



Local Government Resource Handbook 3rd Edition

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CONGRATULATIONS!

Congratulations to all new and returning members of council on your success in the 2012 general municipal election.

In making your decision to sit on council, you have accepted an important responsibility. As an elected local government over the next two years, your council will be charting the course of your municipality into the future. You will be making decisions that affect every citizen, business, and property owner in your municipality.

Considerable trust has been placed in you, along with other members of council, to govern your municipality objectively, fairly, and most importantly, with the public's best interest in mind.

As a municipal council member, you will no doubt have many exciting, often challenging and very rewarding experiences. This guide provides you with an overview of what you will encounter in your term of office, such as the roles of council and administration, conflict of interest, public participation in municipal decision-making and council's role in financial management. It also provides you with helpful tips to assist you to make a positive and lasting contribution to your municipality.

This guide was prepared by the Municipal Affairs Branch of the Prince Edward Island Department of Finance, Energy and Municipal Affairs as a resource for municipal governments created and enabled under the *Municipalities Act*.

It should be noted that there are a few provisions that apply only to the Resort Municipality, which can be summarized in the two following major differences:

- Only two seats on council are reserved specifically for permanent residents, all others, including chair, can be filled by seasonal residents or business/land owners not residing in the municipality.
- The major processes for the municipality (AGM, election), are held at a different time of year (August).

There are also variation between the *Municipalities Act*, the *Charlottetown Area Municipalities Act* and the *City of Summerside Act*; these variations have not been taken into consideration in the preparation of this guide – please refer to those pieces of legislation directly should they be applicable to your municipality.

The Department of Finance, Energy and Municipal Affairs wishes you every success over your next two years!

This document has been created by Municipal Affairs staff; it is general information only and not to be construed as legal advice for any specific factual situation. If you are unsure whether this information applies to your particular situation you should consult a lawyer. In case of any inconsistency between the information presented here and any Act or Regulation, the Act or Regulation prevails.

Municipal Legislative Framework



THE MUNICIPAL LEGISLATIVE FRAMEWORK

Municipalities are responsible, accountable, and mature governments. Recognizing this, the *Municipalities Act* provides a framework for municipal governance and administration. Municipalities have the autonomy to manage their own affairs and to make decisions that they think will best meet the needs of their communities, within the parameters established in their enabling legislation. In other words, municipalities have flexibility in how they operate but must follow the standards established in legislation.

In Prince Edward Island, there are very few services that municipalities are required by legislation to deliver; essentially, local governments are only required to provide administration.

Municipalities, however, can choose to deliver a wide and varied range of other services that are not required by legislation, such as recreation or land use planning as long as these services are within their legislative authority. Provision of these services reflects a municipalities' own local priorities.

Municipalities are given powers under the Act that they use to deliver municipal services:

- **Government powers** – municipalities have powers that are available only to governments. These are significant powers because they have a direct impact on citizens and property owners. These powers include, among other things, the authority to tax, and to expropriate land for municipal purposes.

Government powers also include the authority to make laws, known as bylaws, in the municipality. Bylaws can regulate the behaviour of individuals or private property. Examples include land use planning bylaws, noise bylaws, animal control bylaws and unsightly property bylaws. Municipalities have the authority to enforce their bylaws.

- **Corporate powers** – municipalities have powers similar to other corporations, which enable them to operate their municipalities. These powers include, among other things, the authority to buy and sell land, to buy equipment, to enter into agreements for services, or to tender work. These powers are bestowed on municipalities through the *Interpretation Act*.

The autonomy and independence afforded to municipalities under the *Municipalities Act* is balanced with requirements for transparency and public accountability, recognizing that municipalities are accountable to their citizens first and foremost.

Remember! Municipalities are governments accountable to their citizens; councils have significant government and corporate powers – USE THEM WISELY

Role of Council



ROLE OF COUNCIL

Council is elected to make decisions for the municipality about services, policies, and programs. Council members each have an equal voice at the council table; every council member, except the mayor/chairperson, has one vote. A majority vote is required to make a council decision. The mayor/chairperson is permitted to vote to break a tie.

A council decision is the decision of the municipality. All council members must respect the decision once made, even when they did not vote in favour.

Council is required by the *Municipalities Act* to make decisions that are in the best interests of the municipality as a whole. Individual council members elected on a ward basis must consider the needs of the entire municipality and not only the needs of the ward they represent.

Municipalities do not have the authority to delegate powers, duties or functions to an individual council member. This means that individual council members have no authority to make a decision on behalf of the municipality. If they do act without council endorsement, they may be held financially or legally liable.

Council

Council is comprised of a head of council, called the mayor (towns) or chairperson (communities) and, in the case of towns, six councillors; in the case of a community, there may be no fewer than three and no more than six other councillors – unless there was a different number of council seats in place prior to the implementation of the *Municipalities Act* in 1983.

Council's responsibilities, established in the *Municipalities Act*, are comprised of:

- **Developing and evaluating the policies and programs of the municipality** – council's primary role is to ensure that services are provided to citizens and property owners. This involves establishing policies about what programs and services are to be delivered, the level of those services, and how those services are to be delivered.

Council is also responsible for ensuring that these programs and services meet their objectives and deliver the desired outcomes.

Many municipalities develop and maintain a policy manual. A policy manual provides a sound basis for decision-making and can ensure that policies are consistently applied by the municipality's administration, and are clear to council, administration and the public.

- **Ensuring that the powers, duties and functions of the municipality are appropriately carried out** – council is accountable to the public for the decisions it

makes. Council is also responsible for ensuring that the municipality operates in an open and transparent manner.

- **Carrying out the powers, duties and functions expressly given to council under the Act or any other legislation** – council is responsible for ensuring that the municipality acts within its enabling legislation. A municipality can be taken to court by any person if it acts outside its legal authority.

As well, council is responsible for ensuring that the municipality meets all requirements established in legislation, such as the requirement to hold public meetings on certain matters, develop a budget and levy taxes, appoint an auditor, etc. The legislation establishes minimum requirements; however, council can go beyond these minimums, provided that they act within their legislative authority.

It is important to note that council carries out the above duties through their administrator, whose responsibility it is to implement the policies and directives of the council.

Mayor/Chairperson

All councils have a head of council, called either the Mayor or Chairperson. The title makes no difference in terms of the role of the head of council.

The mayor/chairperson is often the main spokesperson for the municipality when expressing the municipality's position to the media or the public, and when attending community events.

The mayor/chairperson's responsibilities under *The Municipalities Act* include:

- Providing leadership and direction to council
- Presiding over all council meetings
- Acting as one of two signing authorities for the municipality
- Calling a special council meeting

As well, the mayor/chairperson establishes and appoints council members to standing committees and the mayor/chairperson also has all the responsibilities of a council member, discussed below.

Individual Council Members

Individual council members, including the mayor/chairperson, also have responsibilities under the *Municipalities Act*, including:

- Considering the well-being and interests of the municipality as a whole; it is important to remember that wards are for election purposes; all council members, even if elected by ward, have a responsibility to the whole of the municipality.
- Becoming familiar with all legislation pertaining to municipal governance.
- Participating in the development and evaluation of policies that direct planning, financing and other municipal services.
- Participating in, and—most importantly—voting at, council meetings, committee meetings, and on other bodies to which a councillor may be appointed. Council members are expected to attend and to be actively involved in the business of those meetings.
- Keeping municipal matters confidential until they are discussed at a meeting open to the public.

Council Compensation

Council has the authority to set its own compensation (often called honorarium or remuneration), but must do so by bylaw. Council compensation is almost always a sensitive topic and typically generates much public interest. Municipalities can avoid negative public criticism about payments made to members of council by developing sound policies for compensation and reimbursement of expenses.

A municipality's system of compensation should be fair and equitable, given the time spent on municipal business, and local costs and conditions.

In setting the level of compensation by bylaw, councils should consider:

- Policies of other similar sized and types of municipalities
- Willingness and ability of your taxpayers to pay, including the financial situation of your taxpayers
- Types of activities that are considered municipal business for which payments will be made

Council members can be compensated for attending to municipal business, based on:

- A single fixed payment (annual, monthly or per diem) regardless of amount of time spent OR
- Actual time (such as a per meeting payment) OR
- A combination that comprises a small fixed payment and a per meeting payment

The Canada Revenue Agency provides that a portion of a council member's compensation is non-taxable; check with Canada Revenue Agency for more information on how this applies to your municipality. Council should identify the amount that is to be paid as a tax-free allowance and the amounts that are taxable (i.e. salary and other

compensation) in its bylaw. If this is not identified, all compensation will be considered taxable.

In addition to compensation for municipal business, council members can be reimbursed for allowable expenses incurred while attending to municipal business.

Council must first determine what expenses will be allowable (for example, allowing mileage for travel to attend a meeting, but not child care costs). Council also needs to establish reasonable rates of reimbursement. Reimbursement of expenses could consist of a payment based on:

- Receipts provided, OR
- Receipts provided up to a maximum amount, OR
- A fixed rate for meals, mileage, etc., OR
- A combination of receipts and rates

Remember that the amounts that council members are paid as compensation and that are enabled as reimbursement for allowable expenses are public information; citizens have a right to know how their tax dollars are spent.

All gifts, or other perks, such as reserved parking, tickets to sporting events in the municipalities, etc., that are provided to council members by the municipality as a result of their position with the council must be recognized and included in the bylaw. The bylaw should also indicate a maximum dollar value amount that elected officials may receive in the form of gifts from outside parties, in the ordinary course of the duties of office, without being in a position of conflict. The amount should be a nominal amount (under \$50, for example).

Remember!

- 🕒 **Municipal council make decisions about services, policies and programs for the municipality.**
- 🕒 **Only council has the authority to make decisions for the municipality. Individual councillors who make decisions on their own may be held legally or financially liable. Council sets policy and administration implements those policies, no council member may act in the capacity of, or direct, an employee.**
- 🕒 **Ward councillors must consider the interests and needs of the entire municipality.**
- 🕒 **Debate and discussion are positive, but once a council decision is made, all members should respect it. And, all matters discussed in confidence should remain in confidence until discussed at an open meeting of the council.**

Role of Administration



ROLE OF ADMINISTRATION

Your municipal administration – the administrator (or chief administrative officer) and staff – is responsible for the implementation of council’s decisions and takes care of the everyday work of managing your municipality.

The administrator is the administrative head of the municipality and council’s principal advisor. Your administrator is responsible for the administration, financial management, and human resource management of your municipality. Open, trusting and professional interaction between council and your administrator is vital to the smooth operation of your municipality.

In every municipality, the administrator reports directly to council. All other municipal employees report to the administrator; however, this does not preclude other municipal employees, such as the public works manager, from making presentations directly to council, if council wants such a presentation and directs this through the administrator.

Administrator / Chief Administrative Officer (CAO)

All councils are required to establish the position of administrator, and appoint a person to carry out the powers of the position. Council may give the administrator the alternate titles of “manager” or “clerk” should council desire. The choice of title reflects your municipality’s preference and makes no difference in terms of the duties, responsibilities, or functions of the position. The administrator cannot be a member of the council.

Municipalities can have their own administrator or can share an administrator with a neighbouring municipality. Sharing an administrator is often an effective option for smaller municipalities that do not have the resources to attract and retain a qualified administrator or that do not require a full time administrator.

Most administrators are hired, similar to any other municipal employee, with a position description and an agreed-upon salary. Some municipalities have used employment contracts. Employment contracts are typically used when hiring for a defined period of time.

Administrators are assigned specific duties under the *Municipalities Act*. Depending on your municipality’s size, your administrator may perform these duties, or delegate them to another municipal employee. Your administrator is responsible for ensuring that the duties are carried out, even if they are delegated to another employee.

Your administrator must:

- Ensure that the policies and programs of the municipality are implemented
- Ensure that minutes of each council meeting are prepared and distributed in a timely way

- Provide professional advice and support for council’s consideration and decision-making
- Manage the finances of the municipality
- Advise and inform council on the operation and affairs of the municipality
- Manage, lead and direct the rest of the municipality’s employees

Councils should expect their administrator to:

- Prepare and distribute council meeting agendas and supporting documents in a timely way, so council members can participate in the debate and make informed decisions
- Prepare easy to understand monthly financial statements that provide a snapshot of the financial position of the municipality
- Provide well-researched and easy to understand reports that contain options to address issues, and a recommended course of action for council’s consideration
- Advise council, should they feel that council is acting outside of their legislative authority

Every municipality should have a position description that clearly outlines your administrator’s duties and responsibilities. An effective position description defines the responsibility of the job, as well as the results that the administrator is expected to deliver.

Council should also have a defined process in place for completing the administrator’s performance review. Performance reviews should be conducted regularly (e.g. annually); they are an opportunity for council to provide feedback to the administrator on performance strengths and on areas that may require improvement. Some councils establish personnel committees that take the lead on this type of matter.

Employee Code of Conduct

As a council, you should expect that all employees of your municipality perform their duties in such a way as to give residents confidence that council decisions and municipal policies are being objectively and fairly implemented.

A municipal code of conduct should apply to all employees of the municipality including the administrator, part and full time employees and volunteers.




Your municipal employee code of conduct should prohibit:

- Use of “insider” or non-public information, such as passing on information obtained through internal discussions about the value of a municipal property anticipated to be sold

- Use of an employee's position to influence a decision to further their own interests, such as recommending their spouse's company to do work for the municipality
- Procedures that employees must follow if the employee suspects that they have a conflict of interest, such as reporting a potential conflict to a supervisor
- Procedures for resolving a conflict, such as disclosing a potential conflict to a supervisor and withdrawing from discussions on matters where there is a potential conflict, and consequences of not disclosing or withdrawing

One of the first things council should do is undertake a review of your municipal employee code of conduct to make sure it meets the needs of your municipality and to consider whether revisions are required. A resolution of council is required to approve any revisions. If your municipality does not currently have an employee code of conduct, there is no better time to start developing one than now.

Remember!

-  **An open, trusting and professional relationship between council and your administrator is vital for the smooth operation of your municipality.**
-  **Your administrator is responsible for implementing your decisions and for the everyday management of your municipality.**
-  **All municipalities should have an employee code of conduct. Review your code early in your term to make sure it meets your expectations. If your municipality does not have an employee code of conduct, begin the development of one now.**

Making Decisions



MAKING DECISIONS

Councils make decisions by passing bylaws and resolutions approved by a majority vote of council members present at a meeting open to the public. The mayor/chairperson does not generally vote on matters before the council; the mayor/chairperson votes only to break a tie vote among councillors.

A bylaw is necessary when legislation specifies that a) a municipality must have a bylaw; or b) a bylaw is required if/when a municipality wishes to take a certain action or offer a certain service (e.g. pay council members). Generally, bylaws are needed for matters that have a long-term or broad impact on the public and when employing regulatory powers such as when making laws for your municipality (e.g. zoning, animal control, parking etc.).

Councils can use a bylaw for other matters, even where a bylaw is not required by the *Municipalities Act*; however if a bylaw is required under the Act, a resolution will not be sufficient. In other words, anything that may be done by resolution may be done by bylaw, but anything that is required to be done by bylaw (i.e., remuneration) must be done by bylaw.

Councils act through resolutions and bylaws; resolutions are the only form of council decision-making, aside from the passage of bylaws. Resolutions usually deal with routine or administrative matters, such as approving monthly financial statements or accounts for payment, or buying or selling real estate.

Bylaws

Bylaws are municipal laws that deal with matters that can have significant implications for people and property in the municipality.

Before passing a bylaw, council needs to understand the impact of the proposed bylaw, not only on residents and property owners as a whole, but also on specific property owners, such as cottagers, farmers, and businesses.

Council should also consider the municipality's ability to administer and enforce the bylaw, as well as the resources required, to do so. Municipalities enforce their bylaws in various ways, including by inspecting property, issuing compliance orders, issuing fines (when permitted in legislation) and taking a matter to court. Municipalities can often share the services of a bylaw enforcement officer with a neighbouring municipality.

Proper procedures for passing a bylaw must be followed to ensure that the process is transparent and to provide an opportunity for public debate. These procedures are:

- **Passed by a majority of council at a meeting that is open to the public.** Bylaws can only be passed in an open meeting of council. The public can hear council's debate and know council's decision.

- **The bylaw is read and formally approved by a majority of councillors on two occasions at meetings of the council held on separate days and is formally adopted by the council and appropriately signed and sealed.** Council must vote on the proposed bylaw two different times, with an opportunity for council discussion and debate between each vote. The public should also have the opportunity to express their views before each vote. Then the bylaw must be formally adopted.
- **At least two council meetings, with no more than one reading at each meeting.** A minimum of two council meetings are required. Council can consider the input from citizens before making a final decision.

Some bylaws have additional conditions that must be met before a bylaw can be passed, such as giving public notice and allowing the opportunity for public input.

