

*2002 Salt Spring Island Local
Government Restructure Study Update*

Executive Summary

Prepared for the Salt Spring
Island Local Government
Restructure Study Committee

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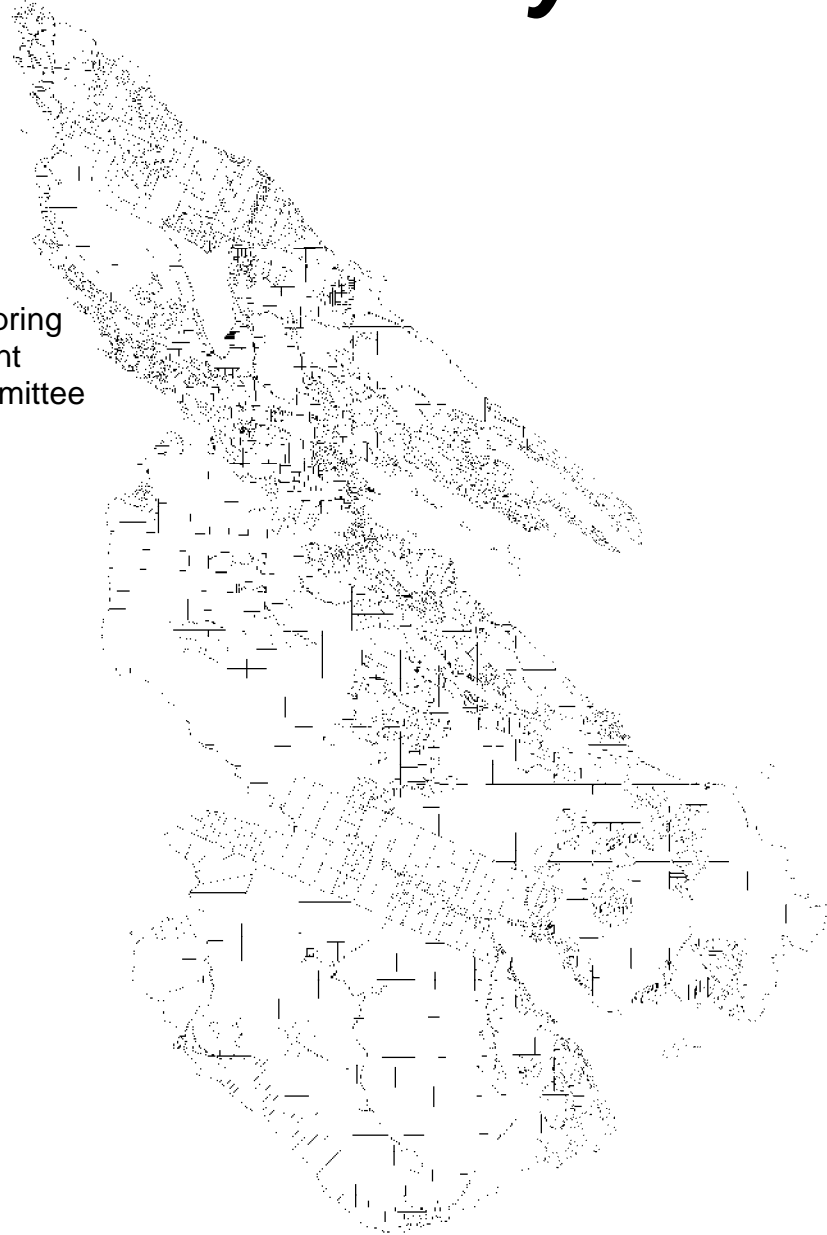


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Overview of the Study

A referendum will be held on June 22, 2002 to let voters decide if Salt Spring Island should become a municipality within the Islands Trust.

This report identifies some of the important impacts that might result from the creation of the municipality. It looks at changes in who would set the policies and budgets for local services, and what the financial implications of these changes might be.

While it may be clear *who* would have decision authority, it is not clear *what* specific decisions would be made in the future. An uncertain future is true of the current system as well. In both cases the costs, array, and quality of local services are difficult to predict with confidence.

An Island Municipality

The municipality would include all of Salt Spring Island as well as the Ganges Harbour Islands (Goat, Deadman, and the three Sister Islands) and Idol Island but not the Secretary Islands or Prevost Island. It would be BC's second island municipality (Bowen is the first) and would be called the *Salt Spring Island Municipality*. With about 9,500 full time residents it would have a bigger population than 100 of BC's 153 municipalities but is more sparsely populated than average.

