

Feasibility Study:

SUSSEX-SUSSEX CORNER AREA

February 1995

February 15, 1995


Honourable Paul Duffie
Minister of Municipalities, Culture and Housing
P.O. Box 6000, Fredericton, New Brunswick
E3B 5H1

Dear Mr. Minister:

I am pleased to submit *the Feasibility Study for Boundary Changes in the Sussex-Sussex Corner Area*.

Thank you for the opportunity to be involved in the challenging assignment of examining the feasibility of local government structuring.

Respectfully,



JOHN C. ROBISON
STUDY MANAGER

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FOREWORD

In October 1994, the Minister of Municipalities, Culture and Housing, Hon. Paul Duffie, announced feasibility studies into amalgamations or boundary changes for a number of municipalities. Following publication in December 1992 of the government's report *Strengthening Municipal Government in New Brunswick's Urban Centres*, feasibility studies into amalgamations or regionalization of services in the Greater Moncton and Greater Miramichi areas were undertaken. The implementation of the recommendations contained in these reports is currently in progress. Recognizing that smaller communities outside the seven major urban centers are faced with similar challenges, a number of requests for amalgamation and annexation feasibility studies have been made.

A major restructuring of local government in New Brunswick occurred with the implementation of the Program for Equal Opportunity in 1967. While selective annexation and consolidations have occurred subsequently, a number of formal as well as *ad hoc* arrangements have been developed by contiguous communities for provision of services. As such, community leaders have taken steps to achieve the best value possible for their rate payers by joining forces with their neighbours to provide local services in a cost efficient manner. Examining the feasibility of boundary extensions or consolidations of municipal units is a logical follow-through as communities grow and develop. This review of the feasibility of amalgamating the Village of Sussex Corner, the Town of Sussex and portions of the surrounding Local Service Districts of Sussex and Studholm is one of six such feasibility studies being undertaken concurrently throughout the Province.

ACKNOWLEDGMENTS

The completion of this study was made possible through the contribution of many people. The members of the Community Advisory Committee, a group of 8 political, business and community leaders took an active role in all aspects of the study. The members are listed in Appendix A attached. We are grateful to those individuals who gave so generously of their time and advice.

Phyllis Mockler-Caissie served as Study Co-ordinator. In this role she undertook necessary research, developed the background information and served as administrative co-ordinator for the study. Shirley Gillies was very helpful in providing administrative and secretarial support during the study.

We are appreciative of the support and assistance provided by Sussex Town Manager, Michael Cummings, and Sussex Corner Village Clerk, Sandra Daigle.

This report has drawn from the Community Profile of the Sussex-Sussex Corner area prepared by Claudia Barnett, Co-ordinator of Research and Anne-Marie Smith, Research Assistant, of the New Brunswick Department of Municipalities, Culture and Housing. Tom Henderson, of the same department, provided the graphics used both in this report as well as for the public sessions.

As well, we would like to acknowledge several other staff members of the Department of Municipalities, Culture and Housing for their assistance in providing information and material necessary for the study.

LIST OF FIGURES AND TABLES

Table 1	Comparative Population data	6
Table 2	Comparative Average Incomes, 1991	9
Table 3	Comparative Total Tax Base, 1994 and 1995	18
Table 4	Comparative Local Tax Rates, 1989-1995	19
Chart 1	Comparative Tax Base Per Capita, 1995	19
Figure 1	1995 Revenue Sources, Town of Sussex	16
Figure 2	1995 Revenue Sources, Village of Sussex Corner	16
Figure 3	1995 Expenditures, Town of Sussex	17
Figure 4	1995 Expenditures, Village of Sussex Corner	17

TABLE OF CONTENTS

FOREWORD	i
ACKNOWLEDGMENTS	ii
LIST OF FIGURES AND TABLES	iii
TABLE OF CONTENTS	iv
1. INTRODUCTION	1
Purpose of the Feasibility Study	1
The Process	1
2. OVERVIEW OF LOCAL GOVERNMENT IN NEW BRUNSWICK	3
3. THE GREATER SUSSEX COMMUNITY	5
A. BACKGROUND	5
History	5
Population Trends	6
Industrial Base	7
Employment	8
Mobility of population	9
Housing Characteristics	9
B. STUDY AREA BOUNDARIES	10
C. EXISTING LOCAL GOVERNMENT STRUCTURE AND SERVICE DELIVERY	11
Municipal services	12
Fire	12
Police	12
Garbage collection and Disposal	13
Street lighting	13
Water and Sewage	13
Roads and Streets	14
Sidewalks	14
Recreation	14
Economic Development	15
Planning	15
School and Library	15
D. FINANCE AND BUDGETING STRUCTURE	16
E. BUDGET - AMALGAMATED COMMUNITY	20
4. COMMUNITY INPUT	22
5. RESTRUCTURING ANALYSIS	24
6. CONCLUSIONS AND RECOMMENDATIONS	30

APPENDICES

Appendix A - Community Advisory Committee Members	33
Appendix B - Map of Study Area Boundaries.....	34
Appendix C - Map of Proposed Boundary Extensions, Sussex.....	35
Appendix D - Map of Proposed Boundary Extensions, Sussex Corner.....	36

1. INTRODUCTION

The *Municipalities Act* provides that the Lieutenant-Governor in Council, on the recommendation of the Minister of Municipalities, Culture and Housing, may amalgamate communities and annex contiguous areas. It also states that any such recommendation is to be made subsequent to the completion of a feasibility study.

Recognizing that it may be feasible to amalgamate or expand existing boundaries of specific municipalities, the Minister appointed John Robison, as Study Manager, to undertake a feasibility study to review the viability of amalgamating the Village of Sussex Corner, the Town of Sussex and some of the unincorporated area surrounding the municipalities. The proposed for study area boundaries are shown on the map included in this report as Appendix B.

Purpose of the Feasibility Study

The purpose of conducting a feasibility study in the Sussex-Sussex Corner area was to determine whether or not it would be financially viable to amalgamate the current municipalities, including some of the surrounding unincorporated area known as the Local Service Districts of Sussex and Studholm. This study is one of six such studies currently being undertaken in various communities throughout New Brunswick.

The Process

In keeping with the principle that any review must involve public participation, the Minister appointed a Community Advisory Committee composed of residents of the study area, both elected and non elected. The role of the Committee was:

- To review the study area boundaries, and recommend such changes as deemed appropriate;
- To provide advice on the various aspects of possible restructuring as it affects the community;
- To inform and involve the community in the study and its objectives by:
 - communicating with the public on the strengths and weaknesses of extended boundary options;

- receiving comments and suggestions from residents and providing advice to the study team in the development of the report's recommendations.

Several meetings of the Community Advisory Committee were held during the period October 1994 to February 1995, during which time various options for proposed boundary changes were reviewed. As well, numerous documents and financial data were reviewed to assist in the determination of the feasibility of such boundary changes.

The public was invited to attend one or both of the Open House/Public Meetings held on January 24th in the Town of Sussex, and January 25th in the Village of Sussex Corner. This provided Advisory Committee members with an opportunity to share with the public information related to the various options. At these public sessions, residents shared suggestions, comments, sought information and raised concerns with respect to the proposed boundary changes. A questionnaire was available to provide those in attendance with an opportunity to respond to some basic questions regarding the study. As well, residents were encouraged to submit written comments and to contact members of the Community Advisory Committee with their concerns.

