

Message from Municipal District of Bonnyville Reeve Ed Rondeau

The mediation talks mandated by Minister of Municipal Affairs Ray Danyluk were tough, but successful, with three of the four municipalities sitting at the table signing a new nine-year cost sharing Agreement.

The Town of Bonnyville and the Village of Glendon agreed to sign the nine-year Regional Community Development Agreement, but the City of Cold Lake decided to pursue other options with the Minister. I am hopeful that the City of Cold Lake will agree to sign the nine-year Regional Community Development Agreement at a future date since it is a fiscally responsible and fair cost sharing accord. The Agreement does not preclude cost sharing with any of our neighbouring municipalities on specific projects or services that serve M.D. residents.

Mediation discussions centered around two funding proposals: the cost sharing formula presented by the M.D Council; and a revenue sharing Pooling Proposal from Cold Lake. The Town of Bonnyville and Glendon rejected the Pooling Proposal formula as it did not include the M.D. population served by both communities, therefore reducing the annual grant to those communities. The M.D. rejected the Proposal as it was based on revenue sharing principles.

The M.D. Regional Community Development Agreement's formula is based upon using the tax assessment (excluding farm and residential assessment) and subtracting the same assessment from the three urban communities to arrive at a net assessment. We then use a mill rate to determine the annual grant. This formula is only used to determine the amount of money the M.D. will share with its neighbours for the services they provide to M.D. residents. As a matter of principle, it is important that we share costs for services used by you, our ratepayers. The new agreement is projected to provide the Town of Bonnyville with \$744,761 and the Village of Glendon with \$115,212 from 2010 to 2012. From 2013 to 2018 the formula increases from .9 mill to one mill and the annual grant subsequently increases. The grant also increases as the economy grows.

From the M.D.'s perspective the Regional Community Development Agreement is superior, since revenue sharing is not an option for the municipality. Revenue sharing is an unfair proposal based on the fact it is not universal to all municipalities in the province. Cost sharing on the other hand, creates accountability – revenue sharing does not. Cost sharing ensures that all the users contribute to the cost of services and facilities provided in the urban centres. Cost sharing agreements are currently used in various formats throughout the province.

The mediation process was an educational experience. The M.D. was able to gain a better understanding of the issues and challenges faced by our neighbouring municipalities. One of the highlights of the process was the fact that all of the participants acknowledged that there were a great number of regional agreements currently in place. As municipalities, we must take care to expand these agreements rather than minimizing partnerships, no matter how small the project. All our regional partnerships benefit our residents. The M.D. has a lead role to play in regional development and we are looking forward to the upcoming Regional Partnerships Initiative meeting to discuss a wide range of regional planning issues.