There would be a locally elected municipal council with a mayor and six other members to set community policies and service budgets for the island. It would have more or less sole responsibility for tax policies, general administration, fire protection, road maintenance and improvements, recreation and library funding, the sewage system, and, eventually, most water systems. Municipal council members would be elected for the same three year terms now used for CRD and Islands Trust positions.

The council would also have authority for land use planning and zoning, though the Islands Trust would still be involved (see next section).

Essentially, no more powers would exist for the community than exist now under the rural system. Decisions about Salt Spring's services, taxes, and community policies are already being made, but by various bodies. Some of these bodies are purely local (such as the improvement districts) and others are more remote (such as the province, which is responsible for all rural area roads in the province). Salt Spring's representation on these bodies is uneven, varying from the independent and immediate (improvement district trustees are all Salt Spring property owners), to the moderately shared (two out of 26 members of the Islands Trust Council) to the distantly shared (Salt Spring residents share one MLA with 50,000 others on the body with road responsibilities -- the province).

As a municipality, the same array of powers would exist but they would be concentrated into the single local body: the elected municipal council. It is most likely that council's priorities for services and taxes would not be the same as those of the various bodies, but it is not possible to predict in what ways they would be different.

Both the rural and municipal futures carry certain unknowns.

The Environment Clause

The most unusual clause in the new municipality's letters patent -- the legal document that established the municipality -- is the preamble "whereas" clause that states:

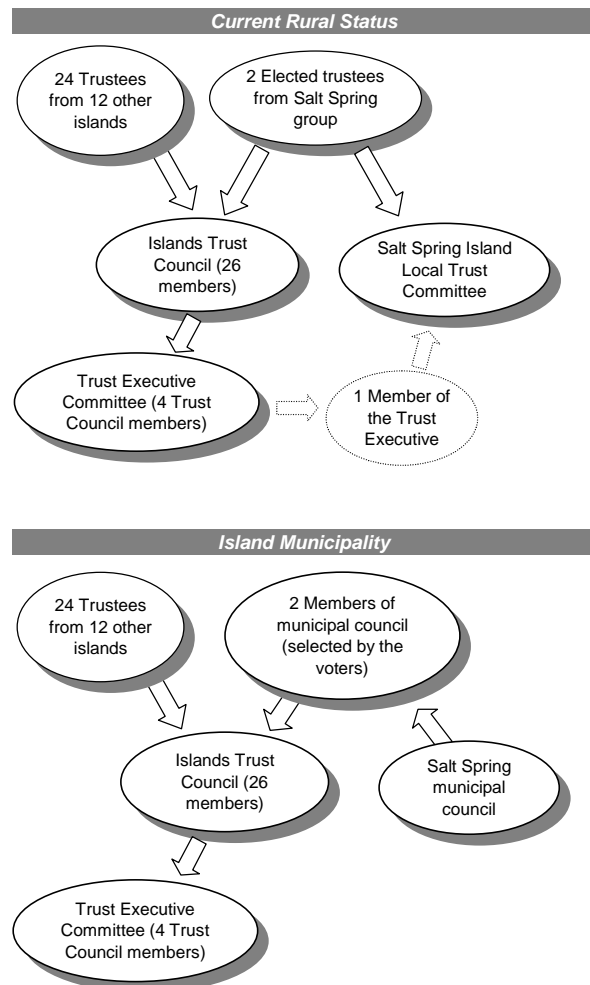
"Recognising the community's rural character and the importance of balancing environmental, social and economic sustainability in all community decisions, a fundamental principle of the community incorporating the Salt Spring Island municipality is to preserve, protect, and enhance the island's unique amenities and environment."

Note that the Islands Trust's mandate ("preserve and protect") would still apply to Salt Spring, as it would still be part of the Islands Trust (see next section).

The Islands Trust

A Salt Spring municipality would still be part of the Islands Trust. It would still have two members sitting on the Islands Trust Council, the legislative and policy arm of the Trust. Voters would choose which two municipal councillors would serve on the Trust Council as island trustees for Salt Spring.

Figure 1: Salt Spring and the Islands Trust



The role of the Trust on Salt Spring land use issues would be different than now. Under the current system, all proposed land use bylaws require the approval of the Trust, and official community plan (OCP) changes also require provincial approval. Under municipal status, municipal bylaws amending the OCP require the approval of the Trust or the province; all other land use bylaws are up to municipal council, though they must be referred to the Islands Trust for review and comment.