Generally, these conditions are established to provide citizens with an additional opportunity to participate in the decision-making process on matters that may have a significant impact on them, such as bylaws that will affect the general use and enjoyment of residential property. Other bylaws, such as planning bylaws, have additional requirements set out in the *Planning Act*; additionally, planning bylaws require the approval of the Minister before they can be passed.

Resolutions

The procedure for passing a resolution is less formal than for passing a bylaw. A resolution may be used for any matter, unless a bylaw is specifically required. A resolution requires a mover (to forward the motion), a seconder (for the motion) and an affirmative vote (on the motion). Once these steps have been completed the motion becomes a resolution of the council. A resolution is a motion that has received the approval of the council.

Fair Decision-Making

As a council, you want your decisions to be fair and to be seen as fair. Council establishes municipal policies to ensure that its decisions are implemented fairly and consistently and are understood by citizens.

Council, to make fair decisions, needs to take into account:

- **Relevant, clear criteria** – council’s policies should establish criteria that guide municipal decisions.

Example - A snow clearing policy would establish the priority order of roads to be cleared (e.g. school bus routes and main

roads are cleared first); the hours of operation for snow clearing equipment; and the level of service to be provided (when roads are sanded, etc.).

- **Consistency with other decisions made in similar situations** – Citizens expect that people in similar situations will be treated similarly. If someone is treated differently, it should be because their circumstances are different.

***Example** - Decisions for maintenance work on municipal roads should be consistently applied and based on established policies.*

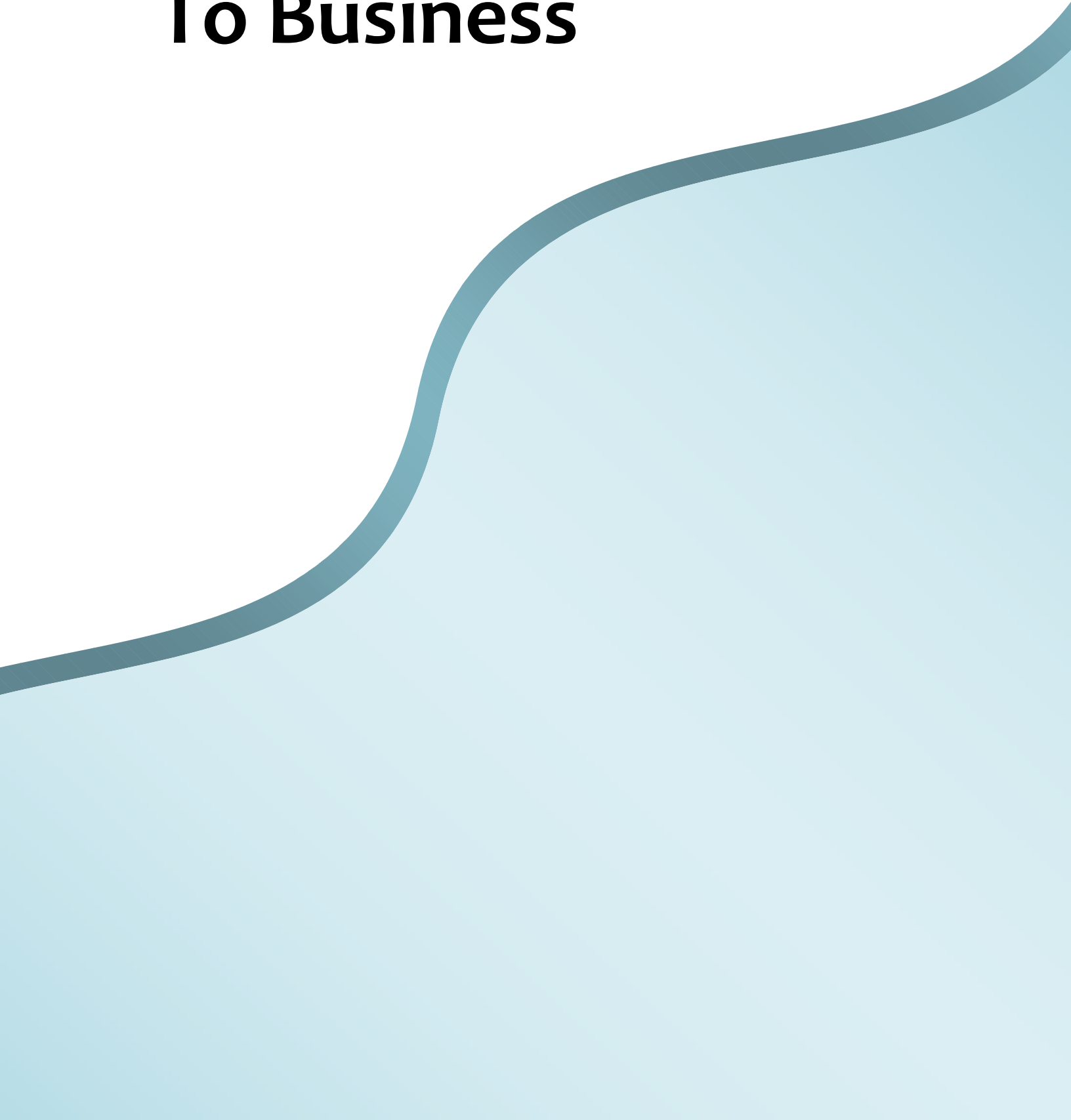
- **Reasonableness** – Decisions have to make sense to citizens and not pose any undue hardship on them. For instance, an unsightly property bylaw should establish a period of time within which a property owner would be ordered to clean up their property.

***Example** - The period of time must be reasonable to allow a person to be able to comply, but could set out circumstances where property owners could appeal to council for an extension of time (e.g. if the property owner is out of town during the time period due to work or vacation).*

Remember!

- 🕒 **Citizens expect council to make fair, objective decisions in the best interests of the municipality as a whole.**
- 🕒 **Council establishes policies to ensure that their decisions about municipal services and programs are fairly and consistently implemented.**
- 🕒 **Significant council decisions should be made by bylaw, to ensure there is opportunity for public debate and discussion.**
- 🕒 **A municipality opens itself up to a court challenge if council does not follow legislated procedures.**

Getting Down To Business



GETTING DOWN TO BUSINESS

Council should formally establish the municipality's organizational structure and the procedures to be followed when conducting municipal business by adopting an organizational and a procedural bylaw. Organizational and procedural bylaws ensure that municipal business is undertaken in an open and transparent manner and citizens know how they can participate in municipal decision-making.

All councils should have:

- **An Organizational Bylaw** that establishes the municipality's administrative organizational structure.
- **A Procedural Bylaw** that establishes meeting and other procedures. The bylaw could establish the frequency, time and location of council meetings, how and when the public is to be notified of meetings and rules for how the public can participate at council meetings. The bylaw should also include rules of order for the conduct of meetings or may incorporate standardized rules of order such as *Roberts Rules of Order*, among others.

Councils should review their Organizational Bylaw and their Procedural Bylaw at least once during their term of office. A best practice would be to review your bylaws early in your term to ensure that your organizational structure and procedures meet your needs. Council should amend the bylaws if changes are required. A bylaw may only be changed or revised by bylaw.

Municipal Organization

Most municipalities establish committees to more effectively organize how council undertakes its business. Municipalities have considerable flexibility and may establish committees for any municipal purpose. There are two types of council committees:

- **Standing Committees** – are delegated certain powers and duties to make recommendations to all of council on internal municipal policies. Examples include the Financial Management Committee or the Human Resource Committee. These committees are established by the mayor/chairperson and are comprised of members of the council. As a best practice, committees should be comprised of a minimum of three councillors.
- **Special Committees** – are formed to investigate and report on particular matters. Once the committee has fulfilled its purpose, the Committee is dissolved. Examples include an Arena Committee (to research a new facility) or a Centennial Committee (to plan a centennial celebration for the municipality).

Council creates special committees and appoints members to them by resolution. The mayor/chairperson should be an *ex officio* (from the office) member of all committees.

Councils also have flexibility about who they appoint to special committees. The council may appoint residents to the committees, although the chairperson of a special committee must be a member of council. Including residents on special committees is a good way to bring expertise and new perspectives to the table, as well as to involve the public in your municipality's decision-making process.

Committees have no municipal decision-making authority and can only make recommendations to council. Generally, committee meetings are open to the public. Committee meetings should only be closed to the public for specific reasons, as outlined in the council meetings section of this guide.

Some mayors/chairpersons prefer to rotate committee members on an annual basis to enable all councillors to gain experience in all areas; other municipalities prefer to leave committees intact for the length of the term of office so that members may gain a depth of knowledge in particular areas. There are pros and cons to both methods.

Municipal Procedures

Council should establish its council meeting rules in its Procedural Bylaw. This bylaw ensures council members, municipal administration and the public will clearly know and understand how your municipality's business will be conducted, and citizens know how they can participate. Other than what is mandated in the governing legislation, it is up to council to determine the procedures that will be implemented in the municipality.

Your Procedural Bylaw should include:

- **Timeframe for distributing meeting agendas to council** – Adequate time prior to council's meeting must be provided to ensure council has an opportunity to review and make informed decisions.
- **Day, time and place of regular meetings of council** – council meetings are usually held at regular intervals (monthly or bimonthly in most municipalities), and at such a time and in a location to encourage public attendance. Many municipalities hold council meetings in the evening, so that citizens who work during the day can attend. As well, council meetings should be held in a location that is accessible to persons with disabilities. For communities in Prince Edward Island, only one meeting per year is statutorily required.
- **Type and amount of notice of regular meetings of council** – Notice of regular meetings should be given in enough time to ensure citizens can determine if they wish to attend and participate. As a best practice, municipalities should provide the

schedule of a full year's regular meetings in advance by resolution, especially if no Procedural Bylaw is in place.

If there is no business to attend to, a regular meeting can be cancelled with less disruption to council and the public than having to advertise for a special meeting. As well, council should have a cancellation policy in place for foreseeable occurrences such as a storm cancellation; in such a case a policy may state that a meeting will be held the next day or on the same day in the next week. Again, formalizing this policy by resolution does away with the need and expense of re-advertising the meeting.

Type and amount of notice of other meetings of council:

The required **annual meeting for communities**, sometimes called the AGM, must be held in the month of March and be advertised in accordance with legislation. The requirements are that the date, time and place must be published on at least two occasions in a newspaper circulating in the community and the first of the notices must be published *at least* seven days before the meeting date.

When an enactment says that *at least* seven days notice for something is required, as in the timeframe for advertising the annual meeting above, the PEI *Interpretation Act* clarifies that the first and last day do not count in the calculation of the seven days. In effect that means that the day the ad is in the paper and the day the meeting is held do not count in the calculation. The actual required minimum time, therefore, is nine days from the date of the ad to the date of the meeting.

- **Special meetings of a community council** must also be advertised in the same manner as the annual general meeting above. It should be noted that any meeting other than a regularly-scheduled meeting and the annual general meeting are considered to be special meetings. At a special meeting of any council, no business other than that which is identified in the public notice for the special meeting may be considered by the council.
- **Procedure to be followed and the type and amount of notice required to change a regular meeting** – Notice is required to ensure citizens are aware of a change to a regularly scheduled meeting. The notice required to change a regular meeting is the same as above for a special meeting; however, a best practice would be to have council also establish an alternate date that will be used in cases where a regular meeting has to be postponed when establishing the regular meeting schedule. This saves a regular meeting from becoming a special meeting, complete with the additional advertising expense required.

- **Rules of conduct at council meetings and public hearings** – Established rules of conduct will ensure that council business is dealt with efficiently and effectively. Rules should be established for, among other things, the following:
 - To add an order of business on the meeting agenda
 - Points of order and how they are to be addressed by the Chair
 - Procedure to follow when two or more members address the Chair at the same time
 - Who may speak to a question before council, when they may speak, and for how long
 - How the Chair will deal with disturbances caused by a council member or a citizen at a meeting. Disturbances at a meeting are disrespectful and unacceptable.

- **Rules for public participation (e.g. citizens, stakeholder groups, and media) at council meetings and public hearings** – Rules are established to ensure public participation is orderly. Rules should be established for, among other things, the following:
 - When delegations may register to be heard by council
 - A time limit for speaking and procedure for extending the time limit
 - When petitions may be received
 - The maximum number of people allowed in council chambers
 - Audio taping or video recording meetings by the media or citizens. Some municipalities in Canada have implemented policies allowing audio taping or video recording of meetings, although this is often limited to the media or the municipality itself. Taping by an individual may raise privacy concerns for others and may impede public participation; however, a municipality may want to consider obtaining appropriate legal advice before limiting such activity.

- **Type and amount of notice for special meetings of council called by the mayor/chairperson** – Sometimes an additional or “special” meeting is required between regular meetings when important or unforeseen business arises. All council members must be given specific notice of a special meeting, to ensure they can attend and participate, in addition to the public notice requirements mentioned above. For a special meeting of a community council, the public must also be given notice through advertisements; public notice is in fact a best practice for all councils regardless of municipality type, as the public must be permitted to attend.

As with regular meetings, council should ensure that the notice is effective in ensuring that citizens are aware of when a special meeting is taking place and the reason for the meeting.

Remember!

- 🕒 **Municipalities should have both an Organizational Bylaw and a Procedural Bylaw to ensure business is undertaken openly and transparently and citizens know how they can participate.**
- 🕒 **Municipalities should also have a code of conduct or ethics bylaw, or incorporate these items into the above bylaws**
- 🕒 **Once passed, councils must operate according to their Organizational Bylaw and their Procedural Bylaw.**
- 🕒 **Council should review their Organizational Bylaw and Procedural Bylaw at least once in the term of office, but should review it early in the term. Make it a priority to amend the bylaws if any changes are needed.**
- 🕒 **Councils cannot choose to suspend bylaws that are no longer useful or necessary; they are in force until amended or repealed by bylaw.**
- 🕒 **It is the responsibility of the municipality to ensure their bylaws are within their powers and are legally enforceable.**

Council Meetings



COUNCIL MEETINGS

Councils are required to conduct their business in meetings that are open to the public. This ensures that the public can hear council's debate and know council's decisions. The *Municipalities Act* does allow councils to meet in a closed or "in camera" meeting as a committee of the whole council. This ability, however, should only be exercised in very specific situations. Any decision of a committee, including a committee of the whole council, is only a decision to make a recommendation to the council, to be decided by the council at a public meeting of the council.

Councils are required to hold a minimum of one council meeting annually; in the case of a community, the meeting is the annual meeting which has specific requirements as set out in the *Municipalities Act*.

Councils can also hold special meetings, which are additional meetings scheduled in-between regular meetings. Special meetings are generally held when important or unforeseen business arises that needs to be dealt with before the next regular meeting.

Council members have a legislated responsibility to attend council meetings. A council member is automatically disqualified from council, and must resign their seat, if they are absent from three consecutive council meetings without the permission of council or unless the absence is due to verified illness.

Quorum

Council meetings require a quorum of council to be present before a meeting convenes, and a quorum must be maintained at all times during the meeting. A quorum at any council meeting is the mayor/chairperson or in their absence, the Deputy Mayor/ Vice Chairperson, and at least one half of the councillors then holding office. So, if a community has a council consisting of a chairperson and five councillors, a minimum quorum would be the chairperson plus at least three of the councillors. If a council consisted of a chairperson and five councillors but one seat was vacant at the time, a minimum quorum would be the chairperson plus at least two.

Open Meetings

Municipal governments, like all governments, are expected to operate in an open and transparent manner. Council business must be conducted in an open meeting that can be attended by the public.

Council decisions (bylaws and resolutions) can only be passed at an open meeting. No resolutions or bylaws may be passed in a closed meeting and even where there is general agreement on next steps on a specific matter, no action can be taken until the formal decision is taken by council at a public meeting. Decision-making should never be a rubber-stamping of a discussion already held behind closed doors, except where

legitimately sensitive information, such as a legal or personnel issue, is involved, in which case the public discussion would only provide the information necessary to provide a basis for the decision (resolution), that which may need to be referred to in the future.

Scenario 1 – Land Purchase:

Preliminary negotiations:

Municipality is in negotiation to buy land for a municipal project. At the closed Committee of the Whole meeting, the council agrees on a tentative price with the landowner and an option for another parcel. The commitment to the landowner at this stage would have to stipulate that the purchase is subject to ratification by Council at a public meeting.

Formalizing the decision:

At a public meeting of council, a resolution would be passed for the purchase, including the property location, the purchase price, and the property owner's name. The resolution could also permit council to continue negotiating on the option as discussed at a committee of the whole and that the municipality would not finalize action on the option until that component is also ratified at a public meeting of council.

Scenario 2 – Negotiating a Major Event:

Preliminary negotiations:

Municipality is in negotiation to contract a specific event with a promoter/team/organization. At the closed Committee of the Whole meeting, the council agrees on a tentative price with the other party but confidentiality remains a concern given competition for the event. The commitment to the promoter at this stage would have to stipulate that the final agreement is subject to ratification by Council at a public meeting.