Public consultation was considered to be an essential element in the process. Although the recommendations presented in this report are based on a number of factors, the views of area residents played a key role in shaping the recommendations contained in this report.

2. OVERVIEW OF LOCAL GOVERNMENT IN NEW BRUNSWICK

There are two types of local government structures in New Brunswick - incorporated municipalities and unincorporated areas known as Local Service Districts. The system of local government which has been in place since 1784, when New Brunswick became a separate province, has undergone significant changes. In 1967 the *Report of the Royal Commission on Finance and Municipal Taxation*, more commonly known as the *Byrne Commission*, recommended a number of changes to the system of fiscal arrangements in New Brunswick. Among the changes that resulted were the abolition of county government and a realignment of the division of responsibility between the Province and municipalities for the provision of certain services. This realignment transferred responsibility for health, welfare, education, and the administration of justice from the municipal level to the provincial level of government.

In support of this division of responsibility, the Province shares the property tax field with local governments. Both the Province and municipalities raise revenues through property taxes which are levied on the same properties. While the Provincial property taxes are not earmarked specifically for health, welfare or education, it is partially in recognition of this division of responsibility that the provincial tax is levied.

Another key change brought about by the *Byrne Commission* was the implementation of a uniform property assessment system based on market value. The Provincial government assumed responsibility for the administration of the assessment system and the collection of all property taxes. The municipal portion of the property taxes collected is remitted to the municipalities in equal monthly installments by the Province.

Municipal revenues are supplemented by an unconditional grant from the Province which is intended to assist in the cost of financing local services. The amount of grant support, in the past, was related to such factors as relative population, fiscal capacity in terms of size and density of the tax base, and fiscal effort in terms of expenditures for comparable levels of service among municipalities with similar characteristics. Recent fiscal circumstances have resulted in a reduction in the amount of unconditional grant

money made available by the Province. This has placed additional financial burden on municipal budgets causing municipal councils, in some instances, to look for means to reduce expenditures or find new methods of raising revenues.

Today, approximately sixty percent (60%) of the estimated 725,000 persons living in New Brunswick reside in 113 municipalities comprised of 7 cities, 28 towns and 78 Villages. The remaining 40% live outside municipal boundaries in one of the nearly 300 Local Service Districts which cover nearly 85% of the total area of New Brunswick. Municipalities are fully autonomous structures, with elected municipal councils, which provide a full range of local service to their residents. While Local Service Districts do not have a locally elected form of municipal government, the option exists for residents to elect an Advisory Committee at a public meeting specifically called for that purpose. The role of such a Committee is to serve in a consultative capacity to the Minister to advise on services that are required for the area. Local Service Districts provide a minimal level of service to their residents. They are advisory only and the administrative responsibility for such units is undertaken by the Department of Municipalities, Culture and Housing.

3. THE GREATER SUSSEX COMMUNITY

A. BACKGROUND

History

Like many communities in the Maritime region, the original settlers of Sussex Parish were United Empire Loyalists. In 1786 Loyalists claimed land grants in the outlying area, approximately 73 kilometers from Saint John. One of the first land grants was given to Major Guilford Studholm in 1784. His 5,000 acre grant extended from Apohoqui to the outskirts of the present Town of Sussex. A Loyalist by the name of George Leonard is referred to as the founder of Sussex Vale. This area, originally known as "Burnt Land", also known as "Pleasant Valley", and later, as "Sussex Vale", is the site of the present day Village of Sussex Corner. The residents of Sussex Vale engaged in the practice of farming the fertile area and eventually established commercial operations as needs arose. The Kennebecasis River was the most important transportation route for the early settlers. In earlier times, the area known today as the Town of Sussex was deemed of little value because it was a maze of creeks and streams which all but isolated the area from major routes of travel.

Sussex Vale was well situated to expand as a service area. As the population grew and businesses expanded, transportation became an important issue. The Saint John Stagecoach Company provided necessary transportation services, traveling through the area on its way to Amherst, Nova Scotia on a weekly basis. During the mid 1850's, it was proposed that the railway would go through Sussex Vale. However, due to public resistance, the railway line was moved 2 miles to the west of Sussex Vale to a place where the railway could cross the main road leading to Saint John. As a result of this decision, Sussex Vale's status diminished as the business centre and the Town of Sussex became the focal point for commercial activity.

The age of industrialization brought new developments to the area during the later part of the 19th century. In 1875, the Sussex Milk Company was organized by local farmers. This company supplied milk for the surrounding area, reaching as far as Saint John. A boot and shoe factory was established in 1880 as well as a steam tannery. By

1895, the Sussex Mineral Springs Company was established, later to be known as Sussex Ginger Ale Limited. An important development in the area occurred in 1879, when the military established a regiment in Sussex Vale. This military base was to play an important role in both World Wars. During World War II, the Sussex-Sussex Vale area became a military town, housing thousands of troops.

By the turn of the century, Sussex was well established as an urban centre in a rural area. When the railway line was routed through the present-day Town of Sussex, many people and businesses moved with it. Sussex boomed and Sussex Corner became a separate community with a slower rate of commercial growth. Sussex was incorporated as a Town in 1904 and Sussex Corner became a Village in 1967.

Population Trends

In 1991, the population of the Town of Sussex was 4,132 and that of the Village of Sussex Corner was 1,346. Census data are not available for small geographic areas such as those portions of the unincorporated area which were included in the study area. Therefore, population data with respect to the Local Service Districts of Sussex or Studholm apply to the entire Local Service District.

In the past few years, a relatively slow rate of population growth has been experienced in all areas. The population in the Town of Sussex has shown little change in the 20 year period between 1971 and 1991. The rate of population growth of the Village of Sussex Corner, which had shown significant expansion in the period 1971 to 1981, slowed considerably during the 1986 to 1991 period.

Table 1 Comparative Population Data

Area	1971	1976	1981	1986	1991
Sussex	3942	3938	3972	4114	4132
Sussex Corner	700	864	1015	1295	1346
Studholm LSD	2313	NA	3075	3405	3526
Sussex LSD	1540	NA	2055	2307	2527

Although less significant in recent years, urban sprawl is evidenced by the development outside the two incorporated communities.

In 1991, 20% of the total population in the Town of Sussex was over the age of 64, compared to 14% of the population in Sussex Corner who fell in this age group. For New Brunswick as a whole, 12% of the population was reported to be over 64 in 1991. The higher proportion of seniors living in Sussex could account for the fact that 30% of the population were determined to be living alone, whereas only 19% of the population in Sussex Corner represented single person households. As well it could be inferred from these statistics, that young people moving into the area are more likely to locate in the Village than the Town, possibly due to the greater availability of land.

Industrial base

The economy of the area is tied to primary industries, and the provision of services to the agricultural and primary industry based economies of the outlying communities. Two potash mines are located nearby - the Penobsquis mine, located 5 km south of Sussex, and the Cloverhill mine, located 20 km southeast of Sussex. Farming activities, particularly dairy farming, continue to be important to the area's economy, with local farmers supplying produce to two major Sussex employers, Baxter Dairies and Dairytown Products.