Figure 2: Community Plan Amendment

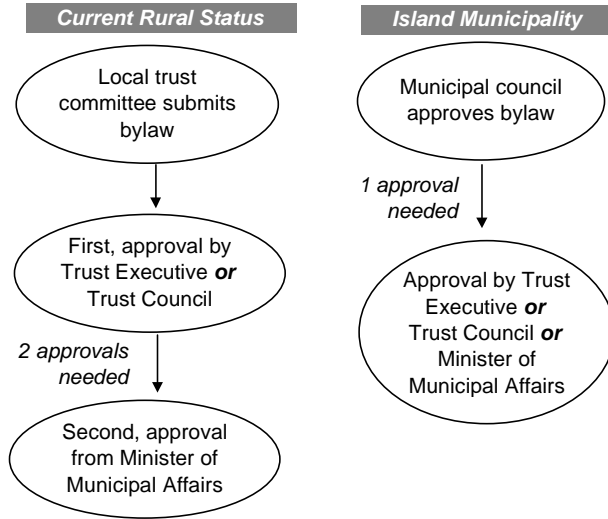
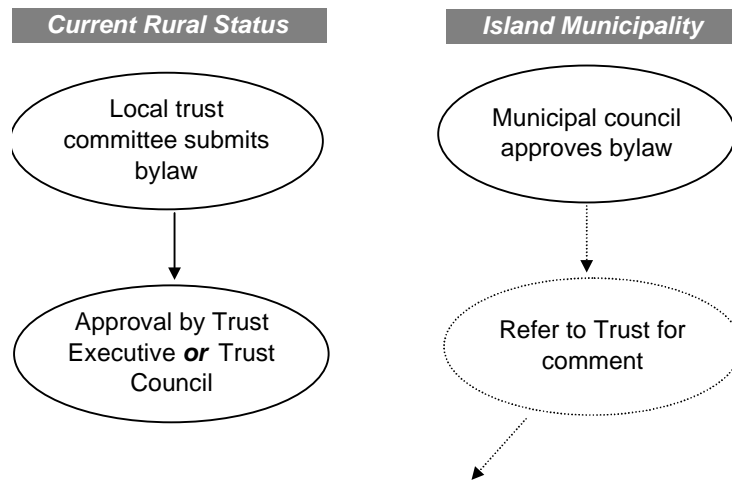


Figure 3: Other Land Use Bylaw Adoption



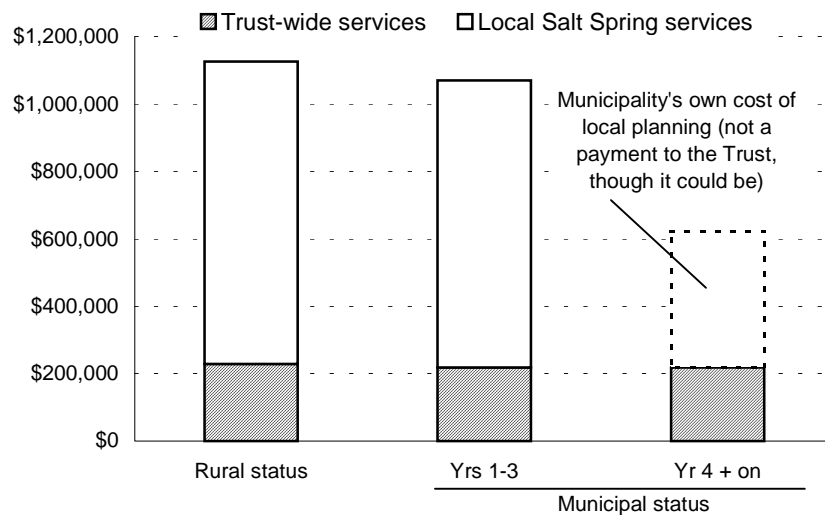
Island municipality land use bylaws must have regard for the "preserve and protect" mandate of the Islands Trust. Municipalities are also required to refer some bylaws to other agencies for review and comment.

Salt Spring would continue to participate in the funding of *trust-wide services* (Trust Council, Executive Committee, and the Trust Fund Board). In 2002 this amounted to about \$218,000 from Salt Spring.

Responsibility for *local land use services* (as opposed to Trust-wide services) would shift to the municipality, starting in the fourth year. For the first three years Salt Spring would have to purchase this service from the Trust at the same rate as under rural status; in 2002 this cost \$853,000. After the first three years the municipality would be free to obtain this service however it wishes.

