 2000.¹⁷ The election procedure consists of a combined election of the mayor and municipal councillors.

2.2.2 Cities likely to be reconstituted

If the rules and provisions prescribed by the government regarding the upcoming general election allow it¹⁸ (and this cannot be known until later), the reconstituted municipalities could be divided into electoral districts that set a number of councillors' positions for the upcoming general election and for all by-elections held before the general election. In the absence of specific information, the assumption held is that the former cities will be subdivided to correspond to the same number of electoral districts or elected officials as those that existed before the merger. Table 2.1 illustrates the political representation that existed before the amalgamation for each of the former municipalities. Following the election, each reconstituted municipality including the central municipality will be provided with a city council made up of a mayor and elected councillors.

¹⁶ Section 77 of the Order

¹⁷ Section 78 of the Order

¹⁸ Sections 50 and 75 of Bill 9

Table 2.1 Political representation

	Electoral Districts	Elected Officials (councillors + mayor)
Île-du-Havre-Aubert	7	7 + 1
Étang-du-Nord	7	7 + 1
Grande-Entrée	7	7 + 1
Havre-aux-Maisons	7	7 + 1
Fatima	7	7 + 1
Grosse-Île	7	7 + 1
Cap-aux-Meules	7	7 + 1

2.2.3 Impact of the reconstitution of former municipalities on representation

If there is no legislative provision for a division into districts, the central municipality and the municipalities to be reconstituted will have the power, in accordance with the *Act respecting elections and referendums in municipalities*,¹⁹ to divide their territory into districts for the next general election or to determine the number of elected officials based on population in accordance with the provisions of the *Act respecting elections and referendums in municipalities*.²⁰

Municipalities will also be represented within the urban agglomeration council since all related municipalities have a right to a representative. The total representation will be determined according to the municipality's population in proportion to the total population of the related municipalities.²¹ There may also be a balance of representation. At a minimum, all related municipalities have the right to a council representative and the mayor is automatically the representative or one of the representatives.²²

¹⁹ Section 4 and 14 of the *Act respecting elections and referendums in municipalities* R.S.Q., c. E-2.2

²⁰ Sections 8, 9, 11, 12 and 41 to 46

²¹ Section 110 of Bill 9

²² Sections 110 and 111 of Bill 9

For the purposes of making an assumption about the number of representatives for each municipality within the urban agglomeration council, the number is based on the total number of elected representatives of reconstituted municipalities multiplied by the percentage of the population of each municipality in relation to the total populations of related municipalities. Table 2.2 presents the assumption about political representation on the urban agglomeration council for each of the former municipalities likely to be reconstituted.

According to the information collected from the Municipalité des Îles-de-la-Madeleine, this municipality has approximately 8 committees on which elected city councillors sit (see Schedule 1). These committees could continue to exist and the reconstituted municipalities could also create committees for proximity competencies, if necessary.

Table 2.2 Assumption of representation within the urban agglomeration committee

Former municipalities	Population	No of members on council before the merger	Proportion of population	No. of representatives based on proportions	Minimum No. of representatives	No. of representatives on urban agglomeration committee (Act)
Cap-aux-Meules	1 625	7	12,30 %	0,86	1	1
Fatima	2 755	7	20,85 %	1,46	1	1
Grande-Entrée	636	7	4,81 %	0,34	1	1
Grosse-Île	528	7	4,00 %	0,28	1	1
Havre-aux-Maisons	2 140	7	16,20 %	1,13	1	1
Étang-du-Nord	3 054	7	23,11 %	1,62	1	1
Île-du-Havre-Aubert	2 475	7	18,73 %	1,31	1	1
TOTAL	13 213	49	100,00 %	7	7	8

2.2.3.1 Central municipality's right of veto

To be adopted, decisions regarding agglomeration responsibilities (Section II, chapter IV, Bill 9) which are made by the urban agglomeration council, must not only be accepted by the majority of council representatives, they must not be opposed by the central municipality's representatives (second paragraph of Section 112, Bill 9).

Bill 9 stipulates that a proposal is deemed opposed in the following 2 instances:

1. The central municipality has only one representative and he or she votes against the proposal (Section 112 (2) (1°));
2. The central municipality has several representatives, and the votes cast are equally divided or the majority of votes are negative, regardless of whether or not the mayor votes against the proposal (Section 112 (2) 2°)).

3. GENERAL ASSUMPTIONS

3. GENERAL ASSUMPTIONS

Assumption 1 For the purposes of the study on the consequences and potential costs of reconstitution of a former municipality, each of the former municipalities forming a part of the amalgamation has been reconstituted.

Assumption 2 The study aims to reconstitute the municipalities as they existed before the amalgamation. On the basis of the 2004 budget estimates provided by the city of Îles-de-la-Madeleine, a first division is made to determine the net expenditures of the agglomeration as well as the net proximity expenditures according to the division rules set out in chapter IV of the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities* and the division rules suggested by the Ministère des Affaires municipales du Sport et du Loisir. Subsequently, the net proximity expenditures are subdivided in part or in whole for each of the reconstituted municipalities. This allocation of revenues and expenditures between the central city for the urban agglomeration powers and the reconstituted cities will enable an estimate of the reconstituted city's tax account.

Assumption 3 The overall structure of taxation in effect in the Municipalité des îles-de-la-Madeleine that resulted from the amalgamation just before the municipality was reorganized remains the same at the local level and the urban agglomeration level.

Assumption 4 Tax rates have been calculated to ensure a balanced budget at the local level and at the urban agglomeration level.

Assumption 5 Pro forma expenditure budgets and revenue budgets of the current city and of each of the former municipalities likely to be reconstituted present the anticipated evolution of the tax burden over a period of three (3) years and at the end of the harmonization period. For the purposes of this study, no indexing factor has been applied.

Assumption 6 The tax burden at the end of the harmonization period anticipates that former debts of former municipalities will be replaced by debts of the same amount to be assumed by the body responsible for the equipment concerned.

ASSUMPTION RELATED TO FINANCIAL DATA AND ANALYSIS PROCEDURES

Assumption 7 The calculation method used for allocating net costs:

- a) All expenditure items that are related to agglomeration functions and identified in Section 2 of chapter IV (Sections 92 to 108) are isolated, and they are deducted from the 2004 budget of the current city to obtain the expenditures related to local powers;
- b) Then, all revenues other than tax revenues are directly removed from the expenditures to which they are related using the same proportions of division as those retained for corresponding expenditures when revenues are redistributed to the reconstituted municipalities.
- c) After having subtracted the revenues from local sources and transfer receipts from corresponding expenditures, the revenues from taxes (other than property taxes) are divided between the agglomeration and the proximity. The same division procedures as those retained for expenditures corresponding to each tariff are applied to expenditure reduction. The portion of revenues to be allocated to the proximity is re-subdivided between each of the reconstituted municipalities using the respective revenues in proportion to tariff revenues from the last financial reports available before the amalgamation.
- d) To simulate the effect of the reconstitution, it is assumed that the allocations for investment activities planned in 2004 will remain at the same level. The amounts obtained will be charged to the agglomeration.

The following assumptions illustrate the procedures of division used for each category of expenditures and revenues.

EXPENDITURES

Assumption 8.1 General administration

General administration expenditures are first removed from expenditures identified under the sub-categories of “property assessment” and “application of the Act” for which the urban agglomeration council is solely responsible. The balance is then allocated in proportion to (gross) operating expenses respectively identified in the urban agglomeration powers and proximity services. Proximity expenditures related to general administration are then allocated in proportion to the actual expenses related to general administration from the last financial results before the amalgamation.

Assumption 8.2 Public security

Expenditures identified under the sub-categories of “fire protection,” “civil protection” and “other,” for which the urban agglomeration council is solely responsible, are charged in full as urban agglomeration expenditures. For police services, since it is the Sûreté du Québec that presently assures this service for the entire territory of the Municipalité des îles-de-la-Madeleine, the expenditure was charged in full to the proximity and distributed to each of the municipalities according to their respective rates.

Assumption 8.3 Transportation

The Municipalité des Îles-de-la-Madeleine does not have an arterial road system, so expenses were charged in full to the proximity and allocated between each of the reconstituted municipalities in proportion to the actual expenditures related to the road system from the last financial results before the amalgamation.

Expenditures related to public transit are charged in full to the agglomeration.

Assumption 8.4 Environmental health

As the Municipalité des Îles-de-la-Madeleine has a local network and no arterial main, expenditures related to the waterworks and sewer systems in the “water and sewers” sub-category were charged to the proximity and then allocated in proportion to the actual expenditures that appeared in the last financial results before the amalgamation.

Expenditures related to residual materials disposal are allocated to the agglomeration in full while expenditures related to collection are charged to the proximity. Proximity expenditures are then allocated in proportion to the respective expenditures in the last financial results before the amalgamation.

Assumption 8.5 Health and social welfare

Expenditures under the sub-category of “social housing” are charged in full to agglomeration expenditures.

Assumption 8.6 Land use planning, urban planning and development

Expenditures under the sub-category of “land use planning, urban planning and development” and expenditures under the sub-category “urban renewal” are charged in full to the proximity and are allocated in proportion to the corresponding expenditures appearing on the financial reports of reconstituted municipalities before the amalgamation.

Expenditures included under the sub-category of “promotion and economic development” are charged in full to the agglomeration.

Assumption 8.7 Leisure and culture

The only expenditures attributed to the agglomeration are those related to equipment, infrastructures and collective interest activities listed in the schedule of the *Act respecting the consultation of citizens with respect to the territorial reorganization of certain municipalities for the concerned municipality*. The other expenditures are charged to the proximity in proportion to the corresponding expenditures appearing in the financial reports of the reconstituted municipalities before the amalgamation.

Assumption 8.8 Financial expenses and debt reimbursement

The assumptions concerning this item are addressed in the section on the division of assets and liabilities.

REVENUES

By and large, revenues from local sources that are clearly related to a specific expenditure were directly applied against this expenditure and allocated between the agglomeration and the proximity using the same rules governing the expenditure. For the purposes of this study, revenues for which it was not possible to match a specific expenditure are to be allocated as follows.

Assumption 8.9 Tax payment

For revenues related to the tax payment, we apply the percentage of the respective aggregate tax rate (agglomeration and proximity) to the tax demand of the aggregate tax rates obtained for the agglomeration and the proximity. The revenues are then redistributed to the reconstituted cities in proportion to their actual revenues from this category of revenue appearing in the last financial reports before the amalgamation.

Assumption 8.10 Other revenues from local sources

Taxing of income - License and permit

Since this income generally results from local regulations, the entire amount of these revenues is applied as a deduction for the proximity expenses of “land use planning, urban planning and zoning”.

Imposition of duties – Real estate transfer tax

Revenues from the real estate transfer tax are divided between the agglomeration and the proximity according to the percentage represented by respective tax revenues (agglomeration and proximity) over the city's total revenues.

Fines and penalties

Revenues applied as fines were deducted from the expenditures as follows:

- An amount equivalent to the municipal court's net expenses was first deducted as a court fee so as to completely eliminate the amount of the net cost appearing on this item;
- An amount corresponding to 10% of the balance of the revenue from fines was then deducted from proximity's urban planning and zoning expenditures;
- The balance was subtracted as fines related to traffic and parking in the deduction of expenditures.

Interest

Interest income is distributed between the agglomeration and the proximity according to the percentage of respective tax revenues (agglomeration and proximity) over the total revenues of the city.