The study area is located within the Fundy Model Forest. This federal initiative provides over 400 jobs in areas of administration, thinning, planting, harvesting, transporting and processing. The J.D. Irving Lumber Company operates a sawmill in the unincorporated area. Also, many private woodlot owners carry out small scale production in the area. Long-standing food processing firms such as G.E. Barbour Foods and Baxter Dairies provide employment to over 200 persons. Additionally, the Sussex Industrial Park features the innovative MMH Prestige Homes company. The Town of Sussex and, to a lesser extent, the Village of Sussex Corner, serve as the major location for shopping, government services, and professional services. However, the area's close proximity to New Brunswick's largest city, Saint John, means that people can easily commute to this urban centre for work and shopping. Recreation and tourism opportunities continue to grow in the area, and include Poley Mountain Ski Hill, two golf courses, and the Atlantic Balloon Fiesta.

Employment

In 1991, 69% of the total labour force of the study area was employed in what is referred to as the *tertiary* sector of the economy. This sector includes industries such as transportation, communications, financial services, business services, wholesale and retail trade industries, government, educational, health and social services, as well as the food and beverage service industry. Seventy-two percent, 72% of the labour force in Sussex was employed in this sector as compared to 62% in Sussex Corner.

Twelve percent (12%) of the population in Sussex was employed in the *secondary* sector, which includes the traditional manufacturing and construction industries, while 16% worked in *primary* sector industries such as farming, quarrying and mining, and farming. Comparatively, a higher percentage of the labour force in the Village of Sussex Corner worked in manufacturing and construction industries (16%) and primary industries (22%) such as farming. This is evidenced by the higher number of farms located in Sussex Corner.

An examination of the combined population of both municipalities over the age of 15 who were actively participating in the labour force, indicates that the participation rate in 1991 was 61%. This participation rate was slightly lower than the rate given for New Brunswick as a whole (63%). The overall labour force participation rate in the Town of Sussex was lower, at 59%, than that given for the Village of Sussex Corner, at 67%. This could be attributed to the higher proportion of seniors who were living in the Town of Sussex in 1991.

Statistics reveal that 11.7% of the total labour force in both municipalities was unemployed in 1991. Provincially, the unemployment rate was higher at 15%. A higher level of unemployment (12.1%) was experienced in the Town of Sussex than in the Village of Sussex Corner (9.9%).

In 1991, the average household income was higher in Sussex Corner (\$40,212) than in Sussex (\$36,580), and exceeded the New Brunswick average of \$38,850.

Table 2 Comparative Average Incomes, 1991

Community	Average Income		
	Males	Females	Household
Sussex	\$27,130	\$14,449	\$36,580
Sussex Corner	\$24,111	\$16,585	\$40,212
New Brunswick	\$25,199	\$14,102	\$38,850

Mobility of Population

In 1991 there was a higher mobility rate of the population of the Sussex-Sussex Corner area as compared with the overall population of New Brunswick. In 1991, 45% of the population in the study area had moved in the past five years, while 34% of New Brunswickers in general had moved. Of those in the study area who had moved, 46% had moved within the same town or village, while 28% had moved from other parts of the province. The remaining 26% moved from other provinces or outside of Canada. Forty-seven (47%) of the population in the Town of Sussex had moved within the past 5 years, compared with 40% of the population in the Village of Sussex Corner.

Housing Characteristics

Seventy-eight percent (78%) of the persons living in Sussex Corner owned their homes as compared to 58% in Sussex in 1991. Sixty seven percent (67%) of all dwellings in the Town of Sussex were constructed before 1961, 18% between 1961 and 1981, and 15% of the dwelling stock, between 1981 and 1991. Comparatively, in the Village of Sussex Corner, 35% of the current dwelling stock was constructed prior to 1961, 25% between 1961 and 1981, and 40% was built between 1981 and 1991. In the past 20 years, most of the development which has occurred has been in the Village. The average value of a dwelling in the Village of Sussex Corner in 1991 was \$78,549 as compared with \$76,704 in the Town of Sussex.

B. STUDY AREA BOUNDARIES

The initial study area included the incorporated municipalities of Sussex and Sussex Corner together with surrounding developed peripheral areas.

As suggested in the Terms of Reference, the Community Advisory Committee reviewed the study area boundaries as proposed. Taking into consideration the broader area which could potentially benefit from the eventual extension of water and sewer services, as well as the area which constitutes what could be described as the Sussex area “community of interest”, a larger study area was defined. The decision to review the wider study area adhered to the principle that boundary changes should allow for future growth in population and expected changes in demographics. The broader area included Roachville, Fennell subdivision, the East Coast Housing development, along with the Millbrook and Cumberland Road areas. It was with respect to this larger study area that most of the financial analysis was undertaken in reviewing the feasibility of amalgamation.

In the application of property taxes for the wider area, the impact on agricultural property was determined to be onerous and therefore the study area was reduced. The reduced area closely resembled the initial proposed study boundaries and included those areas outside the two incorporated communities which were either developed or could potentially be developed in the relatively near future. A map of the study area boundaries that were reviewed is attached as Appendix B to this report.

C. EXISTING LOCAL GOVERNMENT STRUCTURE AND SERVICE DELIVERY

Local services include, among others, road and street maintenance, policing, land use planning, fire protection, recreation, community services, street lighting and garbage collection and disposal. While all local services in the incorporated municipalities are the responsibility of the municipality, services in Local Service Districts are provided by, or administered by, the Province. In the case of police protection, the Province contracts with the R.C.M.P. to police the unincorporated areas, while the Department of Transportation maintains all roads in unincorporated areas of New Brunswick. These services are financed partially by the \$0.65 tax per \$100 of assessment levied on residential owner-occupied properties in Local Service Districts. While waste disposal services have traditionally been provided by the Province through the use of rural dumps or arrangements made with municipalities to provide the services to the surrounding areas, the Province has developed a waste management strategy, and a number of traditional rural dumpsites are being closed. A series of regional solid waste sites are being created, and municipalities and Local Service Districts will jointly fund and operate the site in their particular region through a cooperative Solid Waste Commission. All other services provided to residents in an unincorporated area are elective. That is, they will be provided if enough of the residents want the service and are willing to pay for it through their local property taxes.

In both Local Service Districts and municipalities local services are financed directly by the taxpayers on the basis of the actual cost of the service and the provincial unconditional grant available. The net cost is financed through local property taxes levied against property owners.

A wide range of services are available to residents of the Sussex-Sussex Corner area. The Town of Sussex provides a full range of service to its residents and some to the neighbouring communities of Sussex Corner and the unincorporated areas. The Village of Sussex Corner, as well, provides many municipal services through a number of arrangements including purchase from the Town or Province of New Brunswick. The

Province is responsible for services to residents of unincorporated areas. Typical of a larger center located within a broad community of interest, many area residents benefit from services provided by the Town. While user charges are in place for some services, permitting some cost recovery, cost sharing arrangements are confined to only a few services.

Municipal Services

A mayor and seven councillors are currently elected by residents of the Town of Sussex while residents of the Village of Sussex Corner elect a mayor and five councillors. The Town of Sussex operates on a council-committee-manager system, while the Village of Sussex Corner has appointed a municipal clerk who functions as a chief administrative officer for the municipality. The Local Service Districts each elect an Advisory Committee to advise and assist the Minister in the administration of the district. The Local Service Districts of Studholm and Sussex are administered by the Department of Municipalities, Culture and Housing's Municipal Service Representative for the area, whose office is located in Hampton.

Fire Service

With the exception of the Roachville area, fire service coverage for the study area is provided by the Sussex Fire Department, with costs associated to such services being recovered from the individual communities. The Roachville area is served by the Millstream Fire Department.