Based on 2002 data, the total taxes paid by Salt Spring to the Trust would fall from \$1,127,000 (including the 5.25% provincial tax collection fee) to \$1,071,000 for the first three years and then to \$218,000 after that. During the first three years the total payment would cover local land use planning services; after that the municipality could provide planning services as it sees fit (the costs of this would be part of the municipal budget and not in the Trust budget).

Figure 4: Salt Spring Annual Payment to the Islands Trust



All the existing land use, zoning, and development bylaws would be inherited, as is, by the new municipality and would continue to remain in force.

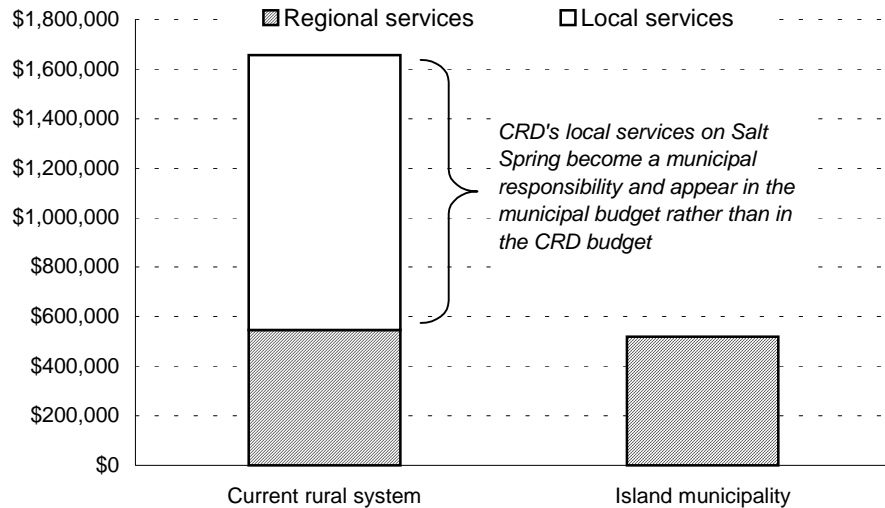
The Capital Regional District (CRD)

A Salt Spring municipality would still be part of the CRD. Instead of a separately elected member representing the island as under the current system, each year municipal council would appoint one of its own members to fill the seat.

Responsibility for most of the CRD's local services provided on Salt Spring would shift to the municipality. This includes local administration, building inspection, dog control, various recreation services and facilities, sewer systems, and some water systems. Decisions about budgets and service policies would rest with municipal council rather than the CRD board. These local services account for most of the CRD taxes paid by Salt Spring properties. Their costs would shift out of the CRD budget and into the municipal budget.

Like all Greater Victoria communities, Salt Spring would continue to participate in the CRD's region-wide services, like CRD administration, regional parks, and 911 service. These regional services account for about 30% of the total CRD taxes on Salt Spring, so after restructure the CRD tax load would fall significantly as most service costs shift to the municipal budget.

Figure 5: Annual Payments to the Capital Regional District



Improvement Districts

There are nine improvement districts on Salt Spring -- the fire district (which covers almost all the properties on Salt Spring) and eight local water districts.

Figure 6: Salt Spring Island Improvement Districts

	Number of elected trustees	Date of dissolution	Become a specified munic. area?	Municipal advisory committee?
Salt Spring Island Fire District	7	Dec. 31, 2002	No	Yes
Water districts:				
Beddis Waterworks District	5	Dec. 31, 2002	Yes	Yes
Cedar Lane Waterworks District	3	Dec. 31, 2002	Yes	Yes
Cedars of Tuam Waterworks District	3	Dec. 31, 2002	Yes	Yes
Fulford Harbour Waterworks District	3	Dec. 31, 2003	Yes	Yes
Harbour View Impr. District	3	Dec. 31, 2003	Yes	Yes
Mount Belcher Impr. District	3	Dec. 31, 2003	Yes	Yes
North Salt Spring Waterworks District	5	Dec. 31, 2002	Yes	Yes
Scott Point Waterworks District	3	Dec. 31, 2002	Yes	Yes

Eventually, all would be dissolved and become a municipal responsibility; their assets and liabilities would be transferred to the municipality. The municipality must establish advisory committees for most of the improvement districts to advise municipal council on fire and water matters. Each water district would be designated a specified service area of the municipality, with taxes set separately for each. Over time these specified areas could be merged into one municipal service area -- though not necessarily physically linked as one -- if and when circumstances warrant. The existing reserves of each water district would be protected for the benefit of their own members. For example, the reserves of,

say, the North Salt Spring Waterworks District could be used only for projects directly benefiting North Salt Spring Waterworks District properties.