Assumption 8.11 Unconditional transfers

Government subsidies

- Municipal amalgamation (PAFREM)

The assistance grant for the municipal amalgamation is allocated in full to the agglomeration.

- Compensation for TGE-FSFAL

Compensation for TGE-FSFAL is distributed between the agglomeration and the proximity according to the percentage of respective tax revenues (agglomeration and proximity) with respect to the total revenues of the city.

- Equalization payments

Revenues related to equalization payments are distributed between the agglomeration and the proximity according to the percentage of allowable tax revenues based on the agglomeration and proximity's aggregate taxation rate with respect to the total allowable revenues based on the city's aggregate taxation rate.

- Central cities, municipal reorganization and neutrality of equalization payments

These revenues are charged in full to the agglomeration.

- Revenue diversification (consumption taxes component)

In a first phase, diversification revenues are distributed between the reconstituted cities in proportion to their respective NRT tax base. Then, a portion of the previously obtained revenues is allocated to the agglomeration according to the proportion of the reconstituted city's NRT tax revenues in relation to the agglomeration's NRT tax revenues. The same calculation is used for each of the reconstituted cities.

Assumption 8.12 Allocations

For the purposes of this study, allocations of a surplus to the reconstituted municipalities' budget of investing activities are replaced with an additional financial contribution from funding activities. Therefore, no surplus will be directly allocated to investing activities.

For the purposes of this study, surplus ownership rights are determined as follows:

- Non-allocated surpluses belong to the agglomeration;
- The remainder of surpluses which, according to the terms of the *Act* or amalgamation order, had been allocated to the former municipalities at the time of the amalgamation, still belongs to each municipality;
- The other allocated surpluses belong to the agglomeration, regardless of the nature of the allocation provided.

ASSUMPTIONS RELATED TO TRANSITION COSTS:

Assumption 9 The total transition costs related to non-recurrent expenditures are allocated over three (3) years.

Assumption 10 In cases where the remuneration (indexed in 2004) of council members for each reconstituted city was less than the percentage of expenditures related to the remuneration of council members of the current city which is attributed to the proximity, the difference is allocated to the reconstituted city as though it were a recurrent transition cost.

Assumption 11 As a general election for all Quebec's municipalities is planned for 2005, the costs related to the elections are not considered as transition costs and are not a subject of this study.

Assumption 12 Estimated costs for the transition committee are determined according to the total population of the current city. For the purposes of this study, the estimated costs are \$ 135,000. These costs are then charged to each of the reconstituted municipalities in proportion to their respective populations. For the purposes of making financial projections, we assume that there will be a transition committee for all the reconstituted cities.

Assumption 13 The costs of a referendum poll are estimated at \$86,713. The amounts are then allocated between the reconstituted cities in proportion to the number of voters.

Assumption 14 Costs related to reorganizing and/or renting premises used by the reconstituted cities have been estimated.

Assumption 15 For the purposes of this study, costs related to purchases of computers for municipalities and to the acquisition of servers have been estimated at \$26, 000 for each reconstituted municipality except the Municipalité de L'Étang-du-Nord.

Assumption 16 The number of people employed by the new city is not lower than the total number of employees of former municipalities immediately before the amalgamation.

Assumption 17 Since the reconstituted municipalities will necessarily have to redraft their own regulations, the projected costs of covering this expense for each of the reconstituted

municipalities are \$15,000 each for the municipalities of Fatima, Havre-aux-Maisons, Étang-du-Nord and île-du-Havre-Aubert and \$2000 for Cap-aux-Meules and Grande-Entrée.

Assumption 18 A fixed amount of \$10,000 was charged to each reconstituted municipality to cover expenses related to administrative documents (.eg. logo, posters, background document to citizens, etc.).

ASSUMPTIONS RELATED TO THE TRANSITION COMMITTEE:

Assumption 19 a) (Sections 51, 54 and 60) The costs of the transition committee and in particular, the remuneration of the committee members as well as employees and consultants for the transition committee are charged to the reconstituted city.

Assumption 19 b) (Sections 51, 54 and 60) In the case where a sector is reunited with an existing local municipality following a referendum poll, this municipality must assume the costs related to the transition committee.

Assumption 20 (Section 64) When the transition committee is dissolved, its assets and liabilities are deemed to be related to the fiscal year of an agglomeration's competency and are transferred to the central city.

Assumption 21 (Sections 74 and 81) The costs incurred for the organization, for the referendum poll when it is positive, and for the remuneration of election officers involved in the planned general elections are charged to the de-merged city.

Assumption 22 (Section 82) In the event of a negative referendum involving a sector divided into several municipalities, the referendum expenses are allocated between the different parties of the sector concerned, i.e. the ex-municipality, according to the respective proportions of positive votes.

Assumption 23 (Section 83) In the case of a negative referendum, expenses incurred by the chief electoral officer for the organization and for the referendum are chargeable to the merged city.

ASSUMPTIONS RELATED TO EXCLUSIVE JURISDICTIONS:

Assumption 24 (Section 93) The central municipality will exercise all the exclusive powers designated in Bill 9 and will adopt the by-law in Section 93 of the *Act*.

Assumption 25 (Section 105) The management of all equipment, infrastructures and collective interest activities identified in column B of the schedule of the *Act* is the exclusive jurisdiction of the central city as is the equitable division of related revenues and expenditures between participating municipalities.

EXERCISE OF THE AGGLOMERATION'S POWERS AND RELATED PROVISIONS:

Assumption 26 (Section 110) A municipality's number of representatives on the urban agglomeration council is determined by applying to the total number of representatives, the proportion of the municipality's population with relation to the combined population of the agglomeration formed by the central city and related municipalities.

Assumption 27 (Section 110) The total number of representatives on the urban agglomeration council is determined according to the total number of elected representatives from all the municipalities multiplied by the percentage that their population represents on the municipalities' total solution, by applying the same standards as those that prevailed within urban communities or regional county municipalities (RCMs) before their dissolution.

Assumption 28 (Section 113) Expenditures related to the urban agglomeration council are deemed to form a part of the urban agglomeration expenditures and are financed according to the same conditions of allocation.

Assumption 29 (Sections 117 to 119) In cases where, prior to the reorganization, an urban agglomeration power was exercised by a municipal body other than the city, revenues and expenditures related to the exercise of this power are applied separately and integrated into the agglomeration's budget.

EFFECTS OF THE REORGANIZATION ON PERSONNEL

Assumption 30 (Section 123) Since no personnel may suffer a salary reduction or be laid off or dismissed solely because of the city's reorganization, salaries as well as working conditions in the reconstituted city are maintained throughout the analysis.

Assumption 31 For each budget item, the allocation of resources to the reconstituted city is based on the resources that prevailed in this territory before the merger and which are considered to reflect the optimal allocation for the purposes of this study.

Assumption 32 Given the maintenance of salaries and working conditions stipulated by the Act, the previous assumption implies that, in a case where a collective agreement to increase salaries or improve working conditions was reached following the merger, the reconstituted city will have to assume the financial consequences.

DIVISION OF ASSETS AND LIABILITIES

Assumption 33 (Section 139) Reorganized former cities take responsibility again for the balance of debts that belonged to them at the time of the merger and they continue to finance the debts themselves.

Assumption 34 (Section 139) However if, prior to the reorganization, the financing of such debts was assumed by several former municipalities, these debts become the debts of the central municipality that finances them through an aliquot share payable by each targeted related municipality according to the same bases of allocation as those applied immediately before the reorganization.

Assumption 35 (Section 140) The central city assumes the debts related to goods and services that come under its exclusive jurisdiction if such debts were contracted between the moment of the merger and the moment of the reorganization.

Assumption 36 (Section 141) Debts contracted by the city after its creation and before the de-merger and which come under the exercise of agglomerations' powers become the debts of the central municipality.

Assumption 37 (Section 141) Debts contracted by the city after its creation and before the de-merger and which come under the exercise of local powers become the debts of the central municipality that finances them via an aliquot share paid by the benefiting municipality (ies).

Assumption 38 (Section 142) Any property owned by the city immediately prior to the reorganization and which is related to the exercise of an exclusive power of the agglomeration remains or becomes the property of the central municipality, as applicable.

Assumption 39 (Section 142) For the purposes of this study, it will be considered that there will be no disposal of the property in question and therefore no surplus to be redistributed.

Assumption 40 (Section 143) Any property that the city acquired since its constitution and which is related to the exercise of a local power becomes, following the reorganization, a good of the related municipality if it is situated on its territory (immovable property) or if it provides service to the municipality (movable property).

Assumption 41 (Section 143) Movable and immovable property that, before the constitution of the city, was the property of a related municipality becomes its property again if it is movable property that was used to provide a service on this municipality's territory before the reorganization.

Assumption 42 (Section 143) The two previous assumptions hold true even if, in the case of immovable property, the property is situated on the territory of a municipality other than that to which it belongs and even if, in the case of a vehicle, the vehicle is assigned, prior to the reorganization, to a municipality other than that to which it belongs.

DIVISION OF DEFECITS AND SURPLUSES RELATED TO SECTIONS 145 TO 148

Assumption 43 (Section 145) Following the reorganization, the reconstituted municipality again takes responsibility for all deficit and surplus balances which may be exclusively assigned to its territory including the surplus from a fund intended for this territory and constituted before the reorganization.

Assumption 44 (Section 146) In the case of a fund constituted before the reorganization and intended for several territories or boroughs that had to be reconstituted into related municipalities, the surpluses are divided according to an aliquot share based on the standardized real estate wealth of the affected municipalities.

Assumption 45 (Section 147) Any surplus or deficit that cannot be allocated exclusively to the territory of a reconstituted municipality is the responsibility of the central municipality.

Assumption 46 (Section 148) The balance of the subsidy to be received in connection with the Programme d'aide au regroupement de la ville remains with the central city to be used in the exercise of its urban agglomeration powers.

STANDARDIZATION OF TAXATION

Assumption 47 (Sections 173 and 174) In the case of central municipalities which constituted cities before the reorganization, the standardization period for taxation in proportion to their territory is twenty (20) years from the first fiscal year since their creation.

Assumption 48 In the case of an amalgamation where the Order allows for a clause permitting the averaging of the increase in the general property tax rate over a period of less than ten (10) years (maximum permitted by the *Act*), it is presumed, for the purposes of this study, that this city will not take advantage of a longer averaging period but will retain the averaging period provided for in the Order. However, in the case where a reorganized city has chosen to average its rate over a period of ten (10) years, it is assumed that the central municipality will take advantage of the prolonged averaging period of over twenty (20) years. For the municipality of the Îles-de-la-Madeleine, this is a three (3) year period from 2002 to 2004.

**4. SUPPLY OF MUNICIPAL
SERVICES AND
OPERATIONS**

4. SUPPLY OF MUNICIPAL SERVICES AND OPERATIONS

4.1 IMPACTS OF RECONSTITUTION OF FORMER MUNICIPALITIES ON THE ORGANIZATION AND OPERATION OF SERVICES

In the case where the territory of the present Municipalité des Îles-de-la-Madeleine would be detached, an urban agglomeration council would be constituted. This council, formed of elected representatives, i.e. mayors from all the municipalities, would be invested with the power to make decisions, collect taxes and set rates with respect to urban agglomeration services.

For reasons of efficiency and equity, the central municipality will provide shared services designated as urban agglomeration services to the entire territory.