Formalizing the decision:

At a public meeting of council, a resolution would be passed for the event, to ratify the agreement in principle. If confidential and strategic promotion of the event remains a concern, the resolution could refer to the event, date, and promoter in generic terms but should include the gross expenditures for the municipality attached to the event. Discussion at the public meeting should also touch on other expenditures associated with the event, such as infrastructure upgrades and any other

municipal costs to ensure that the public has full access to information on the costs.

- **Committee of the Whole Council meetings** are a more informal meeting of a committee made up of all members of council, sitting in a deliberative rather than legislative capacity, for informal debate and preliminary consideration of matters. A ‘committee of the whole’ meeting may be an open or closed meeting, but can only be held after the passage of a resolution at a public meeting of council.
- **Closed or “in camera” committee or committee of the whole meetings** are allowed but should only be held under certain circumstances. The *Municipalities Act* does not provide much clarity on matters that may be discussed behind closed doors; however, the list below provides guidance as to the matters that are generally accepted as matters which may be discussed behind closed doors.

A committee or committee of the whole council meeting is generally closed to discuss:

- personnel matters, pertaining to identifiable individuals
- preliminary discussions on matters that, if discussed in public, could affect the municipality’s ability to carry out its business (e.g. early discussions about selling surplus municipal land)
- unresolved legal matters
- an investigation being conducted under the authority of a bylaw or an Act (e.g. investigation of an unsafe property)
- issues that deal with security of documents or property (e.g. establishing an alarm system for municipal facilities)

A council may only meet as a committee of the whole after passing a resolution to do so. Council may only decide to exclude the public and media from committee of the whole or other committee meetings by resolution or bylaw. Resolutions to this effect should state the general topic of the matter to be discussed in the closed meeting.

All council members have a duty to keep confidential a matter that is discussed at a meeting that has been closed to the public.

Meeting Agenda

Council business is organized through the development of a formal agenda. The agenda ensures meetings are held in an efficient and effective manner.

Council can establish the agenda order in its Procedural Bylaw. The agenda generally puts the most important items at the beginning of the agenda, so that council focuses on these matters first. Putting the most important council business first also respects the public’s right to attend and participate in the council meeting.

You should expect your administrator to provide you with the agenda and supporting documents for the agenda items, before each council meeting and in a timely manner, so that you can participate in the debate and be prepared to make informed decisions.

Voting

All council members, except the mayor/chairperson, must vote on all matters properly before the council unless they declare that they have a pecuniary (financial) interest in the matter or some other conflict of interest pertaining to the matter (discussed under the Conflict of Interest section in this Guide).

Meeting Minutes

Council meeting minutes are the official public record of council's decisions and so it is very important that the minutes accurately reflect council's decisions.




Your administrator is responsible for ensuring the minutes of all council meetings are taken. Your administrator will prepare draft meeting minutes, and will usually have them available within a few days after the meeting. Review them carefully, as council will approve them at the next council meeting. Council has the opportunity to change the meeting minutes if they do not accurately reflect the decisions made.

Meeting minutes must be made available to the public. Many municipalities routinely post meeting minutes on their websites, make them available in the municipal office, and provide them to the local newspaper.

Meeting minutes are generally limited to:

- noting attendance
- resolutions
- outcomes of votes
- reports of committees
- a brief note on presentations made by delegations; council members should not ask to have comments or observations recorded in the minutes.

Remember!

-  **All council meetings are open to the public. Committee meetings should be closed to the public only in limited circumstances**
-  **All council members are expected to attend, participate, and vote at council meetings. You may be disqualified from council if you miss three consecutive regular meetings without council's permission.**
-  **Meeting minutes are an official public record of council decisions – make sure they are accurate. Meeting agenda and minutes templates are available on the Municipal Affairs website.**

Conflict of Interest



CONFLICT OF INTEREST

As a member of council, you are in a position of trust. The public expects you to act in the best interests of your municipality. The general rule is that a member's personal interests should not conflict with their public duty.

The *Municipalities Act* sets a standard of good conduct for council members and speaks to conflict of interest, through section 23.

Section 23 states:

No member of Council shall, subject to section 17, derive any profit or financial advantage from his position as a member of Council and, where a member of Council has any pecuniary interest in or is affected by any matter before the Council, he shall declare his interest therein and abstain from the voting and discussion thereon.

Among other things, situations when an individual council member's personal interest or the interest of their immediate family (parent, spouse, child) conflict with the broader municipal interest, would quite likely fulfill the requirement of is affected by any matter before the council.

There are generally accepted exceptions to conflict, a few examples of these are: where a member's interest is so remote that it couldn't realistically be expected to affect their judgment, or where the interest is shared with all or most other residents such as in tax or utility rates (interest in common).

Understanding the rules of the Act allows you to perform your duties without fear of unintentionally becoming involved in a conflict of interest situation.

Conflict of interest at the municipal level is a municipal matter. The Province is not the final judge of conflict of interest at the municipal level. The Province can, and does, act in an advisory capacity on matters of conflict; however, the final decision maker on matters of municipal conflict of interest cases, should any arise, would be the courts.

An elector or a council can apply to the court if they believe that a council member has violated the conflict provisions in the Act. The court will hear the evidence and will make a decision. If the court decides that the member of council violated the Act, the member could be disqualified from council and might be required to immediately resign.

A best practice, as used by some municipalities on PEI, is to include as a standard agenda item, a line wherein the mayor/chairperson inquires as to whether any member has a conflict involving any item on the agenda at the beginning of the meeting. Our online sample agenda reflects this format. Frequently asked questions about conflict of interest are answered in Appendix B.

Types of Conflict of Interest

Council members are in conflict, among other situations, if they:

1. **Participate in a matter before council where they, or their spouse or child, have a direct or indirect pecuniary (financial) interest** – council members are required to disclose the interest (e.g. if a member owns a company that the municipality is considering doing business with), withdraw from the meeting without voting and not participate in the discussion. Best practice would dictate that the person also leave the room during discussion on the matter.
2. **Use “insider” information that they have acquired in the performance of their official duties.** Members of council cannot use information that is not available to the public for personal gain or the gain of any other person (e.g. passing on information obtained through internal discussions about the value of a municipal property anticipated to be sold).
3. **Receive compensation from any person, business or organization for the services they provide as a council member, or receive compensation to influence another council member** (e.g. receive payment or gifts from a private individual for making a decision or influencing a decision in your capacity as member of the planning board).
4. **Use their influence as a council member to influence the municipality** to enter into a contract or transaction where they or their immediate family member (spouse or dependent child) have a direct or indirect pecuniary (financial) interest (e.g. recommending your spouse’s company to do work for the municipality).

Disclosure at Meetings

The Act sets out the procedures you must follow if a matter in which you have a direct or indirect pecuniary interest, comes before any meeting in which you are taking part in your capacity as a member of council, including council meetings and Committee meetings etc.

Your interest may be direct; for example you are a business owner and council is making a zoning decision that affects your business. Your interest could also be indirect; for example your spouse owns or is employed by a business that your municipality is considering awarding a contract to.

Sometimes a pecuniary interest is not very clear. The first step is to ask yourself whether you, your spouse, your child or other close family members stand to gain or lose financially by council’s decision. If you are unsure whether you may have a conflict, your municipal legal advisor can provide information to you in this area.

If you believe you have a pecuniary interest:

- **You must disclose the interest and its general nature before the matter is discussed at the meeting.** Disclosures may be oral or given in writing; however, a written disclosure, filed with the administrator, will likely go a long way in satisfying the public that you complied with the Act.
- **You must immediately withdraw from the meeting without voting or participating in the discussion on the matter.** Your withdrawal must be recorded in the meeting minutes. The record of your disclosure and withdrawal is available to the public.
- **You must not attempt to influence the decision on the matter.**

You should leave the room when council debates the matter. Your presence in the room and your body language may influence council's decision. When the matter is concluded, you may return to the room and council table.

You must disclose your interest each and every time the matter in which you have a pecuniary interest is brought before council. Your disclosure of an interest in one meeting does not carry over to other meetings or last for your full term on council.

Remember!

- 🕒 **Council members must make decisions in the best interest of the municipality first and foremost.**
- 🕒 **Pecuniary interest is a subset of conflict of interest, there are other applicable conflict instances; the language "*affected by any matter before the Council*" in the Act is very broad**
- 🕒 **Only you can determine when you have a pecuniary interest, or other conflict of interest, in a matter. Your council or administrator cannot determine that for you.**
- 🕒 **If you are in doubt as to whether you have a conflict of interest, contact your lawyer. The consequences of violating conflict of interest rules can be severe.**
- 🕒 **The courts ultimately determine if you have a conflict of interest – not the administrator, another council member, or a citizen.**

Public Engagement



PUBLIC ENGAGEMENT

Council must hold a public meeting to obtain public input on matters that have a significant impact on the citizens and property owners in the municipality, under the *Municipalities Act* and the *Planning Act*.

Additionally, council can seek public input or hold a “town hall” meeting on any other matter it chooses, even where public engagement is not required by legislation. A public meeting is always a good idea when council is considering major changes that have a direct impact on citizens; for example a new way of delivering a municipal service or to gauge public interest in a new capital project such as a recreation centre.

Requirements for public input recognize the important role that the public plays in the decision-making process. Receiving public input enables council to provide comprehensive information on a proposal to citizens and obtain their input on the proposal before making a final decision. Knowing the views of the public will assist council to make the best possible decision on behalf of all citizens and ratepayers in the municipality.

When the opportunity for public input is required under the *Municipalities Act*:

- Annexations
- Capital borrowing by a community
- For communities, the annual meeting at which residents vote on the financial estimates for each service proposed, and where residents must be granted sufficient time to raise and discuss matters of concern to the community
- Before passage of a bylaw that affects the general use and enjoyment of residential property

When the opportunity for public input is required under the *Planning Act*:

- Before a planning board recommends the adoption or review of an official plan to a municipal council, they must give an opportunity for residents and other interested parties to make representations
- Before a council makes (or amends) bylaws implementing an official plan, the council must give an opportunity for residents and other interested parties to make representations

Your Role

All council members should attend all public meetings unless they are excused by council, are ill, or have declared a conflict of interest in a matter before council. Your attendance at a public meeting will ensure that you understand the public’s view on the matter and are able to make informed decisions.

To be prepared for a public meeting, council members should:

- **Ask the administrator to review the information about the proposal or topic with you**, as well as any other important information so that you are sure in your knowledge about the issue.
- **Decide who will present the information** and answer questions from the public and media.
- **Review the public meeting procedures**, so you are comfortable with how the meeting will unfold.

Council members must always be respectful of the views of all presenters, even when they disagree with those views. It is important to listen to the views of your citizens.

Encouraging Attendance

Council can take steps to encourage citizens' attendance and participation at public meetings. Your administrator is responsible for undertaking the steps required to provide residents and other affected parties with such advance notice as is required under the *Municipalities Act*, and that information is available regarding the issues to be discussed at public meetings.

Strategies to encourage attendance at public meetings include:

- Advertise the public meeting well in advance. Minimum requirements to advertise a public hearing are set out in legislation, but they are just that, minimums. Municipalities can also do additional advertising to increase public awareness and encourage attendance or advertise in advance of the minimum time requirements.

Additional advertising, above and beyond that required by legislation, can be through the local newspaper, the municipality's website, or by posting notices in frequently visited public places (e.g. the library, recreation centre).

Distributing newsletters to residents and property owners, and inserts in water bills are other options. The notice should clearly state how the public can participate; for example, by making a presentation to council.

- **Schedule the public meeting in the evening** so more people are likely to attend. Scheduling a hearing during the day, when many people work, will mean that many citizens cannot attend the hearing.
- **Hold the public meeting at a location that will accommodate a large group and is easily accessible**, such as a community hall. Remember to try and ensure that the

facility is accessible to persons with disabilities so everyone in your community has the opportunity to participate.

- **Ensure that a detailed information package is available well in advance**, so citizens have ample time to review the package before the meeting. Council should ensure that citizens clearly and fully understand proposals being considered by council, so that they can ask meaningful questions and provide council with informed comments.

At a minimum, an information package should include information about the reason for council's proposal, the cost of the proposal, options that have been considered by council, and the impact on residents and property owners as a whole, as well as on specific property owners, such as cottagers, farmers, and businesses, etc.

- **Make the presentation interesting and understandable** by using visual aids such as graphs, charts and PowerPoint presentations.

Remember!

- 🕒 **Public engagement is important to the decision-making process.**
- 🕒 **Respect the opinions of others; listen to all views that are presented.**
- 🕒 **Council must hold public meetings for some matters, but may hold a public meeting for any matter.**
- 🕒 **Hold public meetings at a time, place and location that will help encourage public attendance.**

Council's Role in Financial Management



COUNCIL'S ROLE IN FINANCIAL MANAGEMENT

Council has overall accountability for the financial position of the municipality. Council must ensure that the municipality's finances are responsibly managed so that priority services and programs can continue to be delivered at a reasonable cost.

Council achieves this fiscal management by planning and budgeting, monitoring the financial position of the municipality throughout the year, and reporting on the municipality's financial position at the end of the year.

As a council member, you are not expected to be an accountant or an auditor. Your administrator will provide you with the information you need.

Annual Financial Plan (Budget)

Adopting an annual budget is one of council's most important policy decisions. Through the annual budget, council determines the services and programs that will be delivered to residents and property owners during the year, the level of those services and programs, and how they will be paid for, including through property taxes. In the case of a community, it must be remembered that residents are entitled to vote on the estimated dollar amount that council has proposed for each service.

In making these budget decisions, council must consider the impact to residents and property owners as a whole, as well as on specific groups of property owners such as cottagers, farmers, and businesses.

Your administrator will prepare a draft annual financial plan (budget) and provide information for council's review, to facilitate council's budgetary discussions. It should be noted that the municipal financial year begins on January 1 of each year; between that time and the date on which the budget is approved, the only expenditures that can be made are those routine expenditures that take place every year or the payment of regular expenses relating to existing services.

It is important to begin the budget process early in the year, as the budget must be passed before March 31 of each year; in the case of a community, the budget must be passed at their annual meeting in March, other types of municipalities can choose to pass the budget earlier than that. It is at the annual meeting that residents of communities are given the opportunity to vote on the budget estimates for each service. Your municipality gets its authority to deliver services and programs and levy property taxes for the entire year through its annual financial plan, the budget.

Beginning the budget process early in the year ensures that there is adequate time to develop the financial plan, prepare comprehensive budget information for the public and hold a public meeting on the budget, which in the case of a community must be at their annual meeting in March. Some municipalities will also choose to hold pre-budget consultation meetings with the public to ensure that they have a chance to listen to any public concerns or requests regarding the budget.

The annual financial plan should be comprised of:

1. **Operating Budget** – The operating budget establishes estimated expenditures for each service and program provided by the municipality (e.g. roads, recreation, fire protection, and administration) for the year, and the revenues necessary to fund these expenditures, including through property taxes. The operating budget should compare the projected costs of services and programs to the actual costs from the previous year.

Operations can be funded through:

- Property taxes;
 - User fees and charges (e.g. permits, licenses etc.);
 - Conditional provincial grants (e.g. infrastructure funding);
 - Unconditional provincial grants (street and police grants, equalization grants);
 - Grants from the federal government (New Deal); and
 - Grants from any other organizations (e.g. funds left in trust).
2. **Capital Budget** – The capital budget establishes the estimated expenditures for the year on capital assets such as equipment, buildings, bridges, and water and sewer treatment facilities, as well as how they will be paid for.

Capital projects can be funded through:

- **General borrowing** – a portion of the tax rate applied to all taxable properties in the municipality would be earmarked for repaying the funds borrowed.
 - **Business improvement district** – only business properties within the business improvement district that benefit from the capital project repay the funds borrowed. Costs can be distributed on the basis of taxable assessment, area of land, per parcel or frontage (limited to towns and former villages under Schedule 1 of the Act).
 - **Other sources** – including the current year’s operations, services, etc.
3. **Five-year Capital Expenditure Program** – A five-year capital expenditure program establishes the long-term capital needs of the municipality. If your municipality does not have one, now would be a good time to begin developing one. Council determines the timing of projects, their costs, and how they are intended to be funded.

Managing Capital Assets

Many municipalities across Canada now prepare longer term capital plans – 10 years or more – to manage investments in maintenance and replacement of their capital assets. This ensures that the municipality’s capital assets are safe, in good working order and meet the municipality’s needs. Councils can plan for future capital expenditures, while managing costs and the impact to residents and property owners over time.

All municipalities should have a complete listing of their capital assets, including the asset's net value, as part of their year-end financial statements (tangible capital assets). This information can be used for asset management, which can improve the long-term capital planning process.