Under the current rural status, improvement districts are not eligible for provincial grants for upgrading and improving water systems, whereas municipalities are eligible.

Note that there are several private water utilities on Salt Spring. These would not be affected by restructure. The municipality would not be obligated to take them over (though this could occur if both parties agree).

Projected Municipal Budget

The budget projections in this report reflect what the current service levels might cost under municipal status. Where possible, the rural 2002 budgets have been used for the analysis. For example, the current fire department, building inspection, and recreation funding budgets can be transferred directly as is into the municipal budget. However, for other services -- notably general administration and roads -- there are no directly transferable budgets; instead, the spending patterns in other municipalities have been used as a guide for the Salt Spring projections.

In particular, the costs of improving and rehabilitating roads and drainage works is difficult to project. While the rural spending level could be used for the “apples to apples” comparison between rural status and municipal status, it is extremely unlikely that the new municipality could get by with this low spending level. *To reflect this, two sets of budgets and tax impacts are presented for the municipal case, using:*

- The current, rural level of road improvement funding (\$2.5 million over the 9-year period studied here);
- A more realistic roads works program that provides for \$10 million in road and drainage improvements over the first 9 years, which would produce better roads than the rural level would.

The setting of the municipality’s budget -- and the resulting tax needs -- would be up to municipal council. The projections here are reasonable for comparison purposes but they cannot be definitive. They represent a snapshot of what it might cost to run a Salt Spring municipality if restructure had occurred, instantly, in 2002, using 2002 service levels and costs where possible.

The municipal tax structure is shaped by the annual operating costs and by capital spending on infrastructure (mainly roads and drainage). The two sets of budgets are based on different capital spending levels on roads and drainage.

Figure 7: Projected Capital Spending for the New Municipality (totals for first 9 yrs)

	Rural Level Road Works (\$2.5m)	More Likely Road Works (\$10.0m)
(A) Short term improvements		
Public works yard, shop, equip.	\$450,000	\$450,000
Municipal offices + equipment	\$600,000	\$600,000
Road and drainage	<i>incl below</i>	\$4,400,000
(B) Ongoing capital projects		
Roads and drainage	\$2,457,000	\$5,550,000
Other municipal items	\$1,616,000	\$1,616,000
Total capital spending, first 9 yrs	\$5,123,000	\$12,616,000

These capital spending levels affect the annual operating budgets and taxes. Greater capital spending means higher tax needs.

Figure 8: Projected Annual Municipal Budget

	Rural Level Road Works (\$2.5m)	More Likely Road Works (\$10.0m)
Revenues:		
Taxes for municipal use	\$4,876,000	\$5,400,000
Utility + other grants in lieu	\$112,000	\$112,000
Recreation revenues	\$96,000	\$96,000
Building + development fees	\$280,000	\$300,000
Interest and tax penalties	\$90,000	\$90,000
Provincial grant	\$179,000	\$179,000
Internal recoveries	\$75,000	\$75,000
Other (incl. int on capital fund)	\$299,000	\$132,000
Revenue for municipal use	\$6,007,000	\$6,384,000
Capital Regional Dist. taxes	\$519,000	\$519,000
Taxes for Islands Trust	\$218,000	\$218,000
School and other taxes	\$5,845,000	\$5,845,000
Total Revenues	\$12,590,000	\$12,967,000
Expenses:		
Gen. administration	\$1,005,000	\$1,005,000
Police protection	\$727,000	\$727,000
Fire protection	\$591,000	\$591,000
Other protective services	\$98,000	\$98,000
Roads and drainage	\$1,572,000	\$1,572,000
Community planning	\$404,000	\$404,000
Parks + recreation	\$595,000	\$595,000
Capital spending	\$453,000	\$830,000
Reserves + misc	\$562,000	\$562,000
Cost of municipal services	\$6,007,000	\$6,384,000
Capital Regional Dist. taxes	\$519,000	\$519,000
Taxes for Islands Trust	\$218,000	\$218,000
School and other taxes	\$5,845,000	\$5,845,000
Total Spending	\$12,590,000	\$12,967,000

Represents a normal year, after all short term grants have been used

Note that the rural level of spending on roads infrastructure may be technically possible for the new municipality but is not realistic in light of the current state and length of roads on the island. However, *the actual setting of road spending priorities would be up to the municipal council.*

Just as under the current system, property taxes would remain the main source of revenues to finance local services. Unlike the current system, however, there would be a purely “local” budget for administration (currently spread across CRD, improvement district, and provincial budgets), roads (currently part of a much larger provincial contract area), and land use planning services (currently cost-shared among all members of the Islands Trust). The link between local taxes and local service costs would be much clearer than under the rural system, compared to Islands Trust and provincial taxes which are applied over a much larger area than just Salt Spring.