The impacts of the possible reconstitution of former municipalities on the organization and operation of services stem from the parameters addressed in Bill 9 regarding services, equipment, infrastructures or activities that will continue to be shared at the municipal level. At this stage, it is important to specify in this study the general position held regarding the type and cost of services in respect of proximity powers. On the one hand, in cases where the service was not provided by the former municipality before the amalgamation, the assumption held is that this same service would not be offered by the reconstituted municipality. On the other hand, in cases where the service was provided by the former municipality before the amalgamation, the assumption held is that the municipality will continue to offer this service and at the same cost as the current city.

For the purposes of this study, only the central municipality acts in respect of the powers mentioned below. These powers are designated as “urban agglomeration powers”. The services, equipment, infrastructures or activities under the authority of the urban agglomeration council which are set up in respect of the possible reconstitution of the former municipalities of the Îles-de-la-Madeleine are the following:

- Municipal assessment;
- Civil protection services;
- Fire protection services;

- The 9-1-1 emergency centre;
- Implementation of the fire safety cover plan and civil protection plan;
- The municipal court;
- Social housing;
- Residual materials disposal and collection;
- Water supply equipment and infrastructures, except local mains;
- Water purification equipment and infrastructures, except local mains;
- Implementation of residual materials management;
- Development and adoption of the residual materials management plan;
- Passenger transportation;
- Economic promotion, including promotion of tourism, outside the territory of an urban agglomeration municipality;
- Tourist services;
- Regional swimming pool;
- *Corporation culturelle Arimage*.

The responsibilities of the proximity under the management of the municipal council of each reconstituted municipality are the following:

- Urban planning, by-laws and minor derogations;
- The issue of permits for construction and renovation;
- Neighbourhood improvement programs;

- Local waterworks and sewer mains;
- The collection and transport of residual materials;
- The management of local streets;
- Local cultural or sports equipment;
- Local libraries;
- Local parks;
- The issue of licenses for bicycles, animals, etc.

The Sûreté du Québec will continue to offer police services to the entire territory, and each reconstituted municipality (including the central municipality) will assume the costs.

4.1.1 Human resources

Bill 9 provides that any reorganization is deemed to constitute the alienation of an undertaking in favour of the central municipality and all related municipalities²³ so that collective agreements will be transferred. The transferred collective agreements expire on one of the following target dates, whichever comes first:

- The expected date of their expiration or
- months after the reorganization²⁴.

Consequently, on the basis of these principles, when the collective agreements have been standardized in the current city, the same salaries and non-wage benefits are reflected in the calculations at the level of reconstituted municipalities even if the collective agreements that were in force in the reconstituted municipality before the merger contained less favourable conditions.

²³ Section 124, first paragraph of Bill 9

²⁴ Section 124, second paragraph of Bill 9

According to Bill 9, every officer or employee of the current city remains an officer or employee of the central municipality²⁵ as applicable. However, such a person may be transferred to a related municipality other than the central municipality in accordance with the rules provided for by the *Act*.²⁶

In addition, no officer or employee may suffer a salary reduction or be laid off or dismissed simply as a result of the reorganization of the city or as a result of a transfer. Such persons do not lose seniority or any employment benefits and they continue to participate in the retirement plan in which they took part before the reorganization.²⁷ Consequently, the assumption held is that there would be no reduction in the total current staff, and the costs used are those appearing in the 2004 budget for personnel.

Human resources needs were established while taking into account the urban agglomeration powers that will remain with the central municipality which will be allocated the staff it needs to exercise its powers.

Then, the total number of current staff reduced from the staff allocated to the urban agglomeration powers was used to calculate the number of staff to be allocated to the municipalities for their proximity powers. The allocation to all the reconstituted municipalities was made by allocating them the same number of staff that they had before the amalgamation. All additional staff above this number were allocated to the urban agglomeration powers.

Obviously, in the event of a reconstitution, an additional study on the optimal re-allocation of staff in cities likely to be reconstituted may be required.

²⁵ Section 122, Bill 9

²⁶ Section 122, second paragraph, Bill 9

²⁷ Section 123 Bill 9

4.1.1.1 Balance sheet of impacts on the employee payroll

According to the information obtained, in the event that all the municipalities are reconstituted, people currently employed by the Ville des Îles-de-la-Madeleine could be re-allocated to their former municipality while assuming a sharing of agglomeration and proximity services.

4.1.1.2 Balance sheet of impacts on remuneration – Municipal council and urban agglomeration council

There is no specific provision in Bill 9 concerning the remuneration of elected representatives within a new municipal council or within the urban agglomeration council. Consequently, the *Act respecting the remuneration of elected municipal officers* (R.S.Q. c. T-11.001) will be applied and the new councils will be able to set this remuneration through a by-law.

To establish the costs related to the urban agglomeration council, since the remuneration of elected representatives is included under the category of general administration, the same assumption pertaining to the division of general administration expenditures between the agglomeration and the proximity has been applied. For the purposes of making fiscal projections, the assumption held is that the amount obtained for the remuneration of elected representatives of the urban agglomeration council following the division would be sufficient to cover the remuneration of these representatives.

With regard to the portion charged to the proximity powers (the balance), this amount was redistributed to each of the reconstituted municipalities in proportion to the expenditures for the remuneration of the municipal council from the financial results of the year preceding the amalgamation. Then, the amount allotted to each reconstituted municipality was adjusted (downward or upward) so that the remuneration to elected municipal representatives resulting from the division respects the same amounts as those observed in the fiscal year before the amalgamation (remuneration before the indexed amalgamation). Table 4.1 illustrates the impact of recurrent transition costs related to the remuneration of elected representatives.

Table 4.1 Balance sheet of impacts on remuneration – Municipal council

	Impact on remuneration of elected officers – Year 1 of reconstitution
Urban agglomeration council	n/a
Municipal council of Cap-aux-Meules	8 375 \$
Municipal council of Fatima	16 554 \$
Municipal council of Grande-Entrée	12 202 \$
Municipal council of Grosse-Île	7 770 \$
Municipal council of Havre-aux-Maisons	16 165 \$
Municipal council of Étang-du-Nord	18 810 \$
Municipal council of Havre-Aubert	17 000 \$
Total	96 875 \$

4.1.2 Material resources

According to the provisions of the *Act*, the costs of maintaining buildings, machinery and vehicles, which are related to a municipal service that fully results from an urban agglomeration power, have been charged to the agglomeration, regardless of where an immovable is situated or which municipality owned a piece of equipment. In view of this, it is not important at this stage of the study to make an exhaustive list of all the buildings, machinery and vehicles that will continue to be the property of the agglomeration. The objective was to ensure that in the event that former municipalities are reconstituted, the current assets of the Municipalité des Îles-de-la-Madeleine would be sufficient so that all municipalities (including the central municipality) could exercise urban agglomeration powers (central municipality only) and proximity powers.

Consequently, according to the information obtained from staff at the city of Îles-de-la-Madeleine, the material resources available in the current city are sufficient to meet the needs of each of the former cities likely to be reconstituted in terms of the assets

they owned before the reorganization. Accordingly, no additional cost related to the purchase of assets has been considered. In spite of the information obtained, even though the current city is not anticipating problems with regard to the potential division of assets if the former municipalities are later reconstituted, it is still the case that if an eventual reconstitution were to take place, a more in-depth analysis concerning the division of assets could be appropriate.

4.1.3 Financial and fiscal aspects

4.1.3.1 *Evaluation of non-recurrent costs related to the reconstitution of each of the former municipalities and formulation of a funding hypothesis*

Non-recurrent costs related to the possible reconstitution of each of the former municipalities were funded over a period of three years. Table 4.2 illustrates the estimate of non-recurrent costs as well as the impact on the annual budget for each municipality likely to be reconstituted. Recurrent costs estimated for human resources needs are added to illustrate the impact on the annual budget of reconstitution costs for each of the former municipalities.

Table 4.2 *Costs related to reconstitution*

Costs of reconstitution	Cap-aux-Meules	Fatima	Grande-Entrée	Grosse-Île	Havre-aux-Maisons	Étang-du-Nord	Île-du-Havre-Aubert	Total
Administrative documents	10 000 \$	10 000 \$	10 000 \$	10 000 \$	10 000 \$	10 000 \$	10 000 \$	70 000 \$
Referendum poll	11 218 \$	19 187 \$	4 171 \$	3 621 \$	14 035 \$	14 703 \$	19 779 \$	86 713 \$
Transition committee	16 603 \$	28 148 \$	6 498 \$	5 395 \$	21 865 \$	31 203 \$	25 288 \$	135 000 \$
Reorganizing of office space	17 500 \$	20 000 \$	20 000 \$	20 000 \$	20 000 \$	22 500 \$	22 500 \$	142 500 \$
Allocation of assets – acquired equipment								
Computer equipment	26 000 \$	26 000 \$	26 000 \$	26 000 \$	26 000 \$		26 000 \$	156 000 \$
Collective agreement – union accreditation and harmonization	10 000 \$	10 000 \$	10 000 \$	10 000 \$	10 000 \$	10 000 \$	10 000 \$	70 000 \$
Overhaul of by-laws	2 000 \$	15 000 \$	2 000 \$	2 000 \$	15 000 \$	15 000 \$	15 000 \$	66 000 \$
Non- recurrent reconstitution costs	93 321 \$	128 335 \$	78 669 \$	77 016 \$	116 900 \$	103 407 \$	128 567 \$	726 213 \$
Annual budgetary impact	31 107 \$	42 778 \$	26 223 \$	25 672 \$	38 967 \$	34 469 \$	42 856 \$	242 071 \$
Recurrent reconstitution costs	8 375 \$	16 554 \$	12 202 \$	7 770 \$	16 165 \$	18 810 \$	17 000 \$	96 875 \$
Total reconstitutions costs	39 481 \$	59 333 \$	38 425 \$	33 442 \$	55 131 \$	53 279 \$	59 855 \$	338 946 \$

4.1.3.2 Use of financial aid balance within the Programme d'aide financière au regroupement municipal

The balance of financial aid to be paid within the Programme d'aide financière au regroupement municipal is applied to reduce urban agglomeration expenditures. The balance of financial aid to be received for December 31, 2004 is \$211,408 (\$132,130 in 2005 and \$79,278 in 2006). As year 1 of the reconstitution of municipalities is established from 2004 budget forecasts of the city of Îles-de-la-Madeleine and this budget takes into account a revenue of \$264,260 as a grant to the amalgamation, year 3 of the budget forecasts is thus the last year where this revenue is considered.

4.1.3.3 Status of working capital, the accumulated surplus (deficit), and all sums available to all other funds of the current city and forecast allocation

Reserves and surpluses that, according to the terms of the Order, had been allocated to the benefits of the former municipalities at the time of the amalgamation, will continue to belong to each of the municipalities in the event of a reconstitution. Since the amalgamation, the Municipalité des Îles-de-la-Madeleine has created a new reserve and existing reserves come from all the former municipalities. The accumulated surplus allocated on December 31, 2002 totals \$947,710, of which \$510,937 came from surpluses of former municipalities and \$436,773 came from the new city of Îles-de-la-Madeleine.

4.1.3.4 Status of the current city's long-term debt and forecast allocation

The reorganized former cities resume responsibility for the balance of debts that they had incurred at the moment of the merger and they continue to fund them themselves.

However if, before the reorganization, the funding of such debts was assumed by several former municipalities, these debts become the debts of the central municipality that funds them through an aliquot share payable by each targeted related municipality according to the same bases of allocation as those applied immediately before the reorganization. To simplify the presentation of fiscal projections, the terms (capital and interest) were charged directly to the reconstituted municipalities.