Critical Budget Decisions

Councils should ask the following when making budget decisions:

- **Do proposed expenditures reflect council's priorities?** Is the money being spent to achieve council's goals and objectives? Does current spending match municipal priorities? What percent of the total budget is being spent on specific expenditures? Does this expenditure make sense?
- **Are services affordable and delivered efficiently and effectively?** Are residents and property owners getting value for their money? Is the most value being achieved from tax dollars or are there alternative ways, including sharing services with other municipalities, to deliver services? How do your municipality's expenditures for the service compare to similar, neighbouring municipalities?
- **Are services sufficiently funded?** Underfunding municipal services simply to keep tax rates low can lead to service delivery and liability questions for the municipality down the road. If the municipality or its property owners are not willing to invest in specific services through their taxes, Council may wish to give consideration to whether the service is a priority for the municipality.
- **Do tax levels reflect the ability and willingness of your residents and property owners to pay?** What is the economic circumstance of residents? What is the impact on property owners as a whole or on specific property owners (e.g. cottagers, farmers, businesses, low value properties)? Has the municipality's tax rate been increasing? How does your municipality's tax rate compare to similar, neighbouring municipalities?
- **Are services sustainable in the foreseeable future?** Can the type and level of services be maintained in view of the economic and population trends in your municipality, without unreasonable tax increases? Are the costs of delivering the service, and therefore taxes, increasing? Are there other ways of doing business that could be considered? If reserve or surplus funds are being used to finance expenditures, what is the longer-term impact on the municipality's financial position?

Taxation

Property taxes are the main source of revenue for municipalities. In Prince Edward Island, property values are assessed by the Province. Property taxes are assigned by both the Province and the municipalities, and the Province collects the taxes on behalf of both parties, transferring the municipalities' tax revenues each month. The rates are applied to the taxable assessment of the properties in your municipality on a per \$100 basis. Council establishes the tax rate after approving the annual estimates (budget), or after the residents have approved the estimates per service in the case of communities, to raise the necessary revenue to pay for services and programs. A single commercial or non-commercial property tax rate is generally applied to all properties.

However, some municipalities are becoming increasingly diverse, and are comprised of different types of property owners, such as farmers, cottagers, seniors, businesses, etc., or differing service levels for different areas. For these types of situations, the *Municipalities Act* enables the levying of different rates in different areas of a municipality and the levying of fees for service.

- **Area rates** – only property owners that receive a specific service, such as street lighting or sidewalks etc. pay for the service; this type of taxation can be looked at as similar to a dartboard within which there are various bands spreading outward.

The bulls eye area of the dart board would be the centre of the municipality in which all or most services are provided, therefore a full tax rate is applied; the next band may not have sidewalks and therefore they may pay a lesser rate, another band further out may not have sidewalks or streetlights, they again may pay a lower rate, a rate that reflects the costs associated with services that are provided to the municipality as a whole.

- **User fees and charges** – only users of a specific service or program pay for them. Council has discretion to determine the services for which it will charge a fee, the amount of the fee, the basis for calculating the fee and who is required to pay. Many municipalities apply user fees or charges for licenses, permits, use of municipal facilities (e.g. recreation centre programs), etc. Fees and charges are established by the council.

Capital Projects and Borrowing

Municipalities are increasingly planning for and undertaking large, expensive capital projects. The magnitude and costs of these projects usually generate public interest in the municipality's capital plan. Citizens want to understand what council is proposing, and why and how the financing of a project will affect them.

Involving citizens from the outset, by making available comprehensive information about council's proposals, is important. Information should include the total cost of the project, whether there are other sources of funding for the project, how the municipality intends to pay for its share of the costs (including through borrowing, etc.), and the impact on property taxes for property owners as a whole as well as for specific property owners.

Borrowing is an increasingly important source of financing for large capital projects. Long-term borrowing enables a municipality to pay for capital projects and equipment over a period of years, often matching the term of the borrowing with the estimated useful life of the capital asset. In this way, those who benefit from the capital asset are the ones who pay for it.

The council of a community may not borrow money for capital projects unless the borrowing is approved by the residents at a public meeting called for that purpose. Further, no council may borrow funds for capital projects if that borrowing would cause the municipality to be in debt in excess of ten per cent of the current assessed value of all real property in the municipality; however the Minister may authorize a borrowing in excess of this limit in exceptional circumstances.

Once a borrowing has been approved, the debt repayment obligation must be reflected in the municipality's financial plan. Many municipalities across the country have partnered on infrastructure projects such as recreation, waste management, and sewer and water treatment facilities. Municipalities can often save money, as well as increase the level and quality of services, by partnering with another municipality.

Monitoring Municipal Finances

Council monitors the financial affairs of the municipality to evaluate its financial position throughout the year against the approved annual financial plan. This allows council to take action in response to changing priorities, unanticipated events or over-expenditures.

Your administrator should provide you with regular, timely, and easily understandable financial reports on a monthly or quarterly basis. In addition, your administrator should provide you with explanations of large differences in budgeted expenditures compared to actual expenditures, at that point in time. Sharing, or tabling, these updates with the public at council meetings is a very good way of ensuring the public is kept informed as well.

Annual Financial Reporting

The annual audit of the municipality's year-end financial statements is council's most important tool for reporting on the financial position of the municipality. The audited

statements ensure accountability and transparency, providing citizens with the opportunity to compare actual year-end results with the annual budget.

Council must appoint a qualified auditor (defined in the *Public Accounting and Auditing Act*) each year to report to council on the financial affairs of the municipality for the preceding year. Your auditor must be able to meet your municipality's terms and deadlines for submitting the audit. Your audit must be completed and be submitted to the Minister responsible for Municipal Affairs by April 1 in each year for the preceding municipal fiscal year. It should be noted that in PEI, the *Municipalities Act* allows municipalities with a projected budget of less than \$50,000, to dispense with the audit requirement by resolution at the annual meeting.

The auditor should, if necessary, also prepare a supplementary report along with your audited financial statement. The supplementary report will tell council whether the auditor came across any problems with the municipality's accounting procedures or internal controls, whether any funds were spent without proper authority, or whether there are any issues that council should be aware of, and provides recommendations for council actions.

Council may wish to invite the auditor to a council meeting to discuss the audited financial statement after they are submitted. Council should address matters identified by the auditor and any recommendations made by the auditor.

Each municipality should ensure that residents are aware that the annual audited financial statements and other financial information are available to the public at the municipal office. Many municipalities post their financial statements and other financial information on their websites so they are easily accessible to citizens.

Councils may notice a difference between the year-end results reported in their audited financial statements and the results from the financial plan. Municipalities' audited financial statements must be prepared according to generally accepted accounting principles (GAAP) established by the Public Sector Accounting Board (PSAB). The annual budget however, may be prepared in a method which is different than PSAB reporting requirements.

PSAB statements enhance transparency and accountability by providing council with a complete picture of the municipality's financial position:

- The financial statements are to include municipal organizations such as libraries, fire departments, airports, planning districts, utilities and any municipal corporations.
- The audited statement recognizes the financial effects of transactions in the period they occur, regardless of when received or paid (e.g., vacation pay owing to employees etc.). The most significant of these is the amortization of tangible capital assets.

The cost of tangible capital assets is a key component in the delivery of municipal services and having this information available allows council to plan and make better decisions about replacing capital assets.

Remember!

- 🕒 **Council is responsible for the financial position of the municipality.**
- 🕒 **The annual financial plan (budget) should reflect council's service and program priorities taking into account the needs of all residents and property owners, and the impact on them.**
- 🕒 **Monitor the financial affairs of your municipality to ensure you are staying on course; consider developing a five year capital plan.**
- 🕒 **Make sure your annual audited financial statements are received and submitted on time and made available to the public.**

Citizen Access to Information



CITIZEN ACCESS TO INFORMATION

In Prince Edward Island, the provincial *Freedom of Information and Protection of Privacy Act* does not apply to municipal governments, and the provisions pertaining to access to information in the various municipal statutes are minimal.

However, citizens need access to information to understand how their municipalities operate – to know about the decisions of council, to be aware of the services and programs available and how they are delivered, and to understand how they can get answers to their questions. As such, most municipal documents should be available to the public as a matter of course.

The following documents should be readily available to those residents that wish to receive the information:

- Minutes
- Decisions of council
- Bylaws
- Approved budgets and monthly financial updates
- Financial statements
- Auditor's report
- Building permits and subdivision approvals, and bylaw amendment decisions

All municipalities should strive to conduct their business in as open and transparent a manner as possible; ideally, an access to information policy should be developed.



Additional Access

Council should establish a comprehensive access to information policy to ensure other municipal documents are readily available to citizens. Documents that should be included under the policy and provided to citizens as a matter of course include:

- Council member indemnity and expense claim forms
- Invoices for accounts payable
- Tender documents once awarded
- Development agreements
- Conditional use permits and variation orders

As a general rule, any document that is presented at an open council meeting should be available to the public.

Remember!

-  **Most municipal documents should be publicly available as a matter of course.**
-  **Municipalities should make accessing information as simple as possible; develop an information policy and have key documents readily available in the municipal office, or post them on your municipality's website.**

Citizen Complaints



CITIZEN COMPLAINTS

Citizens have the ability to pursue complaints if they do not believe that the municipality has satisfactorily resolved them. Citizens may raise concerns with the Province; the Minister has the power to determine that a council is inoperable or not functioning in the best interests of the residents, although the bar is quite high for this type of determination. In other cases, the Province will work with municipal councils and staff to institute good practices, develop and improve procedures, and understand expectations.

The Province is not, however, the final arbiter of municipal issues with residents – the courts are. The Province can provide interpretation and advise a municipality; however, municipalities are governed by their enabling legislation and as such, the courts ultimately would have the final word.




Citizens always have recourse to challenge a municipality before the court if they believe that the municipality is acting outside its legal authority.

Courts

All citizens have a fundamental right to make a challenge to the courts, if they believe that a municipality is acting outside or contrary to its legal authority, such as not following legislated procedures, spending money without proper authority, or passing a bylaw when there is no legal authority to do so.

The court process is often lengthy and is almost always adversarial, and as such is a last resort. Councils should make every effort to work with citizens to address their concerns, as ultimately councils are elected by, and accountable to, their citizens.

Remember!

-  **Most citizen complaints can be resolved through discussion. Take time to listen to citizens who voice their concerns.**
-  **Citizens have the right to complain to the Province about the administration of municipal policies and procedures.**
-  **All citizens have a right to take a municipality to court.**

APPENDIX A

KEY RESOURCES FOR COUNCIL MEMBERS

Municipal Resources

- Your municipality's Policy Manual
- Your municipality's Procedures Bylaw
- Your municipality's Organizational Chart
- List of your Council Committees and their roles
- List of Agencies, Board & Commissions on which the municipality is represented
- Your municipality's employee code of conduct
- Calendar of upcoming meetings, seminars and conferences
- Minutes of previous council & Committee meetings
- Current Financial Plan (Operating, Capital and Five Year Plan)
- Previous month's Financial Report (statement)
- Financial Audit Report
- Contact and emergency numbers for each department within your municipality

Government of Prince Edward Island Resources

- Provincial legislation (e.g. The *Municipalities Act*, The *Planning Act* etc.) can be found [here](http://www.gov.pe.ca/law/regulations): www.gov.pe.ca/law/regulations
- Municipal Statistics – annual publication of various statistics for each municipality. Available [here](#) (on the General Information section of www.gov.pe.ca > Municipal Affairs)
- Municipal Affairs website at: www.gov.pe.ca/mapp

Federation of Prince Edward Island Municipalities Resources

- Visit the FPEIM website at: www.fpeim.ca

APPENDIX B

CONFLICT OF INTEREST

Municipalities Act

Section 23

“No member of Council shall, subject to section 17, derive any profit or financial advantage from his position as a member of Council and, where a member of Council has any pecuniary interest in or is affected by any matter before the Council, he shall declare his interest therein and abstain from the voting and discussion thereon.”

QUESTIONS AND ANSWERS

A number of commonly asked questions and answers about conflict of interest are provided here to help you understand the rules and your responsibility to report and disclose a conflict of interest when it occurs.

What is a conflict of interest?

A conflict of interest is when a person in public life is in a position where a personal interest may, or may appear to, conflict with their role as a municipal councillor. A conflict of interest will generally be in the nature of a pecuniary (financial) interest but this is not always the case.

What is a pecuniary interest?

A pecuniary interest is a financial interest that you or your dependent (spouse, common-law spouse or dependent child who resides with you) may have. A pecuniary interest may be direct or indirect. If you have any questions regarding whether you have a pecuniary interest, you may wish to consult a solicitor.

What other conflict provisions apply to me as a member of council?

As a member of council you cannot:

- use insider information (information not available to the public) for personal gain
- receive compensation, other than normal council compensation, for rendering service in a matter before council
- attempt to influence the vote of another council member

These provisions do not prohibit you from appearing before council as a resident affected by planning, zoning, or an assessment matter; however, you should not vote or participate in the matter to be decided.

Common instances of conflict in Prince Edward Island include:

- Contracts
- Fire Departments
- Land transactions
- Summer employment
- Indirect - family benefits

What if a conflict of interest is alleged?

A voter or the council may bring a conflict of interest allegation to court. Only the court has the authority to decide whether a violation of the legislation has occurred. If you are found to have violated the legislation you may be disqualified from office.

What power does the court have?

The court would hear the evidence and deal with the allegation of conflict. If you are disqualified and the seat declared vacant, restitution could be directed. In some circumstances, failure to comply with the Act could render a transaction of the municipality void. Since this is a complex situation, legal advice should be obtained.

What if the conflict of interest happened inadvertently?

A judge can determine there was an unknowing or inadvertent violation of the Act and permit you to retain your seat on council.

APPENDIX C

Information Sheet Consolidation

- Annual Meetings
- Borrowing by Municipalities
- Bylaw Amendments
- Council Meeting Requirements
- Financial Matters & Council
- Financial Reporting Requirements
- Important Dates
- Municipal Loan Program
- Municipal Powers
- Revenues & Grants
- Roles & Responsibilities
- Setting the Budget
- Setting a Tax Rate
- Vacancies & By-Elections
- Volunteer Firefighter Honorariums

Templates & Forms

- Sample Agenda
- Sample Minutes
- Election Reporting Form
- By-Election Reporting Form

Additional Resources Listing

Information Sheet – Annual Meetings

General Meetings

Background

Regardless of population, geographical size, or financial capacity, all “Community Councils” must conduct an annual general meeting (AGM).

Significant Dates

The Annual General Meeting must be conducted in the month of March.

The budget for a municipality must be adopted prior to April 1st of each year; in the case of Communities, at the Annual Meeting.

Notification to Residents

The residents of the municipality must be notified of the Annual General Meeting by advertisement posted twice in a local paper, with the first ad appearing at least seven days before the meeting (the day of ad and the day of meeting are not counted in the calculation of days).

Financial Reporting

The annual meeting is the time when the financial statements and audit are shared with the public. If the municipality will be dispensing with the audit requirement, a council resolution to that effect must be passed at the annual meeting.

Approval and adoption of annual estimates / budget

The residents of the Community vote on the estimated cost for each service. The final collection of estimates receiving approval becomes the budget for the year.

Tax Rate

After the budget is approved, Council calculates what other revenues sources are anticipated, such as grants and user fees, and then sets the final municipal property tax rate required to raise the remainder of the funds.

Participation by the public

The annual meeting is a meeting of council and residents only vote on the proposed estimates. Council must, however, provide an opportunity for residents to raise concerns or matters of interest to the public.

Materials

Councils is required to prepare copies for distribution of a range of items, including the meeting agenda, chairperson’s statement, committee reports, financial statements for the preceding year, auditor’s report (where applicable), copy of proposed budget / annual estimates for voting and adoption by residents, and any additional items as determined by Council.

Further Details

Please refer to the AGM Handbook for more complete details on holding a Community Annual General Meeting.

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Information Sheet – Borrowing by Municipalities

Borrowing for Capital Projects

Municipalities are not required to seek the Minister’s approval prior to borrowing. It is the responsibility of the municipality to ensure that the amount does not exceed the borrowing limit established in legislation.

Municipalities Act—Towns and Communities

43. Subject to section 44, a council may raise money by way of loan or the issue of debentures for the purpose of providing the services set out in section 30.

44. (1) The council of a community shall not borrow money for capital expenditure unless the proposed borrowing is approved by the residents at an annual meeting or a special meeting called for that purpose.

56. (1) *The council of a community may hold a special meeting at any time after giving notice in accordance with section 55 indicating the purpose of the meeting.*

(2) *No business shall be considered at a special meeting unless it is relevant to the purpose for which the meeting is held.*

Notice: Two (2) notices/ads must be placed in the local newspaper concerning the annual meeting. The first advertised notice must appear in the newspaper at least seven (7) days prior to the meeting. (Do not count the day of the ad or the day of the meeting when calculating the seven days.)