Projected Tax Impacts on Residential Properties

Based on the projected municipal tax revenues and the total tax base (ie, property assessments), the municipal tax rate can be determined, and this in turn determines the tax bills sent to individual homes and businesses. The difference between these “after

incorporation” tax bills and the 2002 rural-system tax bills (the “before incorporation” bills) is the tax impact of changing to municipal status. Because two municipal budgets have been presented -- rural spending levels of road improvements, and more likely, higher spending levels -- there are two sets of tax impacts.

The following figure shows these comparisons for an average home (assessed at \$245,000) and a typical business assessed at \$250,000. **The actual tax changes due to restructuring would depend on the policies of municipal council**, since these policies define the “after” tax picture (of course, the “before” picture is also uncertain for the future). The impacts discussed here are an attempt to isolate the changes due to restructuring, using 2002 budgets and service levels as the basis for municipal spending where possible.

These tax rates would not be reached until the eighth year, as it has been assumed council would choose to phase in any tax increases gradually (as other new municipalities have done).

Figure 9: Projected Tax Impacts of Municipal Status on an Average Home

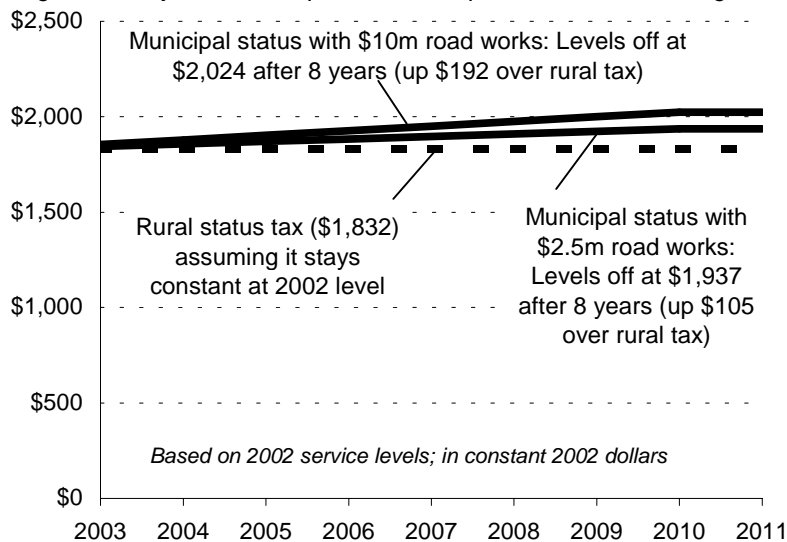


Figure 10: Projected Tax Impacts on an Average Home After 8 Years

Tax changes after 8 years	Rural System	Island Municipality			
		Rural Level Road Works (\$2.5m)		More Likely Road Works (\$10.0m)	
		Island Munic.	Change	Island Munic.	Change
Provincial rural tax	\$255	\$0	-\$255	\$0	-\$255
Municipal tax	\$0	\$837	\$837	\$924	\$924
Fire protection	\$129	<i>inc above</i>	-\$129	<i>inc above</i>	-\$129
Islands Trust tax	\$190	\$37	-\$153	\$37	-\$153
Regional district	\$282	\$87	-\$195	\$87	-\$195
School and others	\$976	\$976	\$0	\$976	\$0
Total taxes	\$1,832	\$1,937	\$105	\$2,024	\$192