This practice does not change the results in any way and produces exactly the same effect as if the aliquot shares had been applied.

The central city (agglomeration) assumes the debts related to property and services under its exclusive jurisdiction if such debts were contracted at the moment of the merger and the reorganization.

Debts contracted by the city after its creation and before the de-merger and which fall under urban agglomeration powers become the debts of the central municipality (agglomeration).

Debts contracted by the city after its creation and before the de-merger and which fall under local powers become the debts of the central municipality (agglomeration) that funds them via an aliquot share paid by the beneficiary municipality(ies). Here again, the terms (capital and interest) have been charged directly to the reconstituted former municipalities.

Table 4.3 presents the status of long-term debt at December 31, 2004 and its forecast allocation taking into account the above-mentioned assumptions. It is important to point out that the status of the debt in an amalgamation is the same as in a reconstitution. In this case, no investment of capital is necessary in the event of an eventual reconstitution of former municipalities.

Table 4.3 *Status of the debt as at 31-12-2004 and forecast allocation*

List of by-laws	Cap-aux-Meules	Fatima	Grande-Entrée	Grosse-Île	Havre-aux-Maisons	Étang-du-Nord	Île-du-Havre-Aubert	Îles-de-la-Madeleine
Balance of debt as at 31-12-2004	690 600 \$	491 183 \$	58 451 \$	167 400 \$	190 890 \$	779 200 \$	299 700 \$	2 533 780 \$

4.1.3.5 *The current city's capital expenditures and forecast allocation*

For the purposes of this study, so as not to bias the results by including all projects planned in the triennial capital expenditures program in service of the debt, only capital expenditure projects whose loan by-laws have been or are in the process of being adopted were considered. For the Municipalité des îles-de-la-Madeleine, as there is no by-law in the process of being adopted at this time, there is no problem of allocation with regard to the eventual division of the loan.

4.1.3.6 *Status of the summary of the current city's municipal assessment role and allocation of values between each of the former municipalities*

Table 4.4 illustrates the summary of the current city's municipal assessment role and the allocation of values between each of the former municipalities.

Table 4.4 **Summary of the municipal tax assessment role**

Category of immovable	Current city assessment	Cap-aux-Meules assessment	Fatima assessment	Grande-Entrée assessment	Grosse-Île assessment	Havre-aux-Maisons assessment	Étang-du-Nord assessment	Île-du-Havre-Aubert assessment
Residential	251 719 900 \$	36 676 800 \$	48 725 000 \$	9 564 300 \$	8 347 200 \$	43 587 200 \$	62 985 000 \$	41 834 400 \$
Non-residential	116 222 610 \$	46 798 600 \$	11 689 800 \$	1 958 300 \$	13 943 600 \$	8 968 700 \$	20 981 910 \$	11 881 700 \$
Total tax base	367 942 510 \$	83 475 400 \$	60 414 800 \$	11 522 600 \$	22 290 800 \$	52 555 900 \$	83 966 910 \$	53 716 100 \$

Table 4.5 illustrates the pro forma budget of the current city's annual net expenditures as well as the urban agglomeration budgets of each of the reconstituted municipalities for year 1 of the reconstitution.

Table 4.5 Net expenditure budgets for Year 1 of reconstitution

FUNCTIONS AND ACTIVITIES	2004 BUDGET CURRENT CITY	AGGLOMERATION SERVICES					NEARBY SERVICES					Cap-aux-Meules					Fatima				
	Operating expenditures (1)	% (2)	Operating expenditures agglomeration (3)	Transfers (4)	Other revenues from local sources (5)	Net operating expenditures agglomeration (6)	% (7)	Local operating expenditures (8)	Transfers (9)	Other revenues from local sources (10)	Net operating expenditures – nearby services (11)	Actual 2001 – references	Nearby services – net expenditures	Adjustments	Transition costs	Budget 2004 – reconstituted city	Actual 2001 – references	Nearby services – net expenditures	Adjustments	Transition costs	Budget 2004 – reconstituted city
NON-MATCHING REVENUES																					
Transfer taxes	\$ 70 000	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ -	\$ 70 000	\$ (70 000)		\$ (15 880,95)					\$ (11 493,74)			
Interest - banking and investments	\$ 3 500	37%	\$ -	\$ -	\$ 1 331	\$ (1 331)	63%	\$ -	\$ -	\$ 2 169	\$ (2 169)							\$ (18 114,76)			
Interest - receivables	\$ 109 200	19%	\$ -	\$ -	\$ 21 041	\$ (21 041)	81%	\$ -	\$ -	\$ 88 159	\$ (88 159)		\$ (9 072,33)					\$ (90 394,54)			
Municipal grouping	\$ 264 260	100%	\$ -	\$ 264 260	\$ -	\$ (264 260)	0%	\$ -	\$ -	\$ -	\$ -							\$ (46 856,00)			
Equalisation	\$ 948 600	53%	\$ -	\$ 503 707	\$ -	\$ (503 707)	47%	\$ -	\$ 444 893	\$ -	\$ (444 893)		\$ (47 811,93)					\$ (5 227,35)			
Financial help program for Regional county municipality	\$ 126 900	100%	\$ -	\$ 126 900	\$ -	\$ (126 900)	0%	\$ -	\$ -	\$ -	\$ -		\$ -								
Compensation for TGE-FSFAL	\$ 177 924	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ -	\$ 177 924	\$ -	\$ (177 924)		\$ -								
Incomes diversification	\$ 71 200	37%	\$ -	\$ 26 583	\$ -	\$ (26 583)	63%	\$ -	\$ 44 617	\$ -	\$ (44 617)		\$ (13 572,37)								
GENERAL ADMINISTRATION																					
Total non-matching revenues																					
General administration expenses (allocation)																					
Municipal council	1 \$ 284 689	37%	\$ 784 617	\$ 921 450	\$ 22 373	\$ (943 822)	63%	\$ 1 316 889	\$ 667 434	\$ 160 327	\$ (827 762)										
Compliance with laws and regulations Application of the Act	2 \$ 17 000	100%	\$ 17 000	\$ -	\$ -	\$ -	0%	\$ -	\$ -	\$ 10 026	\$ 1 306 863		\$ 43 079,00					\$ 53 036,00			
Financial and administrative management	3 \$ 1 098 781												\$ 1 459,00					\$ 326 845,00			
Registrar	4 \$ 139 522												\$ 239 685,00					\$ 1 541,00			
Assessment	5 \$ 245 000	100%	\$ 245 000	\$ -	\$ 28 825	\$ 216 175	0%	\$ -	\$ -	\$ -	\$ -		\$ 4 540,00					\$ 40 083,00			
Personnel management	6 \$ 274 300												\$ 18 466,00					\$ -			
Other	7 \$ 304 214												\$ -		\$ 39 481,41			\$ 59 332,00			
TOTAL ADMINISTRATION 8	\$ 2 363 506	44%	\$ 1 046 617	\$ 921 450	\$ 74 171	\$ 50 996	56%	\$ 1 316 889	\$ 667 434	\$ 170 354	\$ 479 101	\$ 389 059,00	\$ 90 582,75	\$ -	\$ 39 481,41	\$ 130 064,16	\$ 481 280,00	\$ 46 770,44	\$ -	\$ 59 332,00	\$ 106 102,44
PUBLIC SECURITY																					
Police	9 \$ 693 977	0%	\$ 2 363 506	\$ -	\$ -	\$ -	100%	\$ 693 977	\$ -	\$ -	\$ 693 977		\$ 155 883,00					\$ 106 981,00			
Fire protection	10 \$ 230 928	100%	\$ 230 928	\$ -	\$ 4 500	\$ 226 428	0%	\$ -	\$ -	\$ -	\$ -		\$ 194 519,00					\$ 65 871,00			
Civil protection	11 \$ 12 000	100%	\$ 12 000	\$ -	\$ -	\$ 12 000	0%	\$ -	\$ -	\$ -	\$ -		\$ -					\$ -			
Other	12 \$ 7 650	100%	\$ 7 650	\$ -	\$ -	\$ 7 650	0%	\$ -	\$ -	\$ -	\$ -		\$ 138,00					\$ 15 367,00			
TOTAL PUBLIC SECURITY 13	\$ 944 555	27%	\$ 250 578	\$ -	\$ 4 500	\$ 246 078	73%	\$ 693 977	\$ -	\$ -	\$ 693 977	\$ 350 540,00	\$ 196 796,86	\$ -	\$ -	\$ 196 796,86	\$ 188 219,00	\$ 105 668,13	\$ -	\$ -	\$ 105 668,13
TRANSPORTATION																					
Road system																					
Municipal roads and streets	14 \$ 896 724	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 896 724	\$ 380 519	\$ 4 500	\$ 511 705		\$ 23 919,00					\$ 132 734,00			
Snow removal	15 \$ 1 112 219	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 1 112 219	\$ -	\$ 366 350	\$ 745 869		\$ 129 337,00					\$ 259 569,00			
Street lighting	16 \$ 76 732	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 76 732	\$ -	\$ -	\$ 76 732		\$ 16 419,00					\$ 24 259,00			
Traffic and parking control	17 \$ 11 936	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 11 936	\$ -	\$ 14 670	\$ (2 734)		\$ 550,00					\$ 173,00			
Public transportation																					
Public transit	18 \$ 167 759	100%	\$ 167 759	\$ 142 422	\$ -	\$ 25 337	0%	\$ -	\$ -	\$ -	\$ -		\$ -					\$ 3 507,00			
Air transportation	19 \$ -												\$ -					\$ -			
Water transportation	20 \$ -												\$ -					\$ -			
Other	21 \$ -												\$ -					\$ -			
TOTAL TRANSPORTATION 22	\$ 2 265 370	7%	\$ 167 759	\$ 142 422	\$ -	\$ 25 337	93%	\$ 2 097 611	\$ 380 519	\$ 385 520	\$ 1 331 572	\$ 173 732,00	\$ 124 474,00	\$ -	\$ -	\$ 124 474,00	\$ 420 242,00	\$ 301 091,35	\$ -	\$ -	\$ 301 091,35
ENVIRONMENTAL HEALTH																					
Water and sewers																					
Purification and treatment of drinking water	23 \$ 487 534	100%	\$ 487 534	\$ 133 500	\$ -	\$ 354 034	0%	\$ -	\$ -	\$ -	\$ -		\$ 159 687,00					\$ 2 816,00			
Drinking water distribution system	24 \$ 442 860	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 442 860	\$ 52 816	\$ 21 550	\$ 368 494		\$ 140 851,00					\$ 222 764,00			
Wastewater treatment	25 \$ 335 612	100%	\$ 335 612	\$ 394 663	\$ -	\$ (59 051)	0%	\$ -	\$ -	\$ -	\$ -		\$ -					\$ -			
Sewer systems	26 \$ 266 816	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 266 816	\$ -	\$ 33 929	\$ 232 887		\$ 82 641,00					\$ 65 428,00			
Residual materials																					
Domestic garbage																					
- collection and transport	27 \$ 621 300	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 621 300	\$ -	\$ -	\$ 621 300		\$ 234 976,00					\$ 244 976,00			
- disposal	28 \$ 1 361 399	100%	\$ 1 361 399	\$ 40 000	\$ 269 500	\$ 1 051 899	0%	\$ -	\$ -	\$ -	\$ -		\$ -					\$ -			
Secondary materials																					
- collection and transport	29 \$ -												\$ -					\$ -			
- treatment	30 \$ -												\$ -					\$ -			
Disposal of dry materials	31 \$ -												\$ -					\$ -			
Watercourse improvements	32 \$ -												\$ -					\$ -			
Protection of the environment	33 \$ -												\$ -					\$ -			
Other	34 \$ -												\$ -					\$ -			
TOTAL ENVIRONMENTAL HEALTH 35	\$ 3 515 521	62%	\$ 2 184 545	\$ 568 163	\$ 269 500	\$ 1 346 882	38%	\$ 1 330 976	\$ 52 816	\$ 55 479	\$ 1 222 681	\$ 618 155,00	\$ 278 951,65	\$ -	\$ -	\$ 278 951,65	\$ 535 984,00	\$ 241 870,76	\$ -	\$ -	\$ 241 870,76
HEALTH AND WELFARE																					
Food inspection	1 \$ -												\$ -					\$ -			
Social housing	2 \$ 112 500	100%	\$ 112 500	\$ -	\$ -	\$ 112 500	0%	\$ -	\$ -	\$ -	\$ -		\$ 16 133,00					\$ 10 366,00			
Other	3 \$ -												\$ -					\$ -			
TOTAL HEALTH AND WELFARE 4	\$ 112 500	100%	\$ 112 500	\$ -	\$ -	\$ 112 500	0%	\$ -	\$ -	\$ -	\$ -	\$ 16 133,00	\$ -	\$ -	\$ -	\$ -	\$ 10 366,00	\$ -	\$ -	\$ -	\$ -
LAND USE PLANNING AND DEVELOPMENT																					
Land use planning, development and zoning	5 \$ 276 363	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 276 363	\$ -	\$ 36 005	\$ 240 358		\$ 2 590,00					\$ 2 775,00			
Urban renewal																					
heritage properties	6 \$ -												\$ -					\$ -			
other properties	7 \$ 7 228	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 7 228	\$ 12 000	\$ -	\$ (4 772)		\$ 90 852,00					\$ -			
Economic promotion and development																					
industrial and businesses	8 \$ 278 898	100%	\$ 278 898	\$ 26 500	\$ -	\$ 252 398	0%	\$ -	\$ -	\$ -	\$ -		\$ 16 525,00					\$ -			
tourism	9 \$ 41 450	100%	\$ 41 450	\$ 12 600	\$ -	\$ 28 850	0%	\$ -	\$ -	\$ -	\$ -		\$ -					\$ 10 267,00			
other	10 \$ 177 095	100%	\$ 177 095	\$ 170 000	\$ -	\$ 7 095	0%	\$ -	\$ -	\$ -	\$ -		\$ -					\$ 13 096,00			
Other	11 \$ -												\$ -					\$ 182 483,00			
TOTAL LAND USE PLANNING AND DEVELOPMENT 12	\$ 781 034	64%	\$ 497 443	\$ 209 100	\$ -	\$ 288 343	36%	\$ 283 591	\$ 12 000	\$ 36 005	\$ 235 586	\$ 109 967,00	\$ 27 986,08	\$ -	\$ -	\$ 27 986,08	\$ 208 621,00	\$ 53 093,05	\$ -	\$ -	\$ 53 093,05
RECREATION AND CULTURE																					
Recreational activities																					
community centres	13 \$ 494 522	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 494 522	\$ 149 089	\$ 123 800	\$ 221 633		\$ 81 073,00					\$ 4 046,00			
indoor and outdoor skating rinks	14 \$ 497 792	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 497 792	\$ -	\$ 287 200	\$ 210 592		\$ 105 890,00					\$ 321 242,00			
pools, beaches and marinas	15 \$ 10 178	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 10 178	\$ -	\$ -	\$ 10 178		\$ 5 078,00					\$ 5 116,00			
parks and playgrounds	16 \$ 106 628	0%	\$ -	\$ -	\$ -	\$ -	100%	\$ 106 628	\$ -	\$ 62 650	\$ 43 978		\$ -					\$ 33 578,0			