Newspaper ad:

- Must indicate date, time, and place of the meeting;
- Should provide a brief description of the purpose of the meeting (i.e. to vote on borrowing for project X):

(2) No council may borrow money for capital expenditure if the result of the borrowing would be to increase the debt of the municipality to an amount in excess of ten per cent of the current assessed value of real property in the municipality.

(3) The amount referred to in subsection (2) may be exceeded in exceptional circumstances with the approval of the Minister.

(4) Nothing in this section precludes a council from borrowing money to be used on an interim basis to finance current operations.

Charlottetown Area Municipalities Act – Charlottetown

42. (1) Subject to subsection (2), the council may borrow money by way of loan or the issue of debentures for capital, operating or other expenditures.

(2) Except as may be authorized by the Lieutenant Governor in Council for special projects or in exceptional circumstances, the council may not borrow money for capital expenditures if the result of the borrowing would be to increase the debt of the city to an amount in excess of ten per cent of the current assessed value of real property in the city or such other amount as the Lieutenant Governor in Council may determine.

(3) Security documents issued under subsection (1) or section 43 shall be signed, issued and reissued in such manner as may be prescribed.

43. Nothing in section 42 precludes the council from borrowing money from a savings institution on an interim basis in relation to capital expenditure or on a short term basis to finance current operating expenditures.

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Information Sheet – Borrowing by Municipalities

Charlottetown Area Municipalities Act – Cornwall and Stratford

117. (1) Subject to subsection (2), the council may borrow money by way of loan or the issue of debentures for capital, operating or other expenditures.

(2) Except as may be authorized by the Lieutenant Governor in Council for special projects or in exceptional circumstances, the council may not borrow money for capital expenditures if the result of the borrowing would be to increase the debt of the town to an amount in excess of ten per cent of the current assessed value of real property in the town or such other amount as the Lieutenant Governor in Council may determine.

(3) Security documents issued under subsection (1) or section 118 shall be signed, issued and reissued in such manner as may be prescribed.

118. Nothing in section 117 precludes the council from borrowing money from a savings institution on an interim basis in relation to capital expenditure or on a short term basis to finance current operating expenditures.

City of Summerside Act

43. (1) Subject to subsection (2), the council may borrow money by way of loan or the issue of debentures for capital, operating or other expenditures.

(2) Except as may be authorized by the Lieutenant Governor in Council for special projects or in exceptional circumstances, the council may not borrow money for capital expenditures if the result of the borrowing would be to increase the debt of the city to an amount in excess of ten per cent of the current assessed value of real property in the city or such other amount as the Lieutenant Governor in Council may determine.

(2.1) For greater certainty, the calculation of debt for the purposes of subsection (2) shall not include the debt of the City of Summerside Electric Utility.

(3) Security documents issued under subsection (1) or section 44 shall be signed, issued and reissued in such manner as may be prescribed.

44. Nothing in section 43 precludes the council from borrowing money from a savings institution on an interim basis in relation to capital expenditure or on a short term basis to finance current operating expenditures.

Information Sheet – Bylaw Amendments

Bylaw Amendments Summary Sheet

The process for amending a bylaw is the same as the process for creating one. Essentially, the municipality is creating a bylaw that has the effect of amending the original bylaw. **Process-wise**, two readings and an adoption of the bylaw amendment will still be required.

Council Meeting #1

- Resolution to give 1st reading to the bylaw
- Resolution to approve the bylaw (1st instance)

Council Meeting #2

- Resolution to give 2nd reading to the bylaw
- Resolution to approve the bylaw (2nd instance)
- Resolution to adopt the bylaw

Content-wise, when voting, the Council should have in front of them the amendment bylaw that describes in full detail what text is being removed and what text is being inserted. A sample structure for the amendment bylaw, along with all sample resolutions, is listed in [this guide](#).

Product-wise, at the end of the day, you should end up with

1. The amendment bylaw (aka the bylaw amendment) (assign a bylaw number)
2. Signature page (showing signatures of mayor/chair and administrator/CAO, and dates of all resolutions for Bylaw), signed and sealed
3. 5 Resolutions for the Bylaw Amendment
 - a) 1st Reading of Bylaw (when Council votes on this resolution, they should have Schedule A in front of them)
 - i. Schedule A – the text of the bylaw amendment should be attached to this resolution
 - b) Approval of Bylaw
 - c) 2nd Reading of Bylaw
 - i. Schedule A – the text of the bylaw amendment should be attached to this resolution (should be same as (a)(i) above unless there have been any amendments)
 - d) Approval of Bylaw
 - e) Formal Adoption of Bylaw

Reminder:

- All documents listed above should be included in the municipality's record files. The amendment bylaw and the signature page should be in the package submitted for filing to the Province
- It is recommended that the resolutions and schedules be provided to Council members prior to the meeting so that all understand exactly what they are voting on.
- The wording of resolutions as voted on by Council should match the wording of resolutions on the resolution sheets.
- The wording of resolutions as reflected in the minutes of the meetings should match the wording of resolutions on the resolution sheets.
- Non-planning bylaws and amendments are effective upon formal adoption by Council.

For more complete details, please refer to the [Bylaw Amendments Handbook](#) or visit our website www.gov.pe.ca/finance/municipalaffairs.

For Planning Bylaw amendments please refer to the [Planning Amendments Handbook](#).

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Information Sheet – Bylaw Amendments

Municipal Affairs Review Checklist for New Bylaws and Bylaw Amendments

Non-Planning Bylaws adopted under the *Municipalities Act*, *Charlottetown Area Municipalities Act*, or *City of Summerside Act*.

1. Develop Bylaw or Bylaw Amendment (See the Municipal Bylaw Handbook for more details):

- Does the municipality have the authority to do what the bylaw or amendment is setting out to do? (Y/N)
- Does the content of the bylaw comply with provincial legislation? (Y/N)
- Does the content of the bylaw affect the use and enjoyment of residential property? If **no**, go to **step 2**. If **yes**, public meeting is required – see below:
 - Council sets a date for the public meeting (MA, section 61)
 - Place two (2) ads in the local newspaper. The first ad must appear ‘at least’ 7 days before the public meeting. The first day the ad appears in the paper and the day of the meeting shall not be counted. (MA, section 55)
 - Newspaper ad must indicate:
 - In general terms, the nature of proposed Bylaw or Bylaw Amendment
 - the date, place and time of meeting;
 - location where the information may be inspected; and
 - an invitation to the public to make representation.
 - 1st Ad placed on: _____ (DD/MM/YY) 2nd Ad placed on: _____ (DD/MM/YY)
 - Day of Meeting: _____ (DD/MM/YY) Number of days between 1st ad and meeting: _____ (# days)

2. Finalize the text of:

- the Bylaw or Bylaw Amendment
- the 5 resolutions required regarding the readings and approval of the Bylaw or Bylaw Amendment
- the signature page if not embedded in the text of the Bylaw or Bylaw Amendment

3. Move to formal bylaw approval process:

Council should have the text of all resolutions and the text of the Bylaw or Bylaw Amendment before them before doing any readings or approvals

- Council Meeting #1 (open to the public):
 - Resolution #1: First Reading of the Bylaw or Bylaw Amendment
 - Resolution #2: Approval of the Bylaw or Bylaw Amendment
- Council Meeting #2 (open to the public, separate day):
 - Resolution #3: Second Reading of the Bylaw or Bylaw Amendment
 - Resolution #4: Approval of the Bylaw or Bylaw Amendment
 - Resolution #5: Adoption of the Bylaw or Bylaw Amendment

4. Submission requirements:

- A copy of the Bylaw or Bylaw Amendment (full text)
- A signed & sealed signature sheet for Council’s 5 resolutions giving 1st and 2nd reading and adopting the Bylaw or Bylaw Amendment

Signature sheets must:

- Bear the signature of the Mayor/Chairman and the Administrator
- Be sealed with the Municipal Seal
- Be filed with the Province within 7 days of the formal adoption of the Bylaw or Bylaw Amendment

Notes:

- In the case of a Community, if either of the council meetings is not a regularly scheduled meeting of council, public notice requirements of section 55 of the *Municipalities Act* apply.
- In the case of non-planning bylaws, bylaws are simply filed with the Province; the Minister does not approve the process or the bylaw.
- It is the responsibility of any municipality passing a bylaw to:
 - Ensure that the bylaw has been adopted in accordance with the procedures set out in legislation; and
 - Ensure that the municipality has the legislative authority to enact the bylaw; that it has the authority to do what it is setting out to do and that the contents of the bylaw comply with all applicable legislation. It is highly recommended that all municipalities consult with their legal counsel regarding the passage, repeal, amendment or consolidation of any bylaw or bylaws.

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Information Sheet – Council Meeting Requirements

Meetings of Community Council – Minimum Standards

- Councils set the date, place and time of regular meetings by resolution, usually in the form of a certain day of the month (ie, 2nd Wednesday of the month). (*Municipalities Act*, section 21. (1)).
- Any meeting of council that is not regularly scheduled is a special meeting and must be advertised in accordance with the provisions of section 55 (3) of the Act. (*Municipalities Act*, section 56. (1)).

Notice: Administrator prepares two (2) notices/ads to be placed in the local newspaper concerning the annual meeting. The first advertised notice must appear in the newspaper at least seven (7) days prior to the meeting. (Please do not count the day of the ad or the day of the meeting when calculating the seven days).

Newspaper ad:

- Must indicate date, time, and place of the meeting;
- Should provide a brief description of the purpose of the meeting (i.e. to review municipal business and to adopt a budget for the municipality;

“clear days” - in the calculation of time expressed as clear days, the first day the ad appears in the paper and the day of the meeting shall not be counted.

1st Ad placed on: _____ (DD/MM/YY)

2nd Ad placed on: _____ (DD/MM/YY)

Date of the meeting: _____

Number of days between 1st ad and meeting: _____ (# days)

- All meetings of council must be open to the public.
- All decisions of council must be made at a public meeting of council, either by bylaw or by resolution.

Statutory References to Council Meetings – *Municipalities Act*

21. (1) A council shall hold at least one **meeting** each year and by resolution fix the date, place and time of **regular meetings** and the council may hold **special meetings** at the call of the mayor or chairperson and the mayor or chairperson shall call a **special meeting** when so requested in writing by not less than half of the councillors for the time being holding office.

(2) The quorum at any **council meeting** is

- (a) the mayor or chairperson or, in his absence, the deputy mayor or vice-chairman; and
- (b) at least one-half of the councillors then holding office.

(3) No business shall be conducted at any **meeting of a council** unless a quorum is present.

(4) **Meetings of a council** shall be open to the public.

(5) Each councillor has one vote.

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Information Sheet – Council Meeting Requirements

- (6) The mayor or chairperson shall vote on any matter before council only for the purpose of breaking a tie.
- (7) The office of mayor, chairperson or councillors shall be declared vacant upon a resolution of council to that effect if the holder of that office has missed three consecutive **meetings** of the council without just cause.
- (8) Where a member of council dies, resigns or becomes disqualified to serve, his seat shall be deemed to be vacant and shall be so declared by the council. 1983, c.33, s.22; 1987, c.49, s.1; 2006,c.24,s.1.
- 22. (1)** The mayor or chairperson may appoint standing committees from among the members of the council for such purposes as he may determine.
- (2) The council may by resolution appoint special committees, chaired by a council member, for any particular purpose which shall report to the council on the matters committed to them.
- (3) The council may appoint residents to serve on the special committees referred to in subsection (2).
- (4) Meetings of committees may be held behind closed doors.
- (5) The council may by resolution meet as a committee of the whole.
- (6) Standing committees, special committees, or committee of the whole may only report and make recommendations to the council.
- (7) **Subject to section 36, all decisions affecting the municipality shall be made by the council.** 1983, c.33, s.23; 2006,c.24,s.1.
- 44. (1)** The council of a community shall not borrow money for capital expenditure unless the proposed borrowing is approved by the residents at an **annual meeting** or a **special meeting** called for that purpose.
- 55. (3)** The administrator shall cause notice of the time, date and place of the annual meeting to be published on at least two occasions in a newspaper circulating in the community and the first of such notices shall be published at least seven days before the date fixed for the meeting.
- 56. (1)** The council of a community may hold a **special meeting** at any time after giving notice in accordance with section 55 indicating the purpose of the meeting.
- (2) No business shall be considered at a **special meeting** unless it is relevant to the purpose for which the meeting is held. 1983, c.33, s.54.

Financial Management of Municipalities and Accessing Information

Overview

The elected council of a municipality is responsible for setting the tax rates (commercial and non-commercial) for the upcoming fiscal year which is based on the proposed budgeted expenditures which are to be approved at the budget or annual general meeting of a municipality.

In all three of the Acts that govern municipalities in Prince Edward Island, the main tool for ensuring that expenditures are budgeted and accounted for is the approval of the budget for the year (approved service-by-service by residents in Communities and by the elected Council in Towns).

In addition, the financial audit that must be completed by all municipalities (unless opted out of per section 27(4) of *The Municipalities Act*) provides the residents with an indication of the expenditure level for the prior year, and compares the budgeted expenditures to actual.

Legislation

There are two key sections of municipal legislation that govern how a municipality expends money during the year. The first deals with passing a budget, which is the tool that gives approval for a municipality to expend funds; and the second deals with expending funds between the end of the prior fiscal year and the approval of a municipality's budget, which must be done before March 31 (or April 1) of each year.

Budgeting

Section 35 of the Municipalities Act, section 36 of the Charlottetown Areas Municipality Act (CAMA) and section 37 of the City of Summerside Act (CSA) state that- **“the estimates and budget of a municipality shall be fixed on or before April 1 (March 31 in CAMA and CSA) in of each year”**.

Expenditures in fiscal year before budget approved

Section 42 of the Municipalities Act, section 40 of the Charlottetown Areas Municipality Act (CAMA) and section 41 of the City of Summerside Act (CSA) state that- **“During the period from the end of a fiscal year until approval of the estimates for the next fiscal year, the council shall not incur expenditures except those necessary for the day to day administration of the municipality”**.

While the requirements in existing PEI legislation are very specific and narrow, many municipal councils on Prince Edward Island go above and beyond what is required under legislation to ensure that there is an adequate amount of transparency and accountability for their residents.

Recommended Additional Practices for Municipalities

Municipal Affairs recommends that municipalities go above and beyond the legislative requirements to ensure that an additional, generally expected, amount of accountability and transparency is offered to residents and members of council. Some of these practices could include:

- At each monthly meeting of Council, **lists of all payments/cheques** to be issued or issued over the previous month should be presented in a report to be accepted by resolution of council. Any questions or concerns in regards to any of these payments can then be addressed by administration.
 - ☐ Council establishes a process in a procedural bylaw determining the approval of payments:
 - all payments are approved by council;

Information Sheet – Financial Matters & Council

- All payments up to a certain dollar amount that are budgeted for can be approved by staff; any amounts over this threshold must be approved by a motion of Council at their monthly meeting;
- Any **contract or tenders** for services or products should be approved through a Council resolution at a monthly meeting. Any discussions held at an *in camera* meeting must be ratified by resolution at a public meeting of Council.
 - ☐ Where a council has formally delegated the issuance of minor contracts or tenders to staff, information on those contracts or tenders should be included in financial updates to council and the public and should be listed in all financial reports.
- At each monthly meeting of Council, a **financial update** should be presented to allow both Councillors & residents to get an overview of the current state of municipal finances. This update should also include a comparison of the revenues and expenses to date, and how they compare to the budget for the year.
 - ☐ Financial update reports would be accepted by a council resolution, rather than approved.

Financial Information Requested by Councillors/Residents

Often during the course of a year, councillors or residents will request certain types of financial information from a municipality.

What types of information are municipalities required to provide to councillors?

Councillors are the stewards of the municipality and have a fiduciary duty with regards to the financial management of the municipality. As such, all members of council should have access to current financial reports, lists of expenditures and contracts, and other such information required to ensure that they are fully informed as to the current state of the municipality's finances.

What types of information are municipalities required to provide to residents?

Although the legislation is very narrow and specific, there are a couple of items that must be made available to the public:

- Approved budgets
- Audited financial statements

There is also other financial information, while not mandated to be made public by legislation, that Municipal Affairs suggests should be made available to the public as an extension of public accountability in relation to the expenditure of public funds and to increase the level of transparency in local governments. This list includes, but is not limited to:

- Current year-to-date financial statements
- Comparison of current year financial information compared to budget
- List of current year contracts entered into by the municipality
- Listing of any consultants, firms or other contracts retained (ie. Planning services, solicitor, engineering firm, accounting and auditing firm, animal control services)
- Policies or bylaws that guide decisions of council that impact on financial matters (ie. Policy for cheque signatures, approval of funds by CAO, borrowing policies)

Information Sheet – Financial Reporting Requirements

Overview & Requirements:

As per *The Municipalities Act (MA)*, section 28 - every Municipality on Prince Edward Island is required to submit the following information to Municipal Affairs by April 1 of each year:

- Completed Municipal Financial Information Return (MFIR);
- Approved budget for the upcoming year;
- Completed financial statements, and;
- Audited financial statements (except when dispensed by a resolution at the annual general meeting (AGM) if the prior year's budgeted expenditures were under \$50,000).