Police Service

The Town of Sussex is served by a municipal police force consisting of a chief and ten officers. The Village of Sussex Corner and the adjacent unincorporated areas are policed by the RCMP under contract with the Province. While residents of the Town and Village pay for the cost of police services through a local tax levy, persons living in the Local Service Districts are charged a provincial property tax to assist in the cost of the provision of this service.

Solid Waste Collection and Disposal

Communities within the study area are part of the Kings County Solid Waste Region. Solid waste collection throughout the area is currently undertaken through private contractual arrangements. The Sussex transfer station, which is located in the Sussex Industrial Park, serves as the area's temporary disposal site. The Village of Sussex Corner pays the Town of Sussex to dispose of Village waste at this transfer station. As of January 1995, an arrangement with the Westmorland-Albert Solid Waste Commission now provides that waste from the Sussex transfer station is transported to the Westmorland-Albert landfill site.

Street Lighting

Street lights are provided to all residents in the Town and the Village and are financed from local tax revenues. The unincorporated areas are not provided with street lighting.

Water and Sewage Service

The sewerage treatment needs of the Town of Sussex are met through primary and secondary processing in an aerated lagoon system located outside the municipal boundary. Arrangements have recently been made for the Sussex Lagoon to receive effluent from Sussex Corner as well. With regard to water supply for the Town, the two wells located on Magnolia Avenue and Jonah Court have a combined capacity of 5,230 litres/minute, which can support a population of 6,000. In 1989, the Village of Sussex Corner installed a new sewer system to parts of the Village. However, the lines located in the centre of the Village are 25 years old. The Village has a high quality water source that can adequately provide for its current needs as well as a reserve supply which could, if necessary, address its needs for a period of 30 years.

Payment for the delivery of water and sewage service to residents in both municipalities is based on an annual user rate. The water and sewage rate for residents in the Town of Sussex has been set at \$290/year for 1995. Water and sewage rate in Sussex Corner for 1995 were set at \$365/year, which was due to the installation of a new water

system, additional sewer lines and a new lift station in 1989. In the unincorporated area, no publicly owned system exists. There are two privately owned sewer systems, one in the East Coast Housing development and another in the Roachville area. Other residents receive their water through individual wells and dispose of sewage through septic tank systems.

Roads and Streets Maintenance Service

All roads and streets in the Town of Sussex are maintained by the Town. The maintenance of roads and streets in the Village of Sussex Corner is undertaken through contractual arrangements. In the unincorporated area, all roads are maintained by the Department of Transportation. The cost of maintaining the roads in the Local Service Districts of Studholm and Sussex is partially recovered through the \$0.65 tax rate, whereas costs associated with those roads within the Town and the Village which are classified as “municipal” are the financial responsibility of the municipal government. Roads considered to be a provincial responsibility within the limits of the Town and the Village are serviced and financed by the Province.

Sidewalks

The sidewalks in both the Town and the Village are installed and maintained by the respective municipality.

Recreation Services

The Town of Sussex and the Village of Sussex Corner have each provided a variety of recreational and cultural opportunities to their residents. These include the 8th Hussars Arena in the Town as well as an outdoor pool, tennis courts, nature trails, and several neighbourhood parks, several ball and sport fields. The Village has an outdoor skating rink, a sports field and two parks. There are two community halls located in the area, one in Roachville and the other in the Village. These services are open to residents from the unincorporated areas. In addition, many private sports and recreational facilities exist in the area such as the Sussex Golf and Curling Club and a ski hill.

Economic Development

The Council of the Town of Sussex and its administration provide leadership in the community economic development for Sussex and the community of interest around the Town. This service provides for planning, promotion, operation and development of economic activities to assist the economic vitality of this community and area. This is accomplished through partnerships with the Fundy Regional Development Commission, the Chamber of Commerce, Service Clubs, industry and government leaders to ensure and attractive investment climate in this area.

While the Village of Sussex Corner does not belong to the Fundy Regional Development Commission planning does exist with respect to economic development.

Planning Services

Land use planning in the Village of Sussex Corner is carried out through a Municipal Plan and a zoning by-law. The Town of Sussex also has in place a Municipal Plan and zoning by-law. Both municipalities have their own building inspector. The Basic Planning Statement for the Studholm Parish Planning Area (LSD of Studholm) serves to protect and encourage agricultural development in the presence of residential, commercial and industrial development. Currently, there is no land use document in place for the Local Service District of Sussex. Both Local Service Districts receive building inspection services from the Department of Municipalities, Culture and Housing.

School and Library

The School District #4 office is located within the Town of Sussex. There are four schools within the study area. An elementary school is located in the Village of Sussex Corner (Grades 1 through 4). The Town of Sussex has three public schools; an elementary, a junior high and a regional high school. Students from Sussex as well as from Sussex Corner and the surrounding rural and residential areas attend both junior high and high school in Sussex. The Sussex Public Library, located in the Town, is part of the Saint John Regional Library network. The current library facility is considered inadequate and discussion is underway to replace it with a larger structure which would meet current and future demands.

D. FINANCE AND BUDGETING STRUCTURE

In 1995, the Town of Sussex reported a total budget of \$3,823,900 compared to the \$451,428 budget for the Village of Sussex Corner.

Figure 1 1995 Revenue Sources, Town of Sussex

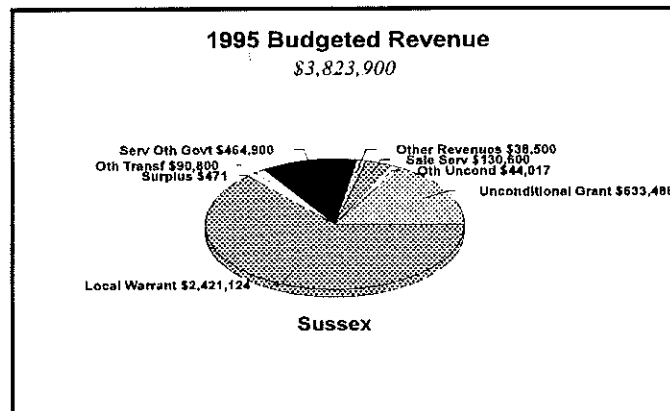
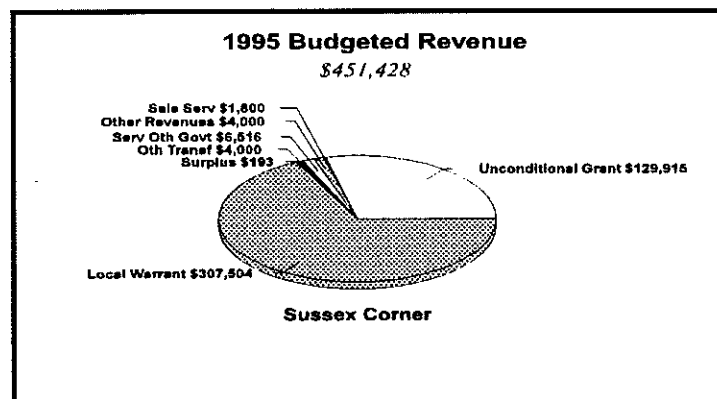


Figure 2 Revenue Sources, Village of Sussex Corner



The two main sources of revenue for any municipality are the provincial unconditional grant and the local tax warrant. In Sussex, the unconditional grant for 1995 represented approximately 17% of the total revenue whereas in Sussex Corner there was a greater reliance on the grant. Nearly 29% of the revenue for the Village of Sussex Corner was derived from the unconditional grant for 1995. The amount of revenue generated in 1995 through taxation as a percentage of the total budget for the two municipalities was 63% for Sussex compared to 68% for Sussex Corner. The reason that the Village of

Sussex Corner relied more heavily on revenues from taxes than does the Town of Sussex was due to the lack of other non-tax revenue sources.