Table 4.5 Net expenditure budgets for Year 1 of reconstitution

FUNCTIONS AND ACTIVITIES	2004 BUDGET CURRENT CITY	Grande-Entrée					Grosse-Île					Havre-aux-Maisons					L'Étang-du-Nord				
	Operating expenditures (1)	Actual 2001 – references	Nearby services – net expenditures	Adjustments	Transition costs	Budget 2004 – reconstituted city	Actual 2001 – references	Nearby services – net expenditures	Adjustments	Transition costs	Budget 2004 – reconstituted city	Actual 2001 – references	Nearby services – net expenditures	Adjustments	Transition costs	Budget 2004 – reconstituted city	Actual 2001 – references	Nearby services – net expenditures	Adjustments	Transition costs	Budget 2004 – reconstituted city
NON-MATCHING REVENUES																					
Transfer taxes	\$ 70 000,00		\$ (2 192,14)					\$ (4 240,76)					\$ (9 998,61)					\$ (15 974,46)			
Interest - banking and investments	\$ 3 500,00																				
Interest - receivables	\$ 109 200,00		\$ (4 679,11)					\$ (5 892,77)					\$ (14 395,75)					\$ (21 608,17)			
Municipal grouping	\$ 264 260,00																				
Equalisation	\$ 948 600,00		\$ (20 873,19)					\$ (25 562,66)					\$ (79 792,64)					\$ (110 488,39)			
Financial help program for Regional county municipality	\$ 126 900,00																				
Compensation for TGE-FSFAL	\$ 177 924,00		\$ (16 852,00)					\$ -					\$ (39 964,00)					\$ (46 950,00)			
Incomes diversification	\$ 71 200,00		\$ (875,70)					\$ (6 235,18)					\$ (4 010,55)					\$ (9 382,51)			
GENERAL ADMINISTRATION																					
Total non-matching revenues																					
General administration expenses (allocation)																					
Municipal council	1 \$ 284 689,00	\$ 36 523,00					\$ 23 777,00					\$ 58 590,00					\$ 146 268,00				
Compliance with laws and regulations Application of the Act	2 \$ 17 000,00	\$ -					\$ -					\$ -					\$ -				
Financial and administrative management	3 \$ 1 098 781,00	\$ 178 601,00					\$ 137 384,00					\$ 209 509,00					\$ 196 643,00				
Registrar	4 \$ 139 522,00	\$ 800,00					\$ 976,00					\$ 5 489,00					\$ 38 531,00				
Assessment	5 \$ 245 000,00	\$ 10 689,00					\$ 17 643,00					\$ 32 382,00					\$ 72 913,00				
Personnel management	6 \$ 274 300,00	\$ -					\$ -					\$ -			\$ 55 131,22		\$ -				
Other	7 \$ 304 214,00	\$ 4 779,00			\$ 38 424,84		\$ 43 275,00			\$ 33 441,78		\$ 48 584,00			\$ 55 131,22		\$ 74 913,00			\$ 53 278,85	
TOTAL ADMINISTRATION 8	\$ 2 363 506,00	\$ 231 392,00	\$ 59 750,85	\$ -	\$ 38 424,84	\$ 98 175,69	\$ 223 055,00	\$ 59 500,46	\$ -	\$ 33 441,78	\$ 92 942,23	\$ 354 554,00	\$ 13 068,02	\$ -	\$ 55 131,22	\$ 68 199,24	\$ 529 268,00	\$ 36 275,32	\$ -	\$ 53 278,85	\$ 89 554,17
PUBLIC SECURITY																					
Police	9 \$ 693 977,00	\$ 19 128,00					\$ 43 635,00					\$ 86 139,00					\$ 154 684,00				
Fire protection	10 \$ 230 928,00	\$ 39 700,00					\$ 44 868,00					\$ 52 674,00					\$ 78 735,00				
Civil protection	11 \$ 12 000,00	\$ 1 035,00					\$ 4 360,00					\$ -					\$ -				
Other	12 \$ 7 650,00	\$ -					\$ -					\$ -					\$ 22 474,00				
TOTAL PUBLIC SECURITY 13	\$ 944 555,00	\$ 59 863,00	\$ 33 607,72	\$ -	\$ -	\$ 33 607,72	\$ 92 863,00	\$ 52 134,27	\$ -	\$ -	\$ 52 134,27	\$ 138 813,00	\$ 77 931,08	\$ -	\$ -	\$ 77 931,08	\$ 255 893,00	\$ 143 661,03	\$ -	\$ -	\$ 143 661,03
TRANSPORTATION																					
Road system																					
Municipal roads and streets	14 \$ 896 724,00	\$ 27 982,00					\$ 7 790,00					\$ 134 462,00					\$ 153 966,00				
Snow removal	15 \$ 1 112 219,00	\$ 30 804,00					\$ 55 000,00					\$ 215 609,00					\$ 152 863,00				
Street lighting	16 \$ 76 732,00	\$ 9 279,00					\$ 7 955,00					\$ 7 110,00					\$ 14 037,00				
Traffic and parking control	17 \$ 11 936,00	\$ -					\$ -					\$ -					\$ 7 093,00				
Public transportation																					
Public transit	18 \$ 167 759,00	\$ -					\$ 1 010,00					\$ 4 733,00					\$ 3 507,00				
Air transportation	19 \$ -	\$ -					\$ -					\$ -					\$ -				
Water transportation	20 \$ -	\$ -					\$ -					\$ -					\$ -				
Other	21 \$ -	\$ -					\$ -					\$ -					\$ -				
TOTAL TRANSPORTATION 22	\$ 2 265 370,00	\$ 68 065,00	\$ 48 766,62	\$ -	\$ -	\$ 48 766,62	\$ 71 755,00	\$ 51 410,40	\$ -	\$ -	\$ 51 410,40	\$ 361 914,00	\$ 259 301,01	\$ -	\$ -	\$ 259 301,01	\$ 331 466,00	\$ 237 485,89	\$ -	\$ -	\$ 237 485,89
ENVIRONMENTAL HEALTH																					
Water and sewers																					
Purification and treatment of drinking water	23 \$ 487 534,00	\$ -					\$ -					\$ 4 298,00					\$ 32 575,00				
Drinking water distribution system	24 \$ 442 860,00	\$ -					\$ 2 503,00					\$ 70 628,00					\$ 235 044,00				
Wastewater treatment	25 \$ 335 612,00	\$ -					\$ -					\$ -					\$ -				
Sewer systems	26 \$ 266 816,00	\$ -					\$ -					\$ 40 798,00					\$ 78 542,00				
Residual materials																					
Domestic garbage																					
- collection and transport	27 \$ 621 300,00	\$ 65 069,00					\$ 66 473,00					\$ 184 675,00					\$ 347 413,00				
- disposal	28 \$ 1 361 399,00	\$ 2 737,00					\$ -					\$ -					\$ -				
Secondary materials																					
- collection and transport	29 \$ -	\$ -					\$ 6 000,00					\$ -					\$ -				
- treatment	30 \$ -	\$ -					\$ -					\$ -					\$ -				
Disposal of dry materials	31 \$ -	\$ -					\$ -					\$ -					\$ -				
Watercourse improvements	32 \$ -	\$ -					\$ -					\$ -					\$ -				
Protection of the environment	33 \$ -	\$ -					\$ -					\$ -					\$ -				
Other	34 \$ -	\$ -					\$ -					\$ 803,00					\$ -				
TOTAL ENVIRONMENTAL HEALTH 35	\$ 3 515 521,00	\$ 67 806,00	\$ 30 598,47	\$ -	\$ -	\$ 30 598,47	\$ 74 976,00	\$ 33 834,04	\$ -	\$ -	\$ 33 834,04	\$ 301 202,00	\$ 135 921,89	\$ -	\$ -	\$ 135 921,89	\$ 693 574,00	\$ 312 985,59	\$ -	\$ -	\$ 312 985,59
HEALTH AND WELFARE																					
Food inspection	1 \$ -	\$ -					\$ -					\$ -					\$ -				
Social housing	2 \$ 112 500,00	\$ 16 449,00					\$ 12 722,00					\$ 15 077,00					\$ 8 180,00				
Other	3 \$ -	\$ -					\$ -					\$ -					\$ -				
TOTAL HEALTH AND WELFARE 4	\$ 112 500,00	\$ 16 449,00	\$ -	\$ -	\$ -	\$ -	\$ 12 722,00	\$ -	\$ -	\$ -	\$ -	\$ 15 077,00	\$ -	\$ -	\$ -	\$ -	\$ 8 180,00	\$ -	\$ -	\$ -	\$ -
LAND USE PLANNING AND DEVELOPMENT																					
Land use planning, development and zoning	5 \$ 276 363,00	\$ 1 089,00					\$ 965,00					\$ 14 205,00					\$ 2 221,00				
Urban renewal																					
heritage properties	6 \$ -	\$ -					\$ -					\$ -					\$ -				
other properties	7 \$ 7 228,00	\$ -					\$ -					\$ -					\$ 346 098,00				
Economic promotion and development																					
industrial and businesses	8 \$ 278 898,00	\$ 2 469,00					\$ 4 577,00					\$ 22 379,00					\$ 58 208,00				
tourism	9 \$ 41 450,00	\$ -					\$ 4 645,00					\$ -					\$ 3 924,00				
other	10 \$ 177 095,00	\$ -					\$ 33 442,00					\$ -					\$ -				
Other	11 \$ -	\$ 1 076,00					\$ 1 556,00					\$ 1 556,00					\$ -				
TOTAL LAND USE PLANNING AND DEVELOPMENT 12	\$ 781 034,00	\$ 4 634,00	\$ 1 179,33	\$ -	\$ -	\$ 1 179,33	\$ 43 629,00	\$ 11 103,37	\$ -	\$ -	\$ 11 103,37	\$ 38 140,00	\$ 9 706,45	\$ -	\$ -	\$ 9 706,45	\$ 410 451,00	\$ 104 457,83	\$ -	\$ -	\$ 104 457,83
RECREATION AND CULTURE																					
Recreational activities																					
community centres	13 \$ 494 522,00	\$ -					\$ 34 157,00					\$ 77 285,00					\$ 165 870,00				
indoor and outdoor skating rinks	14 \$ 497 792,00	\$ 755,00					\$ -					\$ 186 826,00					\$ -				
pools, beaches and marinas	15 \$ 10 178,00	\$ 1 650,00					\$ 626,00					\$ 814,00					\$ 120 992,00				
parks and playgrounds	16 \$ 106 628,00	\$ -					\$ 71 831,00					\$ 28 919,00					\$ 13 503,00				
Regional parks – management and operation																					
exhibitions and fairs	17 \$ 42 341,00	\$ -					\$ -					\$ 21 409,00					\$ 37 958,00				
other	18 \$ 385 986,00	\$ 79 005,00					\$ 448,00					\$ 231 443,00					\$ 666,00				
Total recreational activities 19	\$ 1 537 447,00	\$ 81 410,00	\$ 32 073,78	\$ -	\$ -	\$ 32 073,78	\$ 107 062,00	\$ 42 180,12	\$ -	\$ -	\$ 42 180,12	\$ 546 696,00	\$ 215 386,43	\$ -	\$ -	\$ 215 386,4					