Penalties

There are no specific penalties laid out in the *MA* for non-compliance on any of the above reporting requirements; however, Departmental policy states that any municipal grant funding will be cut off in cases of non-compliance. Eventually, if non-compliance continues, Council can be deemed to be operating in a manner contrary to the best interest of the residents; Council would be dismissed and a special commissioner would be appointed to operate the municipality and arrange for new elections. (*MA 10 (1)*)

MFIR (Municipal Financial Information Return):

- This is a Microsoft Excel document that we require all municipalities to complete and submit to us.
- If you don't have Excel, you can complete it manually, or come into our office and we can work through it together. A lot of communities will contract their auditors to complete this document; this is a great idea as they are usually quite familiar with the document.
- A new small municipality template for the MFIR will be created for the upcoming year that will simplify the process for municipalities that don't have water or sewer utilities
- Please ensure that you use the latest copy of the MFIR that can be found on our website, as changes are made to improve this document annually
- The purpose of this document is to ensure that we are comparing apples to apples when looking at municipal financial information from each municipality
- This information is consolidated into an annual report that is completed by our branch and distributed to all municipalities

Approved budget for the upcoming year (2013):

- Forward to Municipal Affairs a copy of your approved budget; in the case of Communities, this will be presented and voted upon line by line by residents at your AGM in March.
- The MFIR also requires the upcoming budget year information to be entered
- This allows us to have a 3 year comparison using the MFIR

Financial Statements for the past year (2012):

- Forward to Municipal affairs a copy of your 2012 financial statements
- If your municipality is required to complete an audit, then a copy of the audited financial statements will suffice
- If your municipality has opted out of the audit requirement (see below), then the internally prepared financial statements that have been approved at the AGM will meet the requirements

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Information Sheet – Financial Reporting Requirements

Audited Financial Statements (2012):

- Every municipality is required to appoint an auditor who shall audit the municipality's financial statements (*MA 27(1)*)
 - However, the municipality may dispense with the audit requirement – by resolution – if the budgeted expenditures for the prior year were less than \$50,000. (*MA 27(4)*)
- 46 municipalities require an audit for the 2012 year based on 2012 budgets; 28 municipalities don't require audits, however some of these do get financial statements professionally prepared (not audited)
 - If your municipality did budget under \$50,000 for 2012, then you must pass a motion at your AGM stating that you are opting out of this requirement, and then notify the Minister in writing of this motion
 - We can provide templates for both the motion and the letter to the Minister if requested
- The audited financial statements must be presented at the annual general meeting in March and then forwarded to Municipal Affairs

Why do we need all of this Information?

- PEI Municipalities are government bodies; they have the authority to tax their residents and expend these funds on approved services; therefore transparency and accountability are paramount in every municipality
- The above requirements give the Province, all its residents, and all municipal residents, assurance that municipalities are being held accountable for the public funds that they expend every year. This information is also used for:
 - Preparing an annual statistics report; this is a summary document of all 74 municipalities' financial information for the year. This also includes comparative information for each major expense category as well as demographic information and other comparative financial information;
 - Providing information to the Minister and other elected officials upon request;
 - Providing information to committees/groups which use financial information for discussion on possible funding grants or other services;
 - Providing information to other Provincial Government Departments on request;
 - Providing information to Statistics Canada or other Federal Departments/Agencies on request.

Information Sheet – Important Dates

Significant Dates and Deadlines

January - February

- ❑ The municipal budget year begins in **January**.
- ❑ The preparation of the financial statements should begin toward the end of the fiscal year, but the documents should be finalized as early as possible. These should include:
 - A fully-completed Municipal Financial Information Return (MFIR) for the previous year;
 - Complete financial statements for the previous year;
 - A full budget for the current year; and
 - A professional audit (except when dispensed with by resolution at the AGM, where budgeted expenditures were less than \$50,000) – contact your auditor as close to the start of the year as possible, if not before the year end.

March

- ❑ Annual Meeting (communities):
 - Ensure a date is set in **March** and ensure enough of Council will be able to attend to make quorum;
 - Arrange for the **two ads** to appear in the paper – 1st ad must appear “at least” 7 days (= 9 days);
 - Arrange the logistics of the meeting, including booking space and ensuring that copies of all required materials are ready; and
 - Prepare or arrange to have prepared a copy of the proposed budget / annual estimates, with detailed breakdowns of the estimated services and expenses, as well as anticipated revenues

Community Budget– passed through a service-by-service vote by residents at the AGM in **March**. (s. 55)

Tax rate – must be submitted to Taxation by **March 31** of the year. Set by resolution of council at a public meeting.

[Note: Taxation maintains its own database of contact emails – notify them directly of any changes.]

April

Town Budget – must be passed on or before **April 1** (MA s. 35) at a public meeting

Financial Reporting to Province – April 1st is the deadline to submit all required documentation to the Province regarding financial statements, approved budgets, and Municipal Financial Information Returns (MFIR), as well as building permit and subdivision statistics.

Ongoing Deadlines:

Weekly reports as required by Council

Meeting agendas & packages as required by Council – recommended a few days prior to meeting

Monthly reports to Council at regular meetings as required by Council

Special Council Meetings (not regular meetings of Council): 2 newspaper ads – 1st ad “at least” 7 days (= 9 days).

Special Election Meetings: (including by-elections and elections at AGMs) 2 newspaper ads – 1st ad “at least” 7 days (= 9 days).

Regular bylaws must be filed with the Minister after Council has completed the bylaw adoption process: to be submitted within 7 days of adoption by Council, except in the case of planning bylaws

Official Plan amendments – 2 newspaper ads for public meeting – 1st ad “at least” 7 days (= 9 days).

Planning Bylaw amendments, incl. rezoning amendments – 1 newspaper ad for public meeting, “at least” 7 days (= 9 days).

Changes in council composition, Planning Board, mailing addresses, contact info, etc. – please notify Municipal Affairs as soon as possible.

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Information Sheet – Municipal Loan Program

The Municipal Loan Program

Since 2003, the Province of Prince Island has made provincial funding available to municipalities through a Loan Program. This program has been established as an alternative borrowing opportunity for local government and the funding is accessed through application to Treasury Board.

Who may apply

Municipal Governments incorporated under provincial legislation.

Eligible costs

Treasury Board generally considers municipal requests of up to 100% of the costs of a municipal project.

First steps for the municipality

The interested municipality must make certain preparations:

- Gather information such as current debt and the details of the proposed project
- City/Town:
 - At a regular or special meeting of Council, a motion must be adopted to proceed with an application for loan funding.
- Community:
 - At a regular or special meeting (see notice requirements below) of Council, a motion must be adopted to proceed with an application for loan funding subject to the vote by residents regarding taking on debt for a capital project.
 - Schedule the special meeting to hold resident vote on borrowing
 - Ads (2) for special meeting must be placed in local newspaper
 - The first advertised notice must appear in the newspaper at least seven (7) days prior to the meeting. Do not count the day of the ad or the day of the meeting when calculating the seven days.
 - The ad must contain the time, date, and place of the meeting and should include a brief description of the purpose of the meeting (i.e. public vote on proposal to borrow for a capital project).
- Prepare submission to the Province of Prince Edward Island (see Submission Content below)

Applications

Application shall be made to the Department of Finance, Energy and Municipal Affairs for participation in the program.

Submission content – evaluation criteria

Project purpose including:

- brief written summary of the proposed project
- benefits to the municipality
- The amount requested, including identification of
 - total amount of the project
 - amount requested through the alternative borrowing program
 - amount requested through other funding agencies
- Submission of financial information from the previous year;
- Council minutes showing resolution to borrow, certified as true copy and sealed;
- Resolution sheet of Council supporting the request to loan money, signed by Mayor/Chair and CAO, and sealed;
- The municipality's current loan commitments (current debt)
- In the case of communities, documentation on public vote, including:
 - Copy of ads (2) for special meeting placed in local newspaper, showing ad dates and name of newspaper
 - Copy of minutes of special meeting showing the results of the public vote on the proposal.

Submission deadline

Projects are evaluated on a on-going basis. Please allow a minimum of one month for a determination of a project proposal.

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Information Sheet – Municipal Powers

Sections 30 and 31 of the *Municipalities Act* list the services which municipalities may provide, often through the passage of a bylaw.

| Section 30 Services: Existing Towns & Schedule 1 Former Towns & Villages | | Section 31 – Former CICs |
|---|---|--|
| a) Administration of the municipality b) Fire protection and other emergency services c) Garbage and refuse collection & disposal d) Street lighting e) Recreation f) Drainage g) Sewerage collection and treatment h) Sidewalks i) Roads, streets, parking & traffic regulation j) Police protection and law enforcement k) Water distribution and purification l) Parks m) Community or regional development n) Tourist development & promotion o) Industrial or commercial development and promotion | p) Housing development and promotion q) Land assembly for municipal purposes r) Local libraries s) Assistance to community organizations t) Community development projects u) animal control v) signage control w) building and standards control x) regulation of real property maintenance y) regulation of business practices z) public transportation z.1) tree preservation and protection z.2) regulation of dangerous or unsightly properties z.3) maintenance of order in the municipality & regulation of noise, loitering, and public nuisances. | a) Administration of the municipality b) Fire protection and other emergency services c) Garbage and refuse collection and disposal d) Street lighting e) Recreation f) Tree preservation and protection g) Black fly and mosquito control |

| Schedule 1 Towns (t) & Former Villages (v) | | |
|---|---------------------|--------------------|
| Alberton (t) | Central Bedeque (v) | Murray River (v) |
| Borden (t) | Crapaud (v) | North Rustico (v) |
| Georgetown (t) | Hunter River (v) | O’Leary (v) |
| Kensington (t) | Kinkora (v) | St. Louis (v) |
| Montague (t) | Miminegash (v) | St. Peters Bay (v) |
| Souris (t) | Miscouche (v) | Tignish (v) |
| Abrams Village(v) | Morell (v) | Tyne Valley (v) |
| Bedeque (v) | Mt. Stewart (v) | Victoria (v) |
| Cardigan (v) | Murray Harbour (v) | Wellington (v) |

| Schedule 1 Former CICs | | |
|--------------------------------|---------------------|---------------------------|
| Afton | Ellerslie-Bideford | Nail Pond & Skinners Pond |
| Alexandra | Grand Tracadie | New Haven-Riverdale |
| Annandale-Little Pond-Howe Bay | Greenmount-Montrose | Northport |
| Belfast | Hampshire | North Shore |
| Bonshaw | Hazelbrook | North Wiltshire |
| Brackley | Kingston | Pleasant Grove |
| Brudenell | Lady’s Slipper | Richmond |
| Carleton Siding | Linkletter | Sherbrooke |
| Central Kings | Lorne Valley | Souris West |
| Central Lot 16 | Lot 11 & Area | St. Felix |
| Clyde River | Lower Montague | Tignish Shore |
| Darlington | Malpeque Bay | Union Road |
| Eastern Kings | Meadowbank | Valleyfield |
| | Miltonvale Park | West River |

Authority to provide services for new municipalities created under the *Municipalities Act* would be established as part of the incorporation process (Section 32).

Authority for additional services for municipalities governed by Section 31 may be requested through a Council resolution, if the Minister and the Lieutenant Governor in Council (Section 33).

Section 64 of the Act gives more details on the bylaws a municipality can adopt with regards to the services the municipality is authorized to provide under sections 30-32 of the Act.

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Information Sheet – Revenues & Grants

Overview

Municipalities have access to a variety of revenue sources in order to fund municipal services. These include:

- Property taxes
- Municipal Police and Street Grant
- Equalization grant (if qualified)
- Other Provincial or Federal Government grants (e.g. gas tax, BCF, rink grants)
- Fees, fines, charges for services (e.g. recreation, rentals)
- Services provided to other municipalities (e.g. fire dues)

Utility revenues should only be used to fund utility operations, as not all ratepayers are taxpayers; and vice versa.

Municipal Street & Police Grants

Through the *Constitution Act of 1867*, the Province was delegated by the Federal Government to provide street and police services to its residents. The Province has further delegated these services to some municipalities; and for this delegation, they provide an appropriate level of funding for the municipalities taking on these services.

Municipalities that currently have taken over policing services or have an enhanced level of policing include: Charlottetown, Summerside, Cornwall, Stratford, Alberton, Borden-Carleton, Kensington, Montague, O’Leary, Souris and Tignish.

Municipalities that have taken over municipal street services such as paving, repairing and snow-clearing, include: Charlottetown, Summerside, Alberton, Borden-Carleton, Georgetown, Kensington, Montague, and Souris.

The grants provided to these municipalities are currently decided upon by the Province on an annual basis; the decision whether to increase or decrease the grants is based on the Provinces financial situation and their ability to pay. Since the latest grant system came into effect in 2008/09, the grants have been increased by 2.6%, 1%, 1%, and decreased by 3% or 5% in the past year fiscal year. No decision has been made with regards to the 2013/14 grants, but the municipal revenue sharing sub-committee is still working on a possible solution.

The current grant amount is based on the historical figures that were used to provide funding on a per km basis for street services, and a tax credit and per capita grant for the policing services.

Equalization Grant

The principle of the equalization grant program is to ensure that municipalities with similar populations and offering similar services should have a similar tax rate.

This program is administered by Municipal Affairs and continues to be fully funded but is recalculated annually when updated information becomes available. With the recalculation, individual municipal funding amounts increase or decrease depending on the relative position of each municipality in relation to the overall municipal sector.

Equalization, technically, should be a reallocation from the rich to the poor. This is not the case for this program, as above average assessment municipalities are not required to turn over any of their taxation revenue to poorer municipalities. The Province administers equalization as a grant program, and is designed to give below average municipalities the same taxation abilities as an average PEI municipality.

The equalization program takes into consideration municipal population, average municipal assessment per capita for all municipalities, the municipal assessment per capita and the municipality’s non-commercial tax rate.

- The assessment figures used are the total municipal assessment, using the previous November 30th data.

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Information Sheet – Revenues & Grants

- The tax rate figures used are the previous year’s non-commercial tax rate.
- The population figures are the most recent Census numbers, except where a municipality wasn’t part of the latest census; the Provincial civic addressing data is used.

Equalization formula: Municipality’s population x (average PEI municipal assessment per capita – municipal assessment per capita) x municipality’s non-commercial tax rate.

The average PEI municipal assessment is calculated by taking the total assessment for all municipalities divided by the total population of all municipalities. On November 30, 2011, the total municipal assessment was \$6,258,299,513. The total municipal population was 97,445. The PEI Municipal assessment per capita was \$6,258,299,513 / 97,445, equaling \$64,224.

The November 30th 2010 average PEI municipal assessment was \$64,246. The November 30th 2011 average PEI Municipal assessment fell to \$64,224, due in part to increases in overall municipal population in the 2011 Census.

Example

| Sample Municipality X | 2012/2013 Funding | 2011/2012 Funding | |
|--|------------------------------|------------------------------|-------------------|
| Municipality X Population | 1,496 (2011 Census) | 1,485 (2006 Census) | + 11 people |
| Total PEI Municipal Population | 97,445 (2011 Census) | 93,045 (2006 Census) | + 4,648 people |
| Municipality X’s Nov 30 th total assessment | \$74,129,330 (2011 data) | \$ 70,714,090 (2010 data) | + \$3,415,240 |
| Municipality X Average assessment per cap | \$49,552 per capita | \$47,619 per capita | + \$1,933 per cap |
| Average PEI municipal assessment per cap | \$64,224 per capita | \$64,246 per capita | - \$22 per cap |
| Municipality X’s tax base deficiency | \$14,672 per capita | \$16,662 per capita | - \$1,990 per cap |
| Municipality’s non-commercial tax rate | \$0.55/100 | \$0.55/100 | |
| Municipality’s Equalization Funding | \$120,723 for 2012/13 | \$135,799 for 2011/12 | - \$15,076 |

Municipality X’s assessment had risen 4.8 % since November 2010 and their population had risen 0.7% from 2006. Municipality X’s per capita tax base deficiency relative to the overall municipal tax base has decreased by \$1,990.