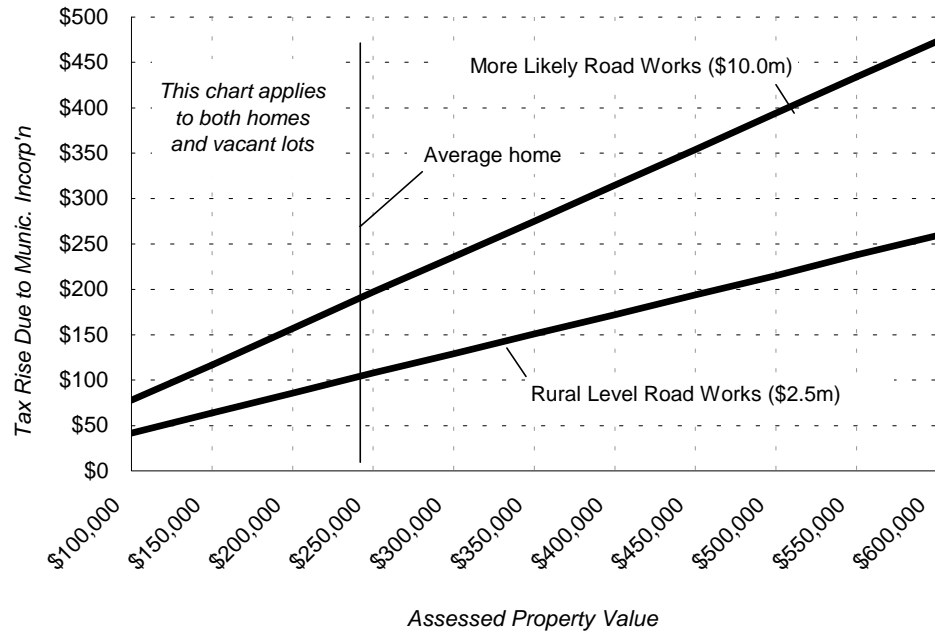
\$245,000 asmnt; excl. water + sewer charges; before home owner grant

Figure 11: Projected Tax Impacts of Restructuring on an Average Vacant Lot (after 8 yrs)

	Island Municipality				
	Rural System	Rural Level Road Works (\$2.5m)		More Likely Road Works (\$10.0m)	
		Island Munic.	Change	Island Munic.	Change
Provincial rural tax	\$156	\$0	-\$156	\$0	-\$156
Municipal tax*	\$0	\$522	\$522	\$575	\$575
Fire protection	\$79	\$0	-\$79	\$0	-\$79
Islands Trust tax	\$116	\$23	-\$93	\$23	-\$93
Regional district tax	\$182	\$54	-\$128	\$54	-\$128
School and others	\$598	\$598	\$0	\$598	\$0
Total taxes	\$1,131	\$1,197	\$66	\$1,250	\$119

Average vacant residential lot is assessed at \$150,000

Figure 12: Projected Tax Impacts of Municipal Status on Residential Property After 8 Yrs



In addition to regular residential property (see preceding charts), there are 183 properties with at least some Agricultural Land Reserve designation, and 160 of them may have homes on the ALR portion of the lot. Note that this land is assessment class 1 (“residential”), not farm land (class 9). These homes would face a greater tax rise than would normal homes because of the shift in the tax load due to the land’s 50% exemption for regional district, fire, and Islands Trust taxes.

Figure 13: Projected Tax Impacts of Restructuring on an Average ALR Home After 8 Yrs

Tax changes after 8 years	Island Municipality				
	Rural System	Rural Level Road Works (\$2.5m)		More Likely Road Works (\$10.0m)	
		Island Munic.	Change	Island Munic.	Change
Provincial rural tax	\$250	\$0	-\$250	\$0	-\$250
Municipal tax	\$0	\$820	\$820	\$906	\$906
Fire protection	\$90	<i>inc above</i>	-\$90	<i>inc above</i>	-\$90
Islands Trust tax	\$132	\$26	-\$106	\$26	-\$106
Regional district taxes	\$203	\$61	-\$142	\$61	-\$142
School and others	\$677	\$677	\$0	\$677	\$0
Total taxes	\$1,352	\$1,584	\$232	\$1,670	\$318

Avg assessment = \$240,000; before home owner grant; excludes water + sewer

Projected Tax Impacts on Farm Properties

Farm land is defined here as assessment class 9 property. Some farm land also has a home (assessment class 1 - residential). The impacts of creating a municipality are greater for the farm home than for a vacant farm. In fact, vacant farm land would see a tax savings because of the (realistic) assumption that the municipal would be required to levy a farm tax rate no greater than the prevailing provincial rural tax rate (\$0.50 per \$1000 in 2002) -- but at the same time the tax rates for regional district, fire, and the Islands Trust services would still have fallen as many of these functions are shifted into the municipal system with its farm-restricted tax rate.