Table 4.5 Net expenditure budgets for Year 1 of reconstitution

FUNCTIONS AND ACTIVITIES	2004 BUDGET CURRENT CITY		L'île-du-Havre-Aubert				
	Operating expenditures (1)		Actual 2001 – references	Nearby services – net expenditures	Adjustments	Transition costs	Budget 2004 – reconstituted city
NON-MATCHING REVENUES							
Transfer taxes	\$ 70 000,00			\$ (10 219,33)			
Interest - banking and investments	\$ 3 500,00						
Interest - receivables	\$ 109 200,00			\$ (14 395,75)			
Municipal grouping	\$ 264 260,00						
Equalisation	\$ 948 600,00			\$ (69 970,04)			
Financial help program for Regional county municipality	\$ 126 900,00						
Compensation for TGE-FSFAL	\$ 177 924,00			\$ (27 302,00)			
Incomes diversification	\$ 71 200,00			\$ (5 313,16)			
GENERAL ADMINISTRATION							
Total non-matching revenues							
General administration expenses (allocation)							
Municipal council	1 \$ 284 689,00		\$ 182 861,00				
Compliance with laws and regulations Application of the Act	2 \$ 17 000,00		\$ -				
Financial and administrative management	3 \$ 1 098 781,00		\$ 259 051,00				
Registrar	4 \$ 139 522,00		\$ -				
Assessment	5 \$ 245 000,00		\$ 92 172,00				
Personnel management	6 \$ 274 300,00					\$ 59 855,12	
Other	7 \$ 304 214,00		\$ 126 413,00				
TOTAL ADMINISTRATION 8	\$ 2 363 506,00		\$ 660 497,00	\$ 173 153,54	\$ -	\$ 59 855,12	\$ 233 008,66
PUBLIC SECURITY							
Police	9 \$ 693 977,00		\$ 108 053,00				
Fire protection	10 \$ 230 928,00		\$ 41 887,00				
Civil protection	11 \$ 12 000,00		\$ -				
Other	12 \$ 7 650,00		\$ -				
TOTAL PUBLIC SECURITY 13	\$ 944 555,00		\$ 149 940,00	\$ 84 177,90	\$ -	\$ -	\$ 84 177,90
TRANSPORTATION							
Road system							
Municipal roads and streets	14 \$ 896 724,00		\$ 204 693,00				
Snow removal	15 \$ 1 112 219,00		\$ 207 867,00				
Street lighting	16 \$ 76 732,00		\$ 15 180,00				
Traffic and parking control	17 \$ 11 936,00		\$ -				
Public transportation			\$ -				
Public transit	18 \$ 167 759,00		\$ 3 600,00				
Air transportation	19 \$ -		\$ -				
Water transportation	20 \$ -		\$ -				
Other	21 \$ -		\$ -				
TOTAL TRANSPORTATION 22	\$ 2 265 370,00		\$ 431 340,00	\$ 309 042,74	\$ -	\$ -	\$ 309 042,74
ENVIRONMENTAL HEALTH							
Water and sewers							
Purification and treatment of drinking water	23 \$ 487 534,00		\$ 3 783,00				
Drinking water distribution system	24 \$ 442 860,00		\$ 109 723,00				
Wastewater treatment	25 \$ 335 612,00		\$ 31 939,00				
Sewer systems	26 \$ 266 816,00		\$ 1 166,00				
Residual materials							
Domestic garbage							
- collection and transport	27 \$ 621 300,00		\$ 266 017,00				
- disposal	28 \$ 1 361 399,00		\$ -				
Secondary materials							
- collection and transport	29 \$ -		\$ -				
- treatment	30 \$ -		\$ -				
Disposal of dry materials	31 \$ -		\$ -				
Watercourse improvements	32 \$ -		\$ -				
Protection of the environment	33 \$ -		\$ -				
Other	34 \$ -		\$ 5 128,00				
TOTAL ENVIRONMENTAL HEALTH 35	\$ 3 515 521,00		\$ 417 756,00	\$ 188 518,61	\$ -	\$ -	\$ 188 518,61
HEALTH AND WELFARE							
Food inspection	1 \$ -		\$ -				
Social housing	2 \$ 112 500,00		\$ 49 231,00				
Other	3 \$ -		\$ -				
TOTAL HEALTH AND WELFARE 4	\$ 112 500,00		\$ 49 231,00	\$ -	\$ -	\$ -	\$ -
LAND USE PLANNING AND DEVELOPMENT							
Land use planning, development and zoning	5 \$ 276 363,00		\$ 32 253,00				
Urban renewal							
heritage properties	6 \$ -		\$ -				
other properties	7 \$ 7 228,00		\$ 26 973,00				
Economic promotion and development							
industrial and businesses	8 \$ 278 898,00		\$ 37 434,00				
tourism	9 \$ 41 450,00		\$ 8 688,00				
other	10 \$ 177 095,00		\$ -				
Other	11 \$ -		\$ 4 909,00				
TOTAL LAND USE PLANNING AND DEVELOPMENT 12	\$ 781 034,00		\$ 110 257,00	\$ 28 059,88	\$ -	\$ -	\$ 28 059,88
RECREATION AND CULTURE							
Recreational activities							
community centres	13 \$ 494 522,00		\$ 3 586,00				
indoor and outdoor skating rinks	14 \$ 497 792,00		\$ -				
pools, beaches and marinas	15 \$ 10 178,00		\$ 43 637,00				
parks and playgrounds	16 \$ 106 628,00		\$ 3 423,00				
Regional parks – management and operation							
exhibitions and fairs	17 \$ 42 341,00		\$ 77 345,00				
other	18 \$ 385 986,00		\$ 240 103,00				
Total recreational activities 19	\$ 1 537 447,00		\$ 368 094,00	\$ 145 021,10	\$ -	\$ -	\$ 145 021,10
Cultural activities							
community centres (hall rentals)	20 \$ 17 389,00		\$ -				
libraries	21 \$ 84 452,00		\$ 23 317,00				
heritage							
museums and exhibition centres	22 \$ -		\$ 77 813,00				
other heritage resources	23 \$ 46 052,00		\$ -				
other	24 \$ 146 967,00		\$ 47 511,00				
Agglomeration facilities or events – Sect. 105	\$ 242 118,00		\$ -				
Total cultural activities 25	\$ 536 978,00		\$ 148 641,00	\$ 87 696,85	\$ -	\$ -	\$ 87 696,85
TOTAL RECREATION AND CULTURE 26	\$ 2 074 425,00		\$ 516 735,00	\$ 232 717,95	\$ -	\$ -	\$ 232 717,95
ELECTRICITY 27	\$ -						\$ -
FINANCING CHARGES							
Long-term debt							
interest	28 \$ 1 068 124,00		\$ 172 718,00	\$ 185 738,00			\$ 185 738,00
other charges	29 \$ 10 000,00		\$ -	\$ -			\$ -
Other financing charges	30 \$ 145 000,00		\$ 11 564,00	\$ 21 238,70			\$ 21 238,70
TOTAL FINANCING CHARGES 31	\$ 1 223 124,00		\$ 184 282,00	\$ 206 976,70	\$ -	\$ -	\$ 206 976,70
OTHER FINANCIAL ACTIVITIES							
Reimbursement long-term debt	\$ 1 749 978,00		\$ 182 960,00	\$ 271 818,00	\$ (176 954,00)		\$ 94 864,00
Transfer to investment activities	\$ 60 000,00		\$1 304 685,00				
TOTAL FINANCIAL ACTIVITIES	\$ 1 809 978,00		\$1 487 645,00	\$ 271 818,00	\$ (176 954,00)	\$ -	\$ 94 864,00
TOTAL EXPENDITURE	\$ 15 090 013,00		\$4 007 683,00	\$1 494 465,32	\$ (176 954,00)	\$ 59 855,12	\$1 377 366,45

4.1.4 Amount to be recovered through property tax

Table 4.6 illustrates the amount to be recovered through property tax for the agglomeration and for each of the reconstituted cities in order to respect the balanced budget. This amount will allow the general property tax rate of year 1 of the reconstitution to be set.