Formula = 1,496 x (\$64,224-\$49,552) x .55/100 = \$120,724 = Municipality X’s Equalization for 2012/2013

| Equalization Program | | | | | | |
|--|--|-------------------------------|----------------------------|-------------------|----------------------|----------------------------|
| Principle: | Municipalities with similar populations, offering reasonably comparable services, should be able to have a comparable tax rate. | | | | | |
| | Population | Municipal Per Capita tax base | Municipal Assess. Nov 2011 | Prop tax rate | Property tax Revenue | Funding needed to equalize |
| Municipality X | 1,496 | 49,552 | 74,129,330 | \$0.55/100 | 407,711 | 120,724 |
| Avg. PEI Munic. | 1,496 | 64,224 | 96,079,104 | \$0.55/100 | 528,435 | |
| Equalization Formula - Municipal pop. (Avg. Assessment per capita - Municipal Assessment per capita) X tax rate | | | | | | |
| | 1496 X (64,224-49,552) X .55/100 = | | | \$ 120,724 | | |

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Information Sheet – Roles & Responsibilities

Roles at a Glance

| Role of council: | Role of mayor/chairperson: | Role of chief administrative officer: |
|---|---|---|
| <ul style="list-style-type: none"> • Represent the public and consider the well-being and interests of the whole municipality • Work with fellow councillors to set direction, adopt policies, and govern • Determine a vision for the term of office – what services and improvements are key for the municipality? • Set concrete priorities for the year and term • Make decisions as a whole by formal resolutions at public meetings of council and vote on matters before Council (abstaining will generally counts as a vote in favour) • Develop, approve and evaluate the bylaws, policies, services and programs of the municipality. • Provide leadership • Maintain good public relations • Ensure appropriate staff resources • Oversee the financial affairs of the municipality • Prepare a proposed budget • Present the annual budget for approval (service by service) by the residents at the Annual Meeting [communities] • Set tax rates • Sit on standing committees as assigned by the chairperson and on special committees as established by Council | <ul style="list-style-type: none"> • Chair all meetings of council • Provide leadership: the mayor/ chair is the ceremonial head of the municipal government and the chief spokesperson for council • Lead in the development of a vision for the municipality • Break tie votes • Establish standing committees of Council • Ensure that issues are fully debated and the public view is heard • Co-sign cheques (alternately can be signed by the appointed deputy chair <u>if</u> the chair is absent) • Establish standing committees & appointing councillors to sit on each specific committee, traditionally at the start of each year • Rotate councillors from committee to committee from time to time, generally annually • Relay information & discuss tasks resulting from a council meeting on behalf of all councillors. | <ul style="list-style-type: none"> • Administrative duties SHOULD NOT be taken on by members of council • Implement and administer council policies <i>“Council deals with the organization through one employee; the Chief Administrative Officer”,</i> • Senior advisor to Council and responsible for implementing the policies of Council • Carry out the directives of Council –perform or manage the day to day operations • Responsible for ensuring the enforcement of municipal bylaws and maintenance of a register containing the originals of all bylaws • Attend all meetings of council and record the minutes, keep the minute books, documents and financial records of council • Keep custody of the corporate seal • Collect all money of the municipality and deposit funds in a financial institution approved by council • Notify all council members of meetings • Co-sign all cheques • Maintain a credit card and or a PO book for municipal purchasing • Regular officers and staff are responsible to, and report to, the C.A.O. |

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Information Sheet – Roles & Responsibilities

| Councillors <u>cannot</u> : | Mayor/chairperson <u>cannot</u> : | Chief administrative officer <u>cannot</u> : |
|---|---|---|
| <ul style="list-style-type: none"> • Directly implement bylaws, policies, services and programs • Make decisions individually on behalf of Council or give direction individually to staff; Council must do these things as a group at a properly convened meeting open to the public. • Be involved in staff-like duties such as public works, administrative, etc. • Grant special privileges or immunities to individuals or corporations, give land away, or grant tax reductions or exemptions. • May not direct the activities of the Administrator and do not perform any duties of the municipality. | <ul style="list-style-type: none"> • Vote (except to break a tie) • Speak to matters under discussion or make motions, unless they temporarily step down as the chair and assign someone else to that role • Veto decisions, or motions of Council | <ul style="list-style-type: none"> • Participate in council discussions unless information is requested by the Chair |

- Most Council, Mayor/Chairperson, and Chief Administrative Officer duties are set out in the *Municipalities Act*, but it is advisable for all municipalities to have a procedural bylaw and a policy outlining the terms of reference and job description for positions.

- **Other Staff**

- ✓ It is advisable that there be terms of reference for each position, with a clear job description
- ✓ All staff, contract or otherwise, report to the CAO and if the employee is not a permanent employee, there should be a contract in place (permanent employees can be either full or part-time)

- **Guiding Principles**

- ✓ **DECISIONS** – Are made by resolution or by bylaw at a public meeting of council, by all of council.
- ✓ **SPECIAL MEETINGS OF COUNCILS** – Any meeting that falls outside of the regular schedule of meetings must be advertised in accordance with section 55(3) of the *Act*.
- ✓ **COMMITTEE OF THE WHOLE** – Must be open to the public unless closed by council resolution. No decisions can be made here, and in-camera (closed) meeting should be governed by a principle of confidentiality.

- **Conflict of Interest**

- ✓ Council members with any association with outside organizations such as the fire department, NGO's, community service organizations, local business organizations, etc., ***should not*** be present for, or participate (formally or informally) in, any topics that touch on their organization. Common municipal examples include:

- | | | |
|---|---|--|
| <ul style="list-style-type: none"> • Contracts • Fire Departments | <ul style="list-style-type: none"> • Land Transactions • Indirect – family benefits | <ul style="list-style-type: none"> • Summer Employment |
|---|---|--|

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Information Sheet – Setting the Budget

Drafting a Municipal Budget

Municipal Budgeting

One of the most useful and important tools in municipal finance is the drafting of a budget. In the case of Communities, this budget must be presented at the Annual General Meeting in March and each proposed expense or service must be approved by residents present at the meeting. Copies of the budget must be available for distribution at the meeting.

The budget provides municipalities with the guidance needed to achieve their goals for the year. Per the *Municipalities Act (35.1)*, a municipality cannot project a deficit for any fiscal year, in respect of expenditures *other* than capital expenditures.

The annual deadline for approving the budget is on or before April 1 of each year for towns or communities (*Municipalities Act*, section 35), and on or before March 31st of each year for the cities and two largest towns (*Charlottetown Area Municipalities Act*, sections 36 and 111, *City of Summerside Act*, section 37).

Until such time as the budget is passed, Council may only incur expenditures necessary for the day to day administration of the municipality (*Municipalities Act*, section 42, *Charlottetown Area Municipalities Act* sections 40 & 115, *City of Summerside Act* section 41).

- Budgeting is valuable to every municipality because:
- Budgets authorize the spending of funds
- Budgets identify priorities that are determined by Council;
- Budgets communicate the municipality's priorities to the public, and;
- Budgets assist in determining whether the municipality has enough financial resources to meet their municipal spending needs.

Miscellaneous Budget Tips

- Each major expense item (i.e. Insurance, repairs, wages) should have its own line on a budget, and where applicable, expenses should be allocated by type (i.e. property management, parks and recreation, administration)
- Compare your prior year budgeted numbers with the actual results to gain an understanding on where you overspent, or where your budgeted numbers were not reasonable
 - ❑ This will help in setting spending goals for the future
- When large variances exist between the prior year's budgeted expenditures/revenues and actual, investigate why these variances occurred
 - ❑ This will assist in determining whether or not the variance was a one time occurrence or whether your future budgets should be adjusted to reflect actual spending habits
- While it is important to set spending goals and/or limits, it is important to be realistic in your budget numbers
- The budget format used by a municipality should mirror their financial statement presentation used. This will allow for easy comparison between budgeted and actual figures.

Attached is an example budget that shows the comparison between the prior year budget and actual figures, along with the completed current year budget.

Information Sheet – Setting the Budget

Community of ABC 2012 Operating Budget

| | 2011 Budget | 2011 Actual | Variance | 2012 Budget |
|--|------------------|--------------------|-------------------|------------------|
| Revenues | | | | |
| Property tax | \$ 37,000 | \$ 36,956 | \$ (44) | \$ 38,000 |
| Equalization | 9,500 | 9,874 | 374 | 10,000 |
| Other Grants | 1,000 | 2,000 | 1,000 | 1,400 |
| Building permits | 1,000 | 950 | (50) | 1,000 |
| Miscellaneous | 500 | 458 | (42) | 500 |
| Total Revenues | \$ 49,000 | \$ 50,238 | \$ 1,238 | \$ 50,900 |
| Expenditures | | | | |
| <i>Administration</i> | | | | |
| Administrator wages | \$ 2,400 | \$ 2,400 | \$ - | \$ 2,400 |
| Advertising | 750 | 450 | (300) | 500 |
| Council Renumeration | 1,000 | 1,000 | - | 1,000 |
| Interest and bank charges | 1,000 | 950 | (50) | 1,000 |
| Miscellaneous | 400 | 495 | 95 | 500 |
| Office Supplies | 1,600 | 1,850 | 250 | 2,000 |
| Professional Fees | 2,200 | 2,350 | 150 | 2,500 |
| Travel | 300 | 450 | 150 | 500 |
| Wages | 4,350 | 4,650 | 300 | 5,000 |
| Total Administration | \$ 14,000 | \$ 14,595 | \$ 595 | \$ 15,400 |
| <i>Facilities and Public Property</i> | | | | |
| Heat | \$ 3,500 | \$ 3,805 | \$ 305 | \$ 4,000 |
| Insurance | 1,000 | 1,020 | 20 | 1,000 |
| Maintenance | 500 | 650 | 150 | 700 |
| Property taxes | 400 | 390 | (10) | 400 |
| Street lights | 2,000 | 1,850 | (150) | 2,000 |
| Utilities | 2,500 | 2,243 | (257) | 2,300 |
| Wages | 2,000 | 2,310 | 310 | 2,300 |
| Total Facilities and Public Property | \$ 11,900 | \$ 12,268 | \$ 368 | \$ 12,700 |
| <i>Parks and Recreation</i> | | | | |
| Administration | \$ 500 | \$ 190 | \$ (310) | \$ 200 |
| Grants | 500 | 450 | (50) | 500 |
| Insurance | 1,000 | 930 | (70) | 950 |
| Maintenance | 2,000 | 1,326 | (674) | 1,300 |
| Office | 500 | 250 | (250) | 250 |
| Utilities | 300 | 230 | (70) | 200 |
| Wages | 2,000 | 1,800 | (200) | 1,900 |
| Total Parks and Recreation | \$ 6,800 | \$ 5,176 | \$ (1,624) | \$ 5,300 |
| <i>Other</i> | | | | |
| Fire dues | \$ 14,300 | \$ 14,450 | \$ 150 | \$ 14,500 |
| Official Plan administration and enforcement | 2,000 | 2,600 | 600 | 3,000 |
| Total Other | \$ 16,300 | \$ 17,050 | \$ 750 | \$ 17,500 |
| Total Expenditures | \$ 49,000 | \$ 49,089 | \$ 89 | \$ 50,900 |
| Surplus/Deficit | \$ - | \$ 1,149.00 | \$ 1,149 | \$ - |

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Information Sheet – Setting a Tax Rate

Setting a Tax Rate

Municipal Taxation

One of the most important responsibilities for a Council is to set a rate of taxation equal to the cost of municipal services less other revenues sources such as grants. Legislation directs municipally-elected officials to set the rate of taxation necessary to provide municipal services.

Determining the Rate of Taxation

The following scenarios illustrate the various methods that may be used when setting a municipal tax rate during the budgetary process to cover budgeted expenses within a municipality.

Scenario 1 – Commercial and Non-Commercial Tax Rate are the same.

Necessary Information

In order to arrive at a calculation the municipalities must have the following:

- The total assessment figure (total market taxable) for the municipality, received from Taxation and Property Records Division, for current budget year;
- The total of budgeted expenses forecast for the current budget year; and
- The total of other budgeted revenues forecast for the current budget year (excluding property tax revenue).

Example

| | |
|---|-----------------|
| Assessment figure for budget year | \$43,000,000.00 |
| Total budgeted expenses forecast | \$60,000.00 |
| Total budgeted revenues forecast (excluding property tax revenue) | \$5,000.00 |

- Tax revenue needed to cover budgeted expenses = $(\$60,000.00 - \$5,000.00) = \$55,000.00$
- Assessment figure divided by 100 = $\$43,000,000.00 / 100 = \$430,000.00$
- $\$55,000.00 / \$430,000.00 = \$0.1279$ tax rate.

A tax rate of \$0.1279 for both commercial and non-commercial properties is needed to cover budgeted expenses in order to prevent a deficit budget.

Information Sheet – Setting a Tax Rate

Scenario 2 – Commercial and Non-Commercial Tax Rate are different

Necessary Information

In order to arrive at a calculation the municipalities must have the following:

- Total commercial assessment figure (total market taxable for commercial) for the municipality (provided by Taxation and Property Records Division) for current budget year.
- Total non-commercial assessment figure (total market taxable for non-commercial) for the municipality (provided by Taxation and Property Records Division) for current budget year.
- Current commercial and non-commercial tax rate.
- Total of budgeted expenses forecast for the current budget year.
- Total of other budgeted revenues forecast for the current budget year (excluding property tax revenue).

Example:

| | |
|---|-----------------|
| Commercial assessment figure for budget year | \$2,000,000.00 |
| Non-Commercial assessment figure for budget year | \$41,000,000.00 |
| Commercial tax rate per \$100 of assessment | \$0.50 |
| Non-Commercial tax rate per \$100 of assessment | \$0.10 |
| Total budgeted expenses forecast | \$60,000.00 |
| Total budgeted revenues forecast (excluding property tax revenue) | \$5,000.00 |

- Tax revenue needed to cover budgeted expenses = $(\$60,000.00 - \$5,000.00) = \$55,000.00$
- Commercial assessment figure divided by 100 = $\$2,000,000.00 / 100 = \$20,000.00$
- Non-Commercial assessment figure divided by 100 = $\$41,000,000.00 / 100 = \$410,000.00$

Option A (Non-Commercial tax rate remains the same)

- Non-Commercial tax rate remains the same at $\$0.10 \times \$410,000.00 = \$41,000.00$ in forecasted property tax revenue.
- $\$55,000.00 - \$41,000.00 = \$14,000.00$ in revenue that must be captured from commercial property taxes.
- $\$14,000.00 / \$20,000.00 = \$0.70$ commercial tax rate
- A $\$0.70$ commercial tax rate and $\$0.10$ non-commercial tax rate must be levied to cover budgeted expenses in order to prevent a deficit budget.

Option B (Commercial tax rate remains the same)

- Commercial tax rate remains the same at $\$0.50 \times \$20,000.00 = \$10,000.00$ in forecasted property tax revenue.
- $\$55,000.00 - \$10,000.00 = \$45,000.00$ in revenue that must be captured from non-commercial property taxes.
- $\$45,000.00 / \$410,000.00 = \$0.1098$ commercial tax rate
- A $\$0.50$ commercial tax rate and $\$0.11$ non-commercial tax rate must be levied to cover budgeted expenses in order to prevent a deficit budget.

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Information Sheet – Vacancies & By-elections

Municipalities Act

Situations Leading to Vacancies – Towns and Communities – *Municipalities Act*

Elected Official Ceases to be a Resident

15. (4.1) Where a mayor, chairperson or councillor ceases to be resident in the municipality in which he holds office, he shall, within thirty days thereof, vacate his office.

Position Declared Vacant By Council

15. (4.2) Without prejudice to subsection (4.1), where a mayor, chairperson or councillor is continuously absent from the municipality for more than three calendar months or is absent from the regularly scheduled meetings of the council for more than three successive months without being thereto authorized by a resolution of the council, the council may, except where such absence is occasioned by illness, declare his office to be vacant.

[or]

21. (7) The office of mayor, chairperson or councillors shall be declared vacant upon a resolution of council to that effect if the holder of that office has missed three consecutive meetings of the council without just cause.

Resignation

48. (16) A councillor or chairperson may resign his office at any time by causing to be delivered to the administrator a declaration to that effect under his hand and witnessed by at least one person.

Other vacancies

21. (8) Where a member of council dies, resigns or becomes disqualified to serve, his seat shall be deemed to be vacant and shall be so declared by the council.

Requirements for a By-Election

Community Elections – *Municipalities Act*

48. (13) Where a vacancy occurs in the office of a councillor or the chairperson, the administrator shall

- within sixty days, set a date for a special election meeting or an election poll for the purpose of electing a person to fill the vacancy;
- determine that the vacancy be filled at the next annual meeting.

48. (14) A vacancy in the office of a councillor or the chairperson shall be filled

- by conducting an election using the procedure set out in this Act for the election of a council at a special election meeting; or
- by an election poll.

(15) The person elected to fill the vacancy shall serve in office for the remainder of the term of the councillor or chairperson whose office he has been elected to fill.