The Town of Sussex has budgeted, for 1995, expenditures in the amount of \$3,823,900 while the Village of Sussex Corner has budgeted expenditures of \$451,428.

Figure 3 Expenditures, Town of Sussex, 1995

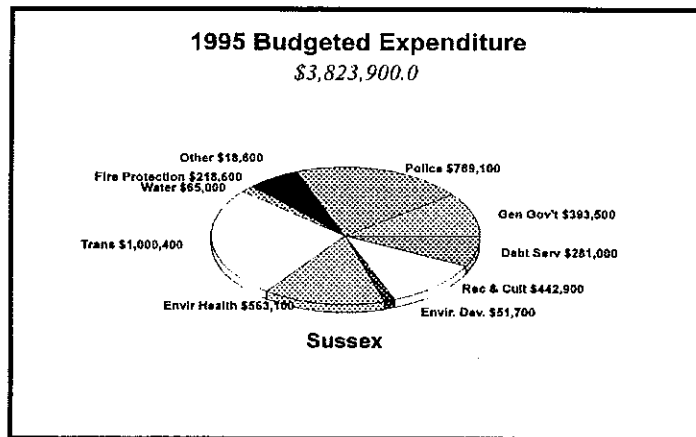
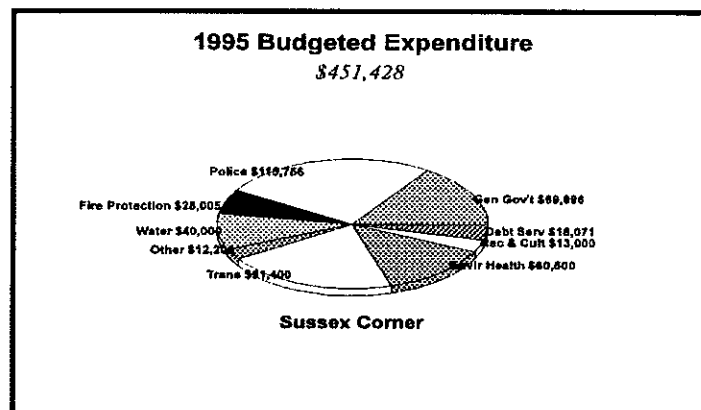


Figure 4 Expenditures, Village of Sussex Corner, 1995



The 1995 budgets for the Local Service Districts are relatively lower than those for the municipalities in the study area. The 1995 budget for the Sussex Local Service District is \$193,633 and \$282,942 for the Studholm Local Service District. As indicated, Local Service Districts are not responsible for the delivery of police and transportation services and, therefore, are required only to budget for services such as fire.

The portions of the two Local Service Districts considered in the study area are proportionately small in comparison to the total area within the Local Service Districts. In the financial analysis for the study area, only a proportional percentage of the revenues and expenditures of the Local Service Districts was used, based on the assumed portions that would be included in an amalgamated community.

The tax base indicates the strength of a community to raise tax revenues and is used to determine the local tax rate. The tax base is determined by increasing the non-residential property assessment by 1.5 times and adding it to the total assessed value of the residential properties. Tax base information for the Sussex and Studholm Local Service Districts represents the value of all properties in both parishes. Again, only a percentage of each was used for the study area representing the estimated assessment for the portion of each Local Service District being considered as part of the study area. As one would expect, the Town of Sussex has a tax base significantly higher than the other communities in the study area.

**Table 3 Comparative Total Tax Base, 1994 and 1995
(in dollars)**

Area	Tax Base	
	1994	1995
Sussex	\$195,738,650	\$199,191,750
Sussex Corner	\$34,494,000	\$35,194,450
Sussex LSD	\$67,873,700	\$71,407,150
Studholm LSD	\$90,936,500	\$93,775,650

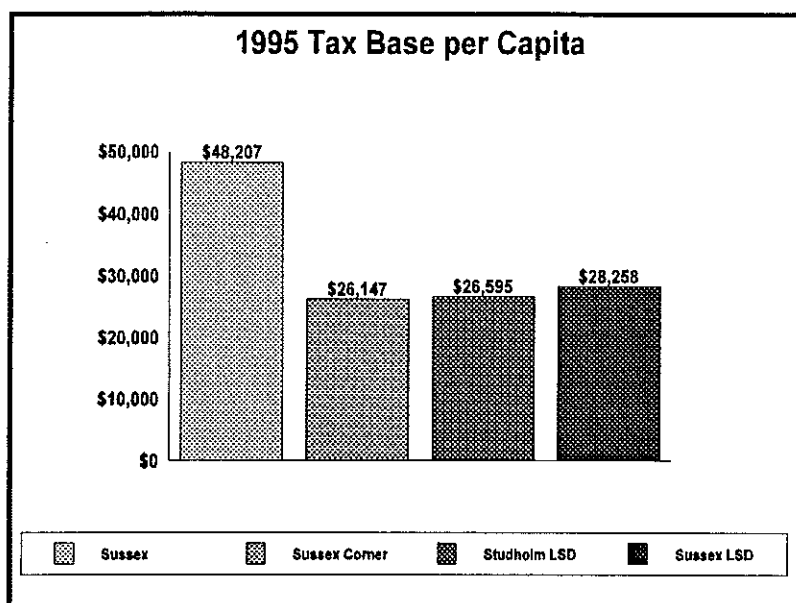
The local tax rates for the Town and the Village have remained relatively stable over the 6 year period from 1989- 1995. In the unincorporated areas, while tax rates remained stable until 1994, significant increases were experienced in 1995, caused by both reductions in provincial source revenues and by the transference of responsibility for additional expenditure items to the local level from the Provincial government, and subsequently from the local level directly to the taxpayer.

Table 4 Comparative Local Tax Rates, 1989-1995

Area	1989	1990	1991	1992	1993	1994	1995
Sussex	\$1.03	\$1.09	\$1.13	\$1.13	\$1.14	\$1.16	\$1.22
Sussex Corner	\$0.81	\$0.81	\$0.82	\$0.82	\$0.84	\$0.86	\$0.87
Sussex LSD	\$0.71	\$0.71	\$0.70	\$0.70	\$0.70	\$0.70	\$0.87
Studholm LSD	\$0.72	\$0.72	\$0.72	\$0.71	\$0.71	\$0.72	\$0.89

A further indication of the fiscal strength of a community is determined by the tax base per capita. The Town of Sussex, in 1995, has a tax base per capita that is 85% higher than that of the Village of Sussex Corner. The tax base per capita for the entire Local Service Districts are each comparable to that of Sussex Corner.

Chart 1 Comparative Tax Base Per Capita, 1995



The Town of Sussex had an outstanding debt of \$1,450,000 as of December 31, 1994 while the Village of Sussex Corner's outstanding debt at the year end was \$984,000. The debt reported by the Town at the end of 1994 represents an increase of less than 3% over that reported at the end of the previous year compared to an increase of 6% in the outstanding debt reported by the Village of Sussex Corner in 1995 over the previous year's amount.