Table 4.6 *Amount to be recovered through general property tax*

	Agglomeration services	Cap-aux-Meules	Fatima	Grande-Entrée	Grosse-Île	Havre-aux-Maisons	Étang-du-Nord	Île-du-Havre-Aubert	TOTAL
REVENUES OTHER THAN GENERAL TAX REVENUES									
Total taxes on another basis	1 878 310 \$	142 371 \$	221 587 \$	26 633 \$	24 585 \$	274 434 \$	297 214 \$	153 028 \$	3 018 162 \$
Total payments other than taxes	335 492 \$	491 407 \$	35 593 \$	7 285 \$	21 684 \$	31 911 \$	136 845 \$	35 863 \$	1 096 081 \$
TOTAL REVENUES	2 213 802 \$	633 778 \$	257 180 \$	39 918 \$	46 270 \$	306 345 \$	434 059 \$	188 890 \$	4 114 243 \$
NET EXPENSES									
General administration	50 996 \$	130 064 \$	106 102 \$	98 176 \$	92 942 \$	68 199 \$	89 554 \$	233 009 \$	869 042 \$
Public security	246 078 \$	196 797 \$	105 668 \$	33 608 \$	52 134 \$	77 931 \$	143 661 \$	84 178 \$	940 055 \$
Transport	25 337 \$	124 474 \$	301 091 \$	48 767 \$	51 410 \$	259 301 \$	237 486 \$	309 043 \$	1 356 909 \$
Community hygiene	1 346 882 \$	278 952 \$	241 871 \$	30 598 \$	33 834 \$	135 922 \$	312 986 \$	188 519 \$	2 569 563 \$
Health and social welfare	112 500 \$	- \$	- \$	- \$	- \$	- \$	- \$	- \$	112 500 \$
Urban planning	288 343 \$	27 986 \$	53 093 \$	1 179 \$	11 103 \$	9 706 \$	104 458 \$	28 060 \$	523 929 \$
Recreation and culture	51 285 \$	206 903 \$	228 037 \$	35 118 \$	66 540 \$	228 524 \$	149 728 \$	232 718 \$	1 198 853 \$
Financial expenses	331 266 \$	110 924 \$	149 187 \$	7 720 \$	12 972 \$	154 731 \$	252 928 \$	206 977 \$	1 226 705 \$
Financial activities	601 034 \$	6 259 \$	(32 188) \$	10 110 \$	16 700 \$	83 827 \$	211 671 \$	94 864 \$	992 277 \$
TOTAL NET EXPENSES	3 053 721 \$	1 082 358 \$	1 152 862 \$	265 276 \$	337 637 \$	1 018 141 \$	1 502 472 \$	1 377 366 \$	9 789 833 \$
AMOUNT TO BE SUPPORTED BY THE GENERAL TAX	839 918 \$	448 580 \$	895 682 \$	231 358 \$	291 367 \$	711 796 \$	1 068 413 \$	1 188 476 \$	5 675 590 \$

4.1.5 Tax rates in effect in the current city for each of the former municipalities

Table 4.7 illustrates the tax rates in effect in the current city for each of the former municipalities.

Table 4.7 ***Tax rates in effect in the current city***

Current tax rate	Cap-aux-Meules	Fatima	Grande-Entrée	Grosse-Île	Havre-aux-Maisons	Étang-du-Nord	Île-du-Havre-Aubert
Property tax rate – residential	1,3550%	1,5020%	1,5020 %	1,5020 %	1,3795%	1,3339 %	1,4016%
Property tax rate – non-residential	1,5520	1,7402 %	1,7402 %	1,7402 %	1,4376 %	1,4661%	1,6397 %
Waterworks tariff revenues	120 \$	120 \$	- \$	- \$	120 \$	120 \$	120 \$
Sewage tariff revenues	130 \$	130 \$	- \$	- \$	130 \$	130 \$	130 \$
Waterworks and sewage tariff revenues	146 \$	29 \$	- \$	- \$	70 \$	11 \$	7 \$
Residual materials tariff revenues	240 \$	240 \$	240 \$	240 \$	240 \$	240 \$	240 \$

4.1.6 Tax structure proposed for each of the former municipalities

For the purposes of this study, the tax structure retained will be the same as the structure adopted by the Municipalité des îles-de-la-Madeleine in 2004 for all the reconstituted former municipalities (see table 4.7).

4.1.7 Comparison of tax rates (reconstituted city versus current city)

Tables 4.8 to 4.11 illustrate the tax rates of each of the reconstituted cities as compared to the rates of the current city for years 1 to 3 and for the end-of-transition-period year.

4.1.8 Items of variation between annual budgets

Tax rates for years 2 and 3 and for the end-of-transition-period year were obtained while taking into account the following items of variation:

- Variations of payments of capital terms and interest on loans for the current situation and reconstituted situation;
- The end of payment of transition costs for the end-of-transition-period year for the reconstituted situation;

- The end of the assistance grant for the amalgamation for the end-of-transition-period year for the current situation;
- The variation of the assistance grant for the amalgamation between years 1 and 3 for the current situation and reconstituted situation.

Table 4.8 Comparative tax rates - Year 1 of the reconstitution

Tax rate	Cap-aux-Meules				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,3550 \$	0,2174 \$	0,4935 \$	-0,64 \$	-47,54 %
Property tax rate – non-residential (of \$100 evaluation)	1,5520 \$	0,2518 \$	0,5718 \$	-0,73 \$	-46,93 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	146 \$	- \$	146 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Fatima				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5020 \$	0,2174 \$	1,4384 \$	0,15 \$	10,24 %
Property tax rate – non-residential (of \$100 evaluation)	1,7402 \$	0,2518 \$	1,6665 \$	0,18 \$	10,23 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	29 \$	- \$	29 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Grande-Entrée				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5020 \$	0,2174 \$	1,9552 \$	0,67 \$	44,65 %
Property tax rate – non-residential (of \$100 evaluation)	1,7402 \$	0,2518 \$	2,2652 \$	0,78 \$	44,64 %
Waterworks tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Sewage tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Grosse-Île				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5020 \$	0,2174 \$	1,1891 \$	-0,10 \$	-6,36 %
Property tax rate – non-residential (of \$100 evaluation)	1,7402 \$	0,2518 \$	1,3777 \$	-0,11 \$	-6,36 %
Waterworks tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Sewage tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Havre-aux-Maisons				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,3795 \$	0,2174 \$	1,3186 \$	0,16 \$	11,34 %
Property tax rate – non-residential (of \$100 evaluation)	1,4376 \$	0,2518 \$	1,5277 \$	0,34 \$	23,78 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	70 \$	- \$	70 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Étang-du-Nord				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,3339 \$	0,2174 \$	1,2239 \$	0,11 \$	8,05 %
Property tax rate – non-residential (of \$100 evaluation)	1,4661 \$	0,2518 \$	1,4180 \$	0,20 \$	13,89 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	11 \$	- \$	11 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Île-du-Havre-Aubert				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,4016 \$	0,2174 \$	1,2802 \$	0,10 \$	6,85 %
Property tax rate – non-residential (of \$100 evaluation)	1,6397 \$	0,2518 \$	1,2031 \$	-0,18 \$	-11,27 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	7 \$	- \$	7 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Table 4.9 Comparative tax rates - Year 2 of the reconstitution

Tax rate	Cap-aux-Meules				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,3892 \$	0,2516 \$	0,4935 \$	-0,64 \$	-46,36 %
Property tax rate – non-residential (of \$100 evaluation)	1,5916 \$	0,2915 \$	0,5718 \$	-0,73 \$	-45,76 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	146 \$	- \$	146 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Fatima				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5362 \$	0,2516 \$	1,4384 \$	0,15 \$	10,01 %
Property tax rate – non-residential (of \$100 evaluation)	1,7798 \$	0,2915 \$	1,6665 \$	0,18 \$	10,01 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	29 \$	- \$	29 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Grande-Entrée				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5362 \$	0,2516 \$	1,9552 \$	0,67 \$	43,65 %
Property tax rate – non-residential (of \$100 evaluation)	1,7798 \$	0,2915 \$	2,2652 \$	0,78 \$	43,65 %
Waterworks tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Sewage tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Grosse-Ile				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5362 \$	0,2516 \$	1,1891 \$	-0,10 \$	-6,22 %
Property tax rate – non-residential (of \$100 evaluation)	1,7798 \$	0,2915 \$	1,3777 \$	-0,11 \$	-6,21 %
Waterworks tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Sewage tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Havre-aux-Maisons				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,4137 \$	0,2516 \$	1,3186 \$	0,16 \$	11,07 %
Property tax rate – non-residential (of \$100 evaluation)	1,4772 \$	0,2915 \$	1,5277 \$	0,34 \$	23,15 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	70 \$	- \$	70 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Étang-du-Nord				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,3681 \$	0,2516 \$	1,2239 \$	0,11 \$	7,85 %
Property tax rate – non-residential (of \$100 evaluation)	1,5057 \$	0,2915 \$	1,4180 \$	0,20 \$	13,54 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	11 \$	- \$	11 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Île-du-Havre-Aubert				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,4358 \$	0,2516 \$	1,2802 \$	0,10 \$	6,69 %
Property tax rate – non-residential (of \$100 evaluation)	1,6793 \$	0,2915 \$	1,2031 \$	-0,18 \$	-11,00 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	7 \$	- \$	7 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Table 4.10 Comparative tax rates - Year 3 of the reconstitution

Tax rate	Cap-aux-Meules				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,4029 \$	0,2652 \$	0,4935 \$	-0,64 \$	-45,92 %
Property tax rate – non-residential (of \$100 evaluation)	1,6074 \$	0,3073 \$	0,5718 \$	-0,73 \$	-45,31 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	146 \$	- \$	146 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Fatima				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5499 \$	0,2652 \$	1,4384 \$	0,15 \$	9,92 %
Property tax rate – non-residential (of \$100 evaluation)	1,7956 \$	0,3073 \$	1,6665 \$	0,18 \$	9,92 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	29 \$	- \$	29 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Grande-Entrée				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5499 \$	0,2652 \$	1,9552 \$	0,67 \$	43,26 %
Property tax rate – non-residential (of \$100 evaluation)	1,7956 \$	0,3073 \$	2,2652 \$	0,78 \$	43,27 %
Waterworks tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Sewage tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Grosse-Ile				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5499 \$	0,2652 \$	1,1891 \$	-0,10 \$	-6,17 %
Property tax rate – non-residential (of \$100 evaluation)	1,7956 \$	0,3073 \$	1,3777 \$	-0,11 \$	-6,16 %
Waterworks tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Sewage tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Havre-aux-Maisons				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,4274 \$	0,2652 \$	1,3186 \$	0,16 \$	10,96 %
Property tax rate – non-residential (of \$100 evaluation)	1,4930 \$	0,3073 \$	1,5277 \$	0,34 \$	22,91 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	70 \$	- \$	70 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Étang-du-Nord				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,3818 \$	0,2652 \$	1,2239 \$	0,11 \$	7,77 %
Property tax rate – non-residential (of \$100 evaluation)	1,5215 \$	0,3073 \$	1,4180 \$	0,20 \$	13,39 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	11 \$	- \$	11 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Île-du-Havre-Aubert				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,4495 \$	0,2652 \$	1,2802 \$	0,10 \$	6,62 %
Property tax rate – non-residential (of \$100 evaluation)	1,6951 \$	0,3073 \$	1,2031 \$	-0,18 \$	-10,90 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	7 \$	- \$	7 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Table 4.11 Comparative tax rates – Year of end-of-transition-period