48.1 (1) A special election meeting shall be advertised in accordance with subsection 55(3).

(2) The council may receive nominations

- on the prescribed form up to 4:00 p.m. on the nomination day set by the council being a day not more than two weeks preceding the day of the meeting; or
- at the special election meeting, from a nominating committee and from the floor.

(3) The provisions of section 48 apply to the conduct of an election by special election meeting.

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Information Sheet – Vacancies & By-elections

(4) If within seven days of the date on which an election is held any candidate requests in writing a recount of the votes, the administrator shall appoint a time and place to recount the votes and shall, at the time and place appointed, in the presence of the chairperson and any candidate who desires to be present, proceed to recount the votes in the ballot box.

Procedures for a Special Election Meeting:

48. (1) (b) the council shall appoint a returning officer who may be the administrator.
- (2) After receiving nominations [...] the returning officer shall appoint two electors to act as scrutineers in the election.
- (3) The vote shall be conducted by secret ballot.
- (4) Where the community is divided into wards, the election of the councillors of the community shall be by each ward.
- (5) Every elector before voting, if challenged by a candidate, scrutineer or the returning officer with respect to eligibility to vote, must declare his eligibility to vote in the form prescribed by regulation, and if he refuses to do so, shall not be permitted to vote.
- (6) Upon completion of the voting, the returning officer in the presence of the two scrutineers shall open the ballot box and examine the ballot papers and proceed to count the votes and shall declare the persons having the greatest number of votes elected.
- (7) Where, upon the counting of the votes, 2 or more candidates for an office have an equal number of votes and both or all of those candidates cannot be elected, the returning officer shall immediately (a) write the names of those candidates on separate, identical blank sheets of paper;
- (b) fold the sheets of paper in an identical manner so that the names are concealed;
- (c) deposit them in a receptacle and withdraw the number of the sheets necessary to elect the candidates required to be elected; and
- (d) declare the candidate whose name appears on the sheet withdrawn, to be elected.
- (8) The returning officer shall, after the votes are counted, make up a written statement containing the following particulars:
- (a) the number of votes polled by ward; and
- (b) the names of the persons receiving votes and the number of votes received by each person.
- (9) The statement shall be signed by the returning officer and witnessed by the scrutineers and shall be filed with the minutes of the meeting.
- (10) The returning officer shall cause a copy of the statement, together with all ballot papers, including rejected and unused ballot papers, to be placed in the ballot box, shall seal the ballot box and shall transmit the ballot box to the administrator who shall retain the ballot box in his custody for the purposes of a recount.

55 (3) The administrator shall cause notice of the time, date and place of the annual meeting to be published on at least two occasions in a newspaper circulating in the community and the first of such notices shall be published at least seven days before the date fixed for the meeting.

55(5) The agenda for the annual meeting shall be determined by the council but shall include the following matters:

(e) other business;

Information Sheet – Vacancies & By-elections

By-elections at the AGM:

Where a vacancy is being filled through a special election at the AGM:

- The ad for the AGM must also include a notice that a special election will be held, with information on which positions are being filled.
- The election will be recorded in the AGM minutes, as the election is a part of the annual general meeting under s.48(13)(b). The AGM agenda will list the election in accordance with (s.55 (5)(e)) under Other Business.

The minutes would state that an election was held, the candidates are (name each person), and that the results of the ballot reflected a count of X number of votes for each candidate.

Municipal Elections Summary Report:

All election results, including by-elections, must be reported to Municipal Affairs by the administrator; the "municipal elections summary report" must be sent by mail, email, or fax (902-569-7545) to our office.

Town Elections – *Municipalities Act* – Schedule 2

(54) Where a vacancy occurs on a town council, the town administrator shall within sixty days initiate the election procedure to fill the vacancy and the new councillor shall serve out the remaining term of the councillor or mayor who has vacated the seat.

(55) If a council seat becomes vacant within the six-month period preceding the date of a regular election, the seat may be left vacant.

In the meantime – doing business with vacancies – quorum for Towns and Communities under the *Municipalities Act*

21. (2) The quorum at any council meeting is

- (a) the mayor or chairperson or, in his absence, the deputy mayor or vice-chairman; and
- (b) at least one-half of the councillors then holding office.

(3) No business shall be conducted at any meeting of a council unless a quorum is present.

*In practice, regardless of what quorum would be based on councillors then holding office, you need **at least three people** to hold a meeting; someone to chair, plus two others to move and second resolutions.*

Information Sheet – Volunteer Firefighter Honorariums

Background – Volunteer Firefighter Honorariums

Many municipalities on Prince Edward Island pay an honorarium to volunteer firefighters who volunteer in their municipal fire departments. This honorarium must be reported on T4's that are issued by municipalities during the year.

Income Exemption - Firefighters

Volunteer firefighters may be eligible for an income exemption of up to \$1,000 for any payments received from a municipality for carrying out firefighting duties. If a firefighter receives more than \$1,000 in honorariums during the year, only the first \$1,000 of the total amount is tax-exempt. However, if they choose to claim this income exemption, then the Volunteer Firefighter Tax Credit will not be able to be claimed; this is described in more detail below.

Volunteer Firefighter Tax Credit

In 2011, the federal government implemented the Volunteer Firefighter Tax Credit (VFTC); this allows volunteer firefighters to claim a \$3,000 annual tax credit. To be eligible for this credit, individuals must meet the following conditions:

- you were a volunteer firefighter in the year; and
- you completed at least 200 hours of eligible volunteer firefighting services with one or more departments in the year.

Limitations

Recipients must be aware that they *can not* claim both the VFTC *and* receive the \$1,000 tax-free income exemption. If a recipient chooses to claim the income exemption, then they will not be able to claim the VFTC in that year. Therefore, to be able to claim the VFTC, the entire honorarium amount must be claimed as taxable income in the year received.

For information on tax scenarios under both options, as well as information on properly preparing T4's for volunteer firefighters, please contact a professional accountant or the Canada Revenue Agency.

Links

For more information, please see the following links from the Canada Revenue Agency:

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/ddctns/lns360-390/362-eng.html>

<http://www.cra-arc.gc.ca/tx/ndvdl/tpcs/ncm-tx/rtrn/cmpltng/rprtng-ncm/lns101-170/101/vlntr-eng.html>

Template – Sample Agenda

Community of _____

AGENDA

Regular Council Meeting

(Month) (Date), 2012 at (Time) a.m./p.m.

MEETING DECORUM

Council would like to thank all people in attendance for their presence at the meeting. Council would also like to remind everyone that serious issues are decided at council meetings which impact many people's lives and therefore, we ask that you act with the appropriate decorum that a council meeting deserves. Commentary and conversations during a meeting by the public are distracting. Should anyone disrupt the council meeting in any way, the meeting will be stopped and that person's behavior will be reprimanded.

1. **CALL TO ORDER**
2. **APPROVAL OF THE AGENDA**
3. **INTRODUCTION OF ADDITIONAL AGENDA ITEMS**
4. **DISCLOSURE OF PECUNIARY OR OTHER CONFLICT OF INTEREST**
5. **APPROVAL OF MINUTES**
6. **BUSINESS ARISING FROM THE MINUTES/OLD BUSINESS**
7. **PRESENTATIONS OR DELEGATIONS TO COUNCIL**
8. **CORRESPONDENCE**
9. **REPORTS**
10. **NEW BUSINESS**
11. **NEXT MEETING**
12. **ADJOURNMENT**

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Template – Sample Minutes

Community of _____ Minutes | 28
(Month) (Date), 2012

Community of _____
Regular Council Meeting
(Month) (Date), 2012 at (Time) a.m./p.m.

PRESENT: Chairperson

Councillor
Councillor
Councillor

Councilor
Councillor

ADMINISTRATOR:

REGRETS: Councillor

OTHERS:

1. CALL TO ORDER:

1.1 Chairperson _____ called the meeting to order at 7:00pm

2. AGENDA: It was duly moved and seconded that the agenda be adopted as presented

- Moved by Councillor (Name)
- Seconded by Councillor (Name)

(2012-09-59) (year, month, date to track motions) –CARRIED – (6-0)

(The administrator may also include additions or other changes to the agenda should these be properly moved, seconded and the motion carries)

3. DISCLOSURE OF CONFLICT OF INTEREST

- Part VI, Section 23 of the Municipalities Act, which maintains that
No member of Council shall derive any profit or financial advantage from his/her position as a member of Council and, where a member of Council has any pecuniary interest in or is affected by any matter before the Council, shall declare his/her interest therein and abstain from voting and discussion thereon.

- Declaration(s) - _____

4. APPROVAL OF MINUTES: It was duly moved and seconded that the minutes of the Month Day, 2012 council meeting be adopted as presented

- Moved by Councillor (Name)
- Seconded by Councillor (Name)

(2012-09-60) –CARRIED - (6-0)

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Template – Sample Minutes

5. **BUSINESS ARISING FROM THE MINUTES:**

(Any additions or changes to the minutes)

6. **CORRESPONDENCE:**

- Mail, email etc. from _____, Action required Y/N
- Mail, email etc. from _____, Action required Y/N
- Mail, email etc. from _____, Information only _____

7. **REPORTS:**

7.1. **Chairperson/Mayor’s Report:** The Chairperson/Mayor will rise and give their monthly report on activities.

7.2. **Finance:** The chair of the committee will rise and report on behalf of the committee,

- May provide an up to date comparative income statement and balance sheet for the month

7.3 **Public Works and Utility Report:** The chair of the committee will rise and report on behalf of the committee,

- Provide and up to date income/expense balance statement
- Provide and update on any repairs, future upgrades planned for the system

7.4 **Parks & Recreation Report:** The chair of the committee will rise and report on behalf of the committee,

- Facility, use, any expense or income resulting from use and any plans for upgrades to any property or facility.

7.5 **Fire Department Report:** The chair of the committee will rise and report on behalf of the committee,

- Training activities undertaken during the month,
- Plans for future equipment purchases

7.6 **Council Report:** Individual councillor’s report on meetings, or activities attended during the month.

7.7 **Administrator’s Report:** The administrator rises and reports

- Highlight general business and activities of staff
- Upcoming issues that Council should be advised of (e.g. AGM, election, special event).

8. **OTHER BUSINESS/NEW BUSINESS**

8.1. **Election 2012 (EXAMPLE)**

Be it resolved that the Community of _____ adopt a Nomination Day as prescribed by the Municipalities Act clause 48.1(2)(a).

- **Moved by Councillor** _____
- **Seconded by Councillor** _____

(2012-09-62) –CARRIED - (5-1) 1 Nay vote registered

Template – Sample Minutes

Be it resolved that in order to inform the community of the changes in procedure to the community election, the administrator will note the change in the community newsletter, place 2 newspaper ads in accordance with the *Municipalities Act*, and send an election notification flyer to all residents of the municipality.

- **Moved by Councillor** _____
- **Seconded by Councillor** _____ **(2012-09-63) –CARRIED – (6-0)**

Be it resolved that the Community of _____ appoint (name of person) to serve as the Returning Officer for the Community of _____ in the election to be held, Monday, November 5th, 2012. The Returning Officer and the Administrator will also attend a Training Session presented by Municipal Affairs.

- **Moved by Councillor** _____
- **Seconded by Councillor** _____ **(2012-09-63) –CARRIED – (6-0)**

9. NEXT MEETING: (Highlight the date, time and location of the next regular meeting or an upcoming Special Meeting)

- Day, Month, Time, Location.

10. ADJOURNMENT:

Be it resolved that as there is no further business the meeting be adjourned,

Moved by Councillor _____
Seconded by Councillor _____.

(2012-09-63) –CARRIED – (6-0)

Signed (name), Chairperson

Date

Signed (name), Administrator

Date

Community of _____ 12/09/2012

Minutes Prepared by _____
Administrator

Election Reporting Form



**Finance, Energy and
Municipal Affairs
Municipal Affairs and
Provincial Planning**

Aubin-Arsenault Building
3 Brighton Road
Charlottetown, PE C1A 7N8
Tel: (902) 620-3558
Fax: (902) 569-7545
municipalelections2012@gov.pe.ca

Municipal Election Summary Report

DATE of ELECTION _____

Name of Municipality: _____
 Mailing Address: _____
 Phone Number: _____
 Name of Administrator: _____
 Name of Returning Officer: _____
 Number of Electors present and voting: _____ (please complete even if positions are filled by acclamation)

Votes Cast for Mayor/Chairperson & Councillor Positions

| Candidates for Mayor/Chairperson | Number of Votes | Elected | Acclaimed | Not Elected |
|----------------------------------|-----------------|---------|-----------|-------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| Candidates for Councillor | Number of Votes | Elected | Acclaimed | Not Elected |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |
| 6. | | | | |
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |

Total Number of Councillor Positions ___ Total Number of Councillor Positions Filled ___

_____ (Date) _____ (Administrator's Signature)

Please FILE A COPY OF THIS REPORT with MUNICIPAL AFFAIRS within 24 hours of the election. See above address or reply by fax at (902) 569-7545

By-Election Reporting Form



**Finance, Energy and
Municipal Affairs**
Municipal Affairs and
Provincial Planning

Aubin-Arsenault Building
3 Brighton Road
Charlottetown, PE C1A 7N8
Tel: (902) 620-3558
Fax: (902) 569-7545
municipalelections2012@gov.pe.ca

Municipal By-election Summary Report

DATE of BY-ELECTION _____

Name of Municipality: _____
 Mailing Address: _____
 Phone Number: _____
 Name of Administrator: _____
 Name of Returning Officer: _____
 Number of Electors present and voting: _____ (please complete even if positions are filled by acclamation)

Votes Cast for Mayor/Chairperson & Councillor Positions

| Candidates for Mayor/Chairperson | Number of Votes | Elected | Acclaimed | Not Elected |
|----------------------------------|-----------------|---------|-----------|-------------|
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| Candidates for Councillor | Number of Votes | Elected | Acclaimed | Not Elected |
| 1. | | | | |
| 2. | | | | |
| 3. | | | | |
| 4. | | | | |
| 5. | | | | |

Total Number of Councillor Positions ___ Total Number of Councillor Positions Filled ___

➤ **Please ensure that a copy of the by-election advertisement is attached to this report**

(Date)

(Administrator's Signature)

Please FILE A COPY OF THIS REPORT with MUNICIPAL AFFAIRS within 24 hours of the election. See above address or reply by fax at (902) 569-7545

Municipal Affairs

Municipal Affairs serves as a primary liaison with municipalities and municipal interest groups on all municipal matters. Municipal Affairs maintains the legislative framework that provides for the existence of municipal government and specifies their duties and powers. It is responsible for providing timely advisory services on most aspects of administration, operations, governance and municipal land use planning. Relevant legislation includes the [Municipalities Act](#), [The Charlottetown Area Municipalities Act](#), [City of Summerside Act](#), and [the Planning Act](#).

OUR STAFF

[Albert MacDonald](#)

Director, Municipal Affairs and Provincial Planning (MAPP)

[Natalie Dow](#)

Administrative Assistant

[Samantha J Murphy](#)

Manager, Municipal Affairs

- [John Chisholm](#)
Senior Municipal Officer
- [Stephen Mutch, CA](#)
Financial Municipal Officer
- [Kevin Coady](#)
Municipal Officer

3 Brighton Road | PO Box 2000 | Charlottetown, PE | C1A 7N8
Telephone: (902) 620-3558 | Facsimile: (902) 569-7545

Additional Resources

www.gov.pe.ca/mapp

Municipalities | Municipal Support Grant Program | Municipal Finance |
Information for Municipalities | General Information | Municipal Planning

Visit www.gov.pe.ca/mapp for links to the *Municipalities Act* and other legislation

Visit www.gov.pe.ca > Municipal Affairs > **Municipal Finance** for information on municipal financial reporting

Visit www.gov.pe.ca > Municipal Affairs > **Municipal Support Grant** for information on grants

Visit www.gov.pe.ca > Municipal Affairs > **General Information** for statistical reports on municipalities

Visit www.gov.pe.ca/municipalplanning > **Municipal Planning** for information on municipal planning and minimum standards for municipal official plans, and checklists.

Visit www.gov.pe.ca/mapp/municipalinfo **Information for Municipalities** for:

- **Handbooks**

- Handbook For Annual Meetings
- Handbook For Municipal Bylaw Processes
- Handbook For Municipal Planning Processes (Amendments)
- Handbook For Municipal Planning Processes (Official Plan Reviews)
- Handbook For Municipal Planning Processes (Adopting A New Plan And Bylaw)

- **Information Sheets**

- Adding or Removing Council Seats
- Adding a Power
- Creating a New Municipality
- Conflict of Interest
- Enforcement of Unsightly Premises
- Guide For Completing The MFIR
- Municipalities Act Notice Requirements
- Resignations
- Role of Municipalities
- Role of The Administrator
- Submission Requirements For Annexations
- Vacancies on Council

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