E. BUDGET - AMALGAMATED COMMUNITY

A fundamental consideration to extending the boundaries in the study area was that an equitable level of service should be available to all residents of an expanded community. Further, it was felt that taxation should be related to level of service. Of major concern to those affected by an amalgamation or municipal boundary change is the possibility of higher tax rates and therefore in the proposed budget a differential tax rate was established for those properties in an area not receiving the same level of service as other areas benefiting from full services. Although it is difficult to forecast exact municipal tax burdens resulting from an amalgamated municipality, tax rates within the area must be manageable. If the service responsibility of the amalgamated municipality is such that the tax rate required to finance the delivery of that service is unduly onerous, then it would not be feasible to extend the boundaries.

The proposed budget is based on the assumption that most services would be available to the entire amalgamated community. The area for which this budget was calculated is the initial study area as outlined in the map attached in Appendix B. The tax base for the proposed larger municipality is estimated at \$255,808,345. This includes the total 1995 tax base for the Town of Sussex, the Village of Sussex Corner and a portion (30%) of the total tax base for the Local Service District of Sussex. Assuming that the expanded municipality could deliver an equitable level of service to the residents of the area at the same relative costs a net budget of \$3,507,774 was calculated. The unconditional grant for an amalgamated municipality, which is an amount of funding provided to local governments from the Province, has been calculated based on the 1995 grant amounts received by the individual communities (\$773,842). The amount of unconditional grant to be received was subtracted from the net budget to determine the amount of revenue to be generated through taxation. This amount is referred to as the local tax warrant and an amount of \$2,733,932 would be required for an amalgamated community. To ensure that residents of an amalgamated municipality would not be burdened with tax rates higher than would exist without an amalgamation, a lower tax rate was calculated at 75% of the full tax rate. The full tax rate was calculated to be

approximately \$1.13 which would result in a lower tax rate of approximately \$0.85. These represent the differential tax rates that would apply.

Proposed Budget for an Amalgamated Community

REVENUES	
Warrant	\$2,733,932
Unconditional grant	\$773,842
Services other governments	\$352,269
Sale of services	\$132,100
Other revenue own source	\$40,300
Other unconditional transfers	\$44,017
Other transfers	\$94,800
Surplus 2nd previous year	\$964
TOTAL	\$4,172,224
EXPENDITURES	
General gov't	\$430,000
Protective services	
Police	\$868,010
Fire-operating	\$218,600
Water costs	\$105,000
Emergency measures	\$4,800
Other	\$33,931
Transportation	\$1,133,110
Environment health	\$563,100
Public health	\$0
Environmental development	\$54,200
Recreation & culture	\$455,900
Debt cost	\$305,573
TOTAL	\$4,172,224
Net budget	\$3,507,774
Unconditional grant	\$773,842
Warrant	\$2,733,932
Municipal tax base	\$255,808,345
Full Tax Rate	\$1.1313
Lower Tax Rate*	\$0.8485

*The lower tax rate would apply to the properties currently in the Village of Sussex Corner and the Local Service District of Sussex that would become part of the amalgamated community.

In comparison to the 1995 tax rates for the individual communities without amalgamation, these rates are lower and therefore boundary expansion would appear feasible.

4. COMMUNITY INPUT

Any review of local government structure, as it relates to an area, brings about wide ranging views, opinions, recommendations and concerns. The greater community in the Sussex-Sussex Corner area is no exception.

Along with a number of meetings with interested groups and individuals, two open house public forums were held in Sussex and Sussex Corner where members of the Community Advisory Committee shared information and received comments and suggestions during the course of the study. Views were offered on differences between the rural community and the urban community, tax rates, the need for water and sewer services to peripheral sub-divisions, community identities, adequacy and standard of services available in the area, land use planning and controls, the future of the community, and the creation of a climate for economic development.

With the Town of Sussex currently levying a tax rate higher than those which apply in the Village of Sussex Corner and unincorporated areas, concerns were expressed about the possibility of higher tax rates. Generally, residents expressed satisfaction with the level of services currently being provided. Some expressed a need for greater recreational facilities. As well, residents expressed satisfaction with policing in the area, although the standard of RCMP response time was identified as a suggested area for improvement. The extension of water and sewer services to residents in unincorporated subdivisions was not seen as a high priority by those living in such sub-divisions.

The Committee of Agricultural Land Owners expressed concern with inclusion of agricultural lands within the boundaries of an incorporated community. This concern was shared by many members of the farming community because of the higher tax rates which would result, and the inability, under the current legislation, to defer the municipal portions of the property tax bill through the Farm Land Identification Program.

As well, farmers expressed concerns with the application of "urban" standards related to the keeping of animals, use of pesticides, building standards, and planning controls. Others expressed a strong need for planning controls for the long-term protection of agricultural land for agricultural purposes.

An analysis of the questionnaires that were completed at the public sessions indicated that most of those who responded were not in favour of amalgamation. Residents did, however, strongly emphasize the need for long term planning. This view was shared both by residents of the incorporated communities and the unincorporated area. Farm owners were concerned with encroachment on agricultural lands. Others were concerned with protecting the environment of the community, or the pleasantness of the area. With the growth rate experienced over the past two decades which accompanied economic development, a desire to shape future growth was identified.

With specific regard to the question on amalgamation, strong opposition was expressed by residents of Roachville and Sussex Corner. Opposition to amalgamation by the residents of Sussex Corner reflected the views of the Sussex Corner Village Council. Sussex Town Council supported regionalization of services and annexation of other built up areas on the periphery. Town Council was, however, concerned with the financial strength of the community to undertake large capital expenditures to meet future expected servicing requirements to the currently unincorporated area.

The Community Advisory Committee was comprised of eight political, business and community leaders throughout the study area. This committee was instrumental in providing the very necessary insight into the hopes and aspirations of the collective community. The group considered possible options for restructuring, including the implications of maintaining the status quo. As can be appreciated, views among members of the Committee varied as discussions occurred on the several issues, but a spirit of goodwill and a desire to work in the best interests of the total community were always apparent. While of the view that amalgamation of the urban community should take place at some time in the future, the committee feels that a better understanding among residents is necessary before effecting amalgamation.

5. RESTRUCTURING ANALYSIS

In considering the need for local government restructuring in the greater Sussex area, a number of options were considered. It was felt that continuing with the status quo would fail to address current issues or challenges of the future in a satisfactory manner. The questions to be answered, then, are “if amalgamation is to be recommended, what should be the boundaries of such a new municipality?”, and “should the recommendation include the merger of the two incorporated communities of Sussex and Sussex Corner?”

Sussex is a well established market center serving an estimated market of 35,000. Having been incorporated in 1904, it has an infrastructure which meets commercial the needs of a geographic area beyond the boundaries of the municipality itself. While Sussex Corner was incorporated as a municipality in 1967, it has existed as a community for over two centuries. It includes the original settlement in the greater Sussex community, referred to as Sussex Vale. With the establishment of the railway center at what was to later become Sussex, the new arrivals as well as businesses gravitated around the railway station which became the center of the community.

With the growth of commerce and industry, the urban community has essentially outgrown its government. Both the Town of Sussex and the Village of Sussex Corner are involved in providing local government services to the greater Sussex community with the key service provider being the Town of Sussex. While boundary extensions have, over the years, been sought by the Town of Sussex, no boundary extensions have been approved. Significant urban growth has occurred both inside and outside the town limits. Indeed, a greater population growth has occurred over the past two decades in Sussex Corner and the surrounding unincorporated areas than has been the case in the Town of Sussex. This is to be expected when municipal boundaries are not enlarged sufficiently to contain the majority of the urban and commercial expansion which occurs with growth.