Tax rate	Cap-aux-Meules				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5100 \$	0,2858 \$	0,4593 \$	-0,76 \$	-50,66 %
Property tax rate – non-residential (of \$100 evaluation)	1,7557 \$	0,3311 \$	0,5321 \$	-0,89 \$	-50,83 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	146 \$	- \$	146 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Fatima				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5100 \$	0,2858 \$	1,3697 \$	0,15 \$	9,64 %
Property tax rate – non-residential (of \$100 evaluation)	1,7557 \$	0,3311 \$	1,5869 \$	0,16 \$	9,24 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	29 \$	- \$	29 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Grande-Entrée				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5100 \$	0,2858 \$	1,7336 \$	0,51 \$	33,74 %
Property tax rate – non-residential (of \$100 evaluation)	1,7557 \$	0,3311 \$	2,0085 \$	0,58 \$	33,26 %
Waterworks tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Sewage tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Grosse-Ile				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5100 \$	0,2858 \$	1,0843 \$	-0,14 \$	-9,26 %
Property tax rate – non-residential (of \$100 evaluation)	1,7557 \$	0,3311 \$	1,2563 \$	-0,17 \$	-9,59 %
Waterworks tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Sewage tariff	- \$	- \$	- \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Havre-aux-Maisons				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5100 \$	0,2858 \$	1,2464 \$	0,02 \$	1,47 %
Property tax rate – non-residential (of \$100 evaluation)	1,7557 \$	0,3311 \$	1,4441 \$	0,02 \$	1,11 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	70 \$	- \$	70 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Étang-du-Nord				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5100 \$	0,2858 \$	1,1844 \$	-0,04 \$	-2,64 %
Property tax rate – non-residential (of \$100 evaluation)	1,7557 \$	0,3311 \$	1,3722 \$	-0,05 \$	-2,98 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	11 \$	- \$	11 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tax rate	Île-du-Havre-Aubert				
	Current city	Reconstituted city		Difference \$	Difference %
		Agglomeration	Proximity		
Property tax rate (of \$100 evaluation)	1,5100 \$	0,2858 \$	1,2031 \$	-0,02 \$	-1,40 %
Property tax rate – non-residential (of \$100 evaluation)	1,7557 \$	0,3311 \$	1,3939 \$	-0,03 \$	-1,75 %
Waterworks tariff	120 \$	63 \$	57 \$	0,00 \$	0,00 %
Sewage tariff	130 \$	72 \$	58 \$	0,00 \$	0,00 %
Waterworks and sewage debt tariff	7 \$	- \$	7 \$	0,00 \$	0,00 %
Residual materials tariff	240 \$	165 \$	75 \$	0,00 \$	0,00 %

Tables 4.12 and 4.13 illustrate the comparative tax burden between the current situation and the reconstitution situation for each of the former municipalities likely to be reconstituted for the residential (Table 4.12) and non-residential (Table 4.13) sectors for years 1 to 3 as well as the end-of-transition-period year.

Table 4.12 Comparison of the tax burden of residential sectors

TAX BILL FOR A SINGLE-FAMILY HOME							
Note : The situation illustrated will normally be the one served by the waterworks and sewage system. The firm may however choose to illustrate the situation of a sector not served by the waterworks and system, for example, a rural municipality where the majority of taxpayers do not benefit from these services. It may also illustrate the situation of a sector served by one of these services only. If this is the case, a note in the table should mention this for the municipality concerned.							
	Former Municipa- lité de Cap- aux-Meules	Former Municipa-lité de Fatima	Former Municipa-lité de Grande- Entrée	Former Municipa-lité de Grosse-Île	Former Municipa-lité de Havre-aux- Maisons	Former Municipa- lité de Étang-du- Nord	Former Municipa-lité de l'Île-du- Havre- Aubert
AVERAGE VALUE OF A RESIDENCE	71 378 \$	46 979 \$	39 789 \$	38 239 \$	53 075 \$	53 902 \$	39 643 \$
TAX BILL IN THE CURRENT SITUATION			NON DESSERVIE EAU ET ÉGOUTS	NON DESSERVIE EAU ET ÉGOUTS			
Year 1	1 603 \$	1 206 \$	838 \$	814 \$	1 233 \$	1 220 \$	1 053 \$
Year 2	1 627 \$	1 223 \$	851 \$	827 \$	1 252 \$	1 238 \$	1 066 \$
Year 3	1 637 \$	1 233 \$	857 \$	833 \$	1 263 \$	1 245 \$	1 072 \$
End-of-transition-period	1 713 \$	1 218 \$	841 \$	817 \$	1 311 \$	1 315 \$	1 096 \$
THE BILL IN THE ASSUMPTION OF A RECONSTITUTION							
Year 1	1 143 \$	1 297 \$	1 104 \$	778 \$	1 375 \$	1 278 \$	1 091 \$
Year 2	1 168 \$	1 313 \$	1 118 \$	791 \$	1 393 \$	1 296 \$	1 104 \$
Year 3	1 178 \$	1 319 \$	1 123 \$	796 \$	1 401 \$	1 304 \$	1 110 \$
End-of-transition-period	1 168 \$	1 297 \$	1 043 \$	764 \$	1 373 \$	1 293 \$	1 118 \$
INCREASE (DECREASED)							
Year 1	-459 \$	91 \$	267 \$	-37 \$	142 \$	58 \$	38 \$
Year 2	-459 \$	90 \$	267 \$	-37 \$	141 \$	58 \$	38 \$
Year 3	-460 \$	86 \$	267 \$	-37 \$	138 \$	58 \$	38 \$
End-of-transition-period	-546 \$	79 \$	203 \$	-53 \$	62 \$	-21 \$	22 \$
PeRcENTAGOf IMPACT							
Year 1	-28,66 %	7,54 %	31,85 %	-4,48 %	11,54 %	4,78 %	3,62 %
Year 2	-28,23 %	7,35 %	31,35 %	-4,41 %	11,29 %	4,70 %	3,57 %
Year 3	-28,07 %	7,00 %	31,14 %	-4,39 %	10,89 %	4,67 %	3,55 %
Year 4	-31,84 %	6,46 %	24,11 %	-6,54 %	4,75 %	-1,61 %	2,03 %

Local improvement taxes (sector taxes) will continue to apply. They will need to be add, as applicable.

La période de transition pourrait s'étendre jusqu'à une période de 20 ans.

Table 4.13 Comparison of the tax burden of non-residential sectors

TAX BILL FOR A NON-RESIDENTIEL IMMOVABLE							
Note : The situation illustrated will normally be the one not served by the waterworks and sewage system.							
	Former Municipa- lité de Cap- aux-Meules	Former Municipalité de Fatima	Former Municipalité de Grande- Entrée	Former Municipalité de Grosse-Île	Former Municipalité de Havre-aux- Maisons	Former Municipa- lité de Étang-du- Nord	Former Municipalité de l'Île-du- Havre- Aubert
AVERAGE VALUE OF A NON RESIDENTIEL IMMOVABLE	319 997 \$	78 797 \$	117 087 \$	24 068 \$	24 507 \$	146 149 \$	72 529 \$
TAX BILL IN THE CURRENT SITUATION			NON DESSERVIE EAU ET ÉGOUTS	NON DESSERVIE EAU ET ÉGOUTS			
Year 1	4 966 \$	1 371 \$	2 038 \$	419 \$	352 \$	2 143 \$	1 189 \$
Year 2	5 093 \$	1 402 \$	2 084 \$	428 \$	362 \$	2 201 \$	1 218 \$
Year 3	5 144 \$	1 415 \$	2 102 \$	432 \$	366 \$	2 224 \$	1 229 \$
End-of-transition-period	5 618 \$	1 383 \$	2 056 \$	423 \$	430 \$	2 566 \$	1 273 \$
TAX BILL IN THE ASSUMPTION OF A RECONSTITUTION							
Year 1	2 636 \$	1 512 \$	2 947 \$	392 \$	436 \$	2 441 \$	1 258 \$
Year 2	2 763 \$	1 543 \$	2 994 \$	402 \$	446 \$	2 499 \$	1 287 \$
Year 3	2 813 \$	1 555 \$	3 012 \$	406 \$	450 \$	2 522 \$	1 299 \$
End-of-transition-period	2 762 \$	1 511 \$	2 739 \$	382 \$	435 \$	2 489 \$	1 160 \$
INCREASE (DECREASE)							
Year 1	-2 331 \$	140 \$	910 \$	-27 \$	84 \$	298 \$	69 \$
Year 2	-2 331 \$	140 \$	910 \$	-27 \$	84 \$	298 \$	69 \$
Year 3	-2 331 \$	140 \$	910 \$	-27 \$	84 \$	298 \$	69 \$
End-of-transition-period	-2 856 \$	128 \$	684 \$	-41 \$	5 \$	-77 \$	-113 \$
IMPACT EN POURCENTAGE							
Year 1	-46,93 %	10,24 %	44,64 %	-6,36 %	23,79 %	13,90 %	5,82 %
Year 2	-45,76 %	10,01 %	43,65 %	-6,21 %	23,15 %	13,54 %	5,68 %
Year 3	-45,31 %	9,92 %	43,27 %	-6,16 %	22,91 %	13,39 %	5,63 %
Year 4	-50,83 %	9,24 %	33,26 %	-9,59 %	1,11 %	-2,98 %	-8,91 %

Local improvement taxes (sector taxes) will continue to apply. They will need to be added, as applicable.

Schedule I

List of principal commissions and principal standing committees

Îles de la Madeleine
Municipality: (418) 986-3100

Standing committees at the municipality (number of elected representatives)

Borough council	(1)
Executive committee	(3)
Advisory committee on urban planning	(1)
Advisory committee on transportation	(3)
Audit committee	(2)
Residual materials management centre committee	(3)
Wastewater treatment committee	(2)
Public security committee	(4)

There are no more RCMs at the Îles de la Madeleine since they became defunct after the merger given that all the formerly represented municipalities became part of the new city.

Number of councillors per municipality before the merger

The new city is made up of seven municipalities (see the document listing them) with seven councillors each.

Schedule II

Tax burden of former municipalities before the
amalgamation

TAX ACCOUNT FOR A SINGLE-FAMILY HOUSE							
	Former municipality of Cap-aux- Meules	Former municipality of Fatima	Former municipality of Grande-Entrée	Former municipality of Grosse-Île	Former municipality of Havre-aux- maisons	Former municipality of Étang-du-Nord	Former municipality of l'Île-du-Havre- Aubert
TAX BURDEN IN CONSTANT DOLLARS IN 2004	\$ 1 443	\$ 1 315	\$ 1 155	\$ 643	\$ 1 206	\$ 1 203	n/d

Sources :

Profil financier 2001, charge fiscale (http://www.mam.gouv.qc.ca/finances/fina_info_prof_2001.htm).

IPC; Institut de la statistique du Québec.