In determining if amalgamation should be considered as the solution to the issues that confront the Sussex-Sussex Corner area, one can refer to the *Report of the Task Force on Municipal Structure and Financing*, submitted to the Government of New Brunswick in 1972 which states:

"Urban area consolidations are required as a response to urban growth which spills over the existing boundaries of urban municipalities and which frequently brings two or more established urban municipalities close together. Urban area consolidations are as necessary for the health of the municipal structure as eating and sleeping is for the health of the individual. Periodic expansion of urban municipal boundaries and merger of adjacent municipalities that have grown together are the natural and expected responses to urban growth and development. The failure to make boundary adjustments when they are required creates artificial obstacles to rational community development and effective urban administration. Opposition to expected changes may result from the build-up of entrenched private interests, the existence of financial obstacles to change and the public's fears of the unknown consequences of change."

While co-operative efforts between the two incorporated communities and, in some cases with their unincorporated neighbours, have worked beneficially for all parties, they do not satisfactorily address area wide needs. This is not to be seen as a criticism of local governments in the area which receive high marks from their respective residents on the tasks they have undertaken. Achieving equity in the provision of services and in financing such services, as well as providing a focus for a community wide vision for future development are difficult if government for the community of interest is fragmented.

It is anticipated that appropriate government decisions resulting from the *Report of the Committee on Land Use and Rural Environment* will address many concerns of the agricultural community. If agricultural lands are to be adequately protected from "urban" encroachment, the boundaries for a new urban community need not extend excessively into farmland. Further, with the higher level of taxation for farm lands within an incorporated area compared to those outside, it is understandable that inclusion in an amalgamated community is a concern to agricultural landowners.

More effective land use planning and controls, as is proposed with the implementation of large geographic planning districts, will also be of benefit for

controlling and planning future growth. The indiscriminate growth of unplanned subdivisions on the periphery of incorporated communities will be more adequately addressed with district planning which includes both the urban and surrounding rural area.

In the public meetings held to discuss the feasibility of amalgamation, most of those who completed questionnaires were from the unincorporated area of Roachville. The need for extending water and sewer services, as long as the area remains essentially rural was questioned. It was suggested by other questionnaire respondents that residents in the unincorporated area benefit from some of the services provided by the Town and Village, and should therefore pay accordingly. As a result, inclusion of the more rural areas should not form part of the amalgamated community. Provision should be made, however, for continued service to residents on a fair compensation basis. Residents in the surrounding rural areas should also participate with the urban areas in joint planning for the broader community.

With respect to Sussex Corner, it appears to be very much a part of the study area's social and economic community. While the residents have expressed an attachment to those features which keep it distinct, the fact remains that it is essentially a very real part of the Greater Sussex community. Indeed, the residents of Sussex Corner bring much to the overall community. Its residents, along with others in the urban area, work, shop, contribute to and enjoy the facilities of the greater community.

It is the people who make a community, not the structural forms they have created and developed over the years to help them accomplish their common objectives. The greater Sussex community is nothing more or less than the sum of its people. Residents of the two municipalities share and benefit from the same services, some by formal arrangements, while others are simply the result of being neighbours.

The study team and the Community Advisory Committee are unanimous in the view that amalgamation of the urban community is inevitable at some time and it is their belief that area wide planning must be undertaken in a co-ordinated fashion. They are also of the view that many of the local services provided in the community can only be offered

if the scale is sufficiently large that they are financially feasible. For services which are provided throughout the area, those who benefit should share in the cost.

Amalgamation of the total urban community is the most simple, direct method of addressing the needs of the community. As an option, it can achieve greater equity in municipal services, administrative efficiency and accountability. It allows the strengths and resources of the total community to be utilized for the benefit of all residents in the community.

There is concern, however, that opposition to amalgamation expressed during the course of the study would, at least in the short term, have the opposite effect to uniting the community. While Sussex residents generally have not expressed views on amalgamation, residents of Sussex Corner and the unincorporated areas have been vocal in their opposition. And, while supporting the long term benefits of amalgamation, a number of community leaders, including members of the Community Advisory Committee suggest a cautious and slower approach. It is their feeling that the governments within the study area should co-operate, in a formal manner, more fully for a period of time until the benefits of a merger are appreciated by residents. Such an approach would allow local governments to immediately address a number of area initiatives such as policing, solid waste management, economic development, environmental protection and land use planning some of which are already receiving attention. At the same time, establishing a formal arrangement for co-operative undertakings would prepare the community for future merger.

While recommending that amalgamation of the urban area not take place immediately, it is considered imperative that such a formal, co-operative arrangement among the component communities be established to address area wide issues. This committee should be mandated to provide an overview of those services currently being delivered co-operatively, as well as those services which are appropriate for regionalization. Among these are the need for regional planning and regional policing. The Province has already committed to the concept of district planning, while a study has been initiated by the Community Advisory Committee into the options available for

regional policing. A co-operative committee comprised of representatives from the two incorporated communities as well as the surrounding unincorporated areas would address these regional initiatives.

A subject which requires discussion and an appropriate solution is the need for area cost sharing of recreational and cultural facilities, specifically the 8th Hussars Arena and the municipal library.

As earlier identified, growth in the unincorporated portions of the area has occurred at a high rate relative to rate of growth within the incorporated portion. This could be partially as a result of some persons seeking a more rural life style, while others could be seeking a lower tax burden. Annexation or amalgamation is necessary if the majority of an urban area growth is to be encompassed within municipal limits.

Areas recommended for annexation are:

to the Town of Sussex

- a) the area between the northern boundary of the Town of Sussex and the Village of Sussex Corner and the Kennebecasis River. (this area included the Four Corners area, Aiton Road, and Morrow Avenue Extension.);
- b) the area between the western boundary of the Town of Sussex north of the CN railway to the Kennebecasis River. (this area includes the end of St. George Street, the sewage lagoon and the Irving Bulk Plant.);
- c) the area south of the CN railway, between the Town of Sussex's boundary and a line parallel to the boundary.;
- d) a triangular area of land at the end of Fowler Avenue between the town boundary and an extension of the existing town boundary crossing Wards Creek Road and continuing to the Rifle Range; and
- e) the entire Rifle Range property and an area between the Range and the boundary of the Village of Sussex Corner.

to the Village of Sussex Corner;

- a) an area south of Trout Creek, which represents the current village limits, running parallel to the most southerly boundary of the village. This would include the developed portions of the Dutch Valley area. (the area would include the sub-division off the Millbrook Road on the Yeamans Road);
- b) an area to the east of the village limits in the Millpond area more specifically referred to as the East Coast Village housing development

6. CONCLUSIONS AND RECOMMENDATIONS

This study looked into the feasibility of amalgamation of the Town of Sussex, Village of Sussex Corner, and portions of the Local Service District of Sussex and Studholm. The initial study area covered a population of approximately 5700. However, in attempting to define the community of interest, the study area was expanded to include a population of approximately 7000.

Concerns were expressed with the inclusion of the more rural areas surrounding the incorporated communities in the larger study area. Some of these concerns related to the potential extension of the urban community into the rural area and the encroachment on agricultural lands. Fear of increased taxes on agricultural properties, and of the application of urban standards and controls which might inhibit farming, were expressed. As a result, the study area was contracted to essentially coincide with the initial study area prescribed.

Opposition to amalgamation was also strong among residents of Sussex Corner. Fear of being taken over by its larger neighbour, preservation of community identity, and satisfaction with its relatively lower tax rate drew frequent comments and concerns.

The Community Advisory Committee was of the view that amalgamation of the urbanized Greater Sussex area is inevitable and desirable. Amalgamation of the communities in the reduced study area is financially feasible. Nevertheless, the magnitude of public opposition from residents of the areas outside the Town of Sussex is likely to be divisive if amalgamation were to take place immediately. For this reason, the Committee suggested and recommended that amalgamation await better understanding by the residents and Councils within the affected broader community.

Yet there are area wide issues which could be better addressed in a co-operative manner in the immediate future. These include developing of one police force for the area, developing an area wide land use plan, continuing efforts towards a solid waste management plan for the area, sharing in the costs of recreational and cultural facilities available to the larger community and working in concert with agencies and organizations

promoting economic development for the total community. To achieve an appropriate forum for discussion of area wide issues, it is recommended that a Greater Sussex Area Co-operative Committee be established with a mandate to address area wide issues, and to prepare for future merger.

Should amalgamation not take place soon, it is recommended that extension of boundaries take place involving both the Town of Sussex and the Village of Sussex Corner. However, the boundary extensions should relate to the total community appropriate for amalgamation in the future. These involve areas to the south of the Kennebecasis River, and are confined to land currently developed or which have potential for development in the short term. While the proposed boundary changes do include some agricultural land, and as some agricultural lands are currently included in the incorporated community, it is recommended that the Province address the inconsistency that exists in the application of property taxes on these types of properties for local services. Different tax structures exist depending on whether or not they are located inside or outside a municipal boundary.

RECOMMENDATIONS

- **A Greater Sussex Area Co-operative Committee be established with representation from the Town of Sussex, Village of Sussex Corner, and the Local Service Districts of Sussex and Studholm to:**
 - **work to ensure that services presently provided jointly for residents of the area meet the needs of residents served;**
 - **implement such new services to area residents as are deemed appropriate;**
 - **review the options for regional policing for the establishment of one common police service for the area as soon as is reasonably possible;**
 - **develop appropriate cost sharing formulae for services provided regionally;**
 - **prepare for eventual merger of local governments for the area determined to be the community of interest;**

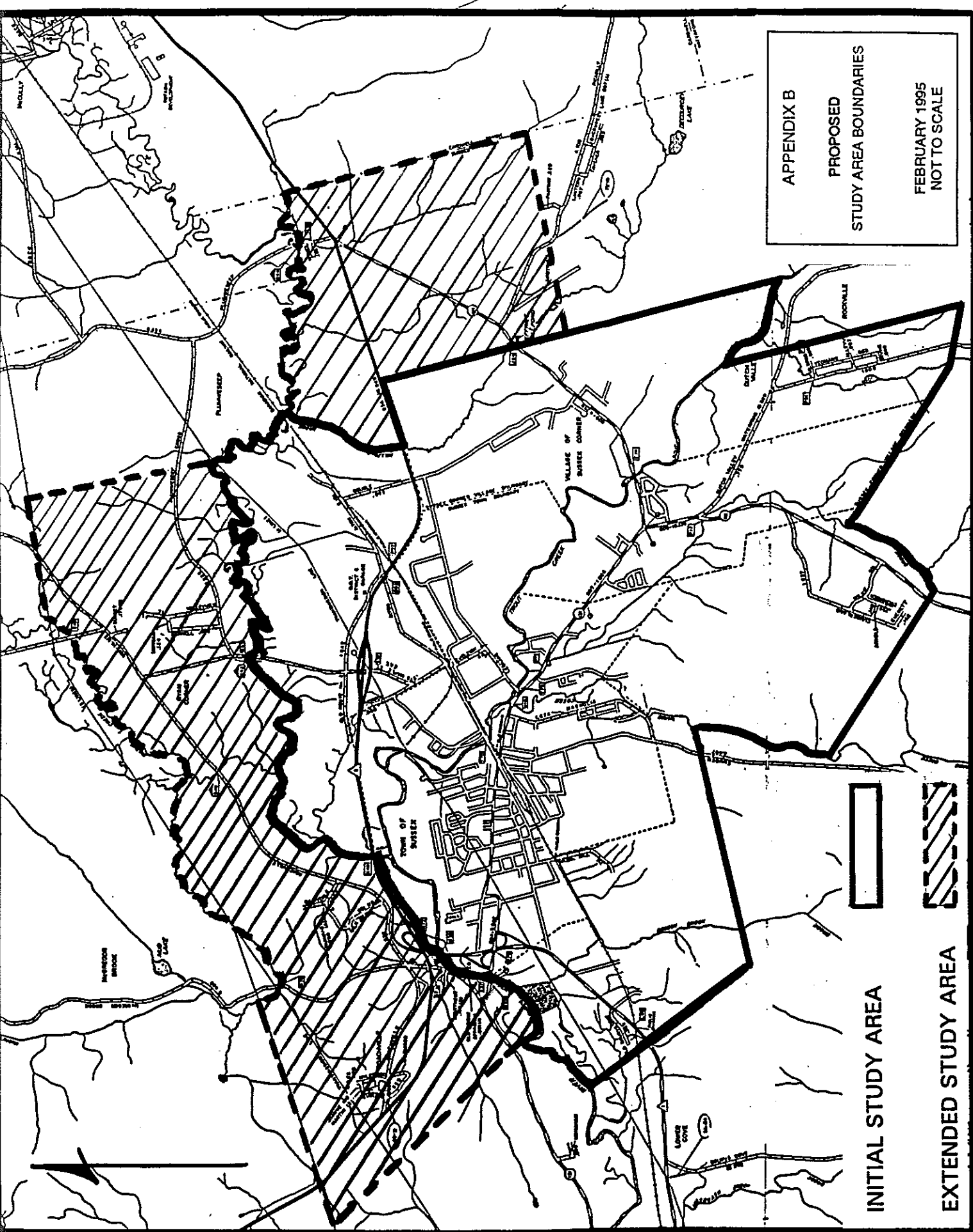
- **Lands identified in Appendix C attached be annexed to the Town of Sussex;**
- **Lands identified in Appendix D attached be annexed to the Village of Sussex Corner;**
- **The incorporated communities of Sussex and Sussex Corner and surrounding unincorporated areas join in the creation of an area Planning District, and that work commence towards an area wide land use plan;**
- **For the annexed areas, differential tax rates be established which reflect any significant differences in the level of service provided to such areas.**
- **The Province continue with its study into property tax anomalies between incorporated areas and unincorporated areas, with specific attention to agricultural lands situated in an unincorporated community.**

APPENDIX A

COMMUNITY ADVISORY COMMITTEE MEMBERS:

Gil Carter, Chairperson	Past Chair of the Fundy Region Development Commission
Mayor Wayne Brown	Sussex Corner
Auriel Dougan	Sussex Local Service District Representative
Daryl Eveleigh	Studholm Local Service District Representative
Mayor Ken Friars	Sussex
Hazen B. Hogg	Sussex
Mary Norrad	Chamber of Commerce Representative
Dr. Arie A. Ruitenber	Councillor, Sussex Corner

APPENDIX B
PROPOSED
STUDY AREA BOUNDARIES
FEBRUARY 1995
NOT TO SCALE



FEBRUARY 1995
NOT TO SCALE



FEBRUARY 1995
NOT TO SCALE