Figure 14: Projected Tax Impacts of Restructuring on Vacant Farm Land After 8 Years

	Rural Status	Island Municipality	
		Rural Level Road Works (\$2.5m)	More Likely Road Works (\$10.0m)
		Provincial rural tax	\$5
Municipal tax	\$0	\$29	\$29
Fire	\$3	\$0	\$0
Islands Trust	\$4	\$1	\$1
CRD	\$30	\$2	\$2
School + others	\$37	\$37	\$37
Total taxes	\$79	\$69	\$69

Because munic. taxes would be held to the rural rate, the tax **saving** would be the same no matter how much the municipality spends on road improvements

Homes on farm land, however, would be harder hit, because the homes would lose their exemption from the general tax -- that is, the homes are now exempt from the provincial rural tax but would not be exempt from the municipal tax.

Figure 15: Projected Tax Impacts of Restructuring on an Average Farm Home After 8 Yrs

Tax changes after 8 years	Island Municipality				
	Rural System	Rural Level Road Works (\$2.5m)		More Likely Road Works (\$10.0m)	
		Island Munic.	Change	Island Munic.	Change
Provincial rural tax	\$5	\$0	-\$5	\$0	-\$5
Municipal tax	\$0	\$494	\$494	\$543	\$543
Fire protection	\$77	<i>inc above</i>	-\$77	<i>inc above</i>	-\$77
Islands Trust tax	\$113	\$22	-\$91	\$22	-\$91
Regional district taxes	\$177	\$52	-\$125	\$52	-\$125
School and others	\$595	\$595	\$0	\$595	\$0
Total taxes	\$967	\$1,163	\$196	\$1,212	\$245

Avg property asmnt = \$150,000 (\$10,000 land + \$140,000 house); before grant

Projected Tax Impacts on Businesses

The municipal council would set the rates for municipal property taxes. It is assumed here that the business category would pay a municipal tax that is 2.9 times the residential rate (this is generally in keeping with the range under the rural system). This 2.9 ratio would produce the same proportionate tax rise for businesses and homes. A lower ratio would shift more of the tax load onto homes and thus would mean the rise for stores is less than the home rise. A higher ratio would shift more of the tax burden onto stores and away from homes.

Figure 16: Projected Tax Impacts on a Typical Salt Spring Business After 8 Years

Tax changes after 8 years	Island Municipality				
	Rural System	Rural Level Road Works (\$2.5m)		More Likely Road Works (\$10.0m)	
		Island Munic.	Change	Island Munic.	Change
Provincial rural tax	\$925	\$0	-\$925	\$0	-\$925
Municipal tax*	\$0	\$2,430	\$2,430	\$2,688	\$2,688
Fire protection	\$323	<i>inc above</i>	-\$323	<i>inc above</i>	-\$323
Islands Trust tax	\$475	\$92	-\$383	\$92	-\$383
Regional district tax	\$667	\$219	-\$448	\$219	-\$448
Sewer + water taxes^	\$283	\$277	-\$6	\$277	-\$6
School and others	\$2,798	\$2,798	\$0	\$2,798	\$0
Total taxes	\$5,471	\$5,816	\$345	\$6,074	\$603

Based on \$250,000 property asmnt; excl. water + sewer user fees, which vary

Service Improvements

Some services could be provided at much the same level as under rural status. For example, parks and recreation programs could remain just the same as under rural status. However, the projected budgets include some service improvements under municipal status.

- Roads: The provincial government has spent an average of only \$273,000 per year on road and drainage improvements (as opposed to annual maintenance), which

would amount to \$2.5 million over the 9-year study period. The more realistic road works budget allowance would see this rise fourfold, to \$10 million. There can be no doubt that the larger rehabilitation, repair, and improvement program mean better roads. Of course, the extra spending would also produce higher taxes.

- **Municipal offices:** The establishment of a local office for most of Salt Spring's administration would improve residents' access to information about their property in particular and their community as a whole.
- **Access to decisions:** The transfer of decision authority to a local body means Salt Spring residents would have improved access to the decision process. It would be much easier to attend municipal council meetings on Salt Spring than CRD meetings in Victoria or Islands Trust council meetings on other islands. In addition, the information used by the municipal council in their deliberations would be more readily accessible than parallel information used by various bodies under the rural system.

Uncertainties

Municipal council could choose different annual budgets and capital spending on infrastructure than the figures assumed in this report. Higher spending means higher taxes; lower spending means lower taxes.

Council spending priorities would affect the "after" picture in the "before and after" comparison of rural and municipal status. The "before" picture could change, too, and this would affect the comparison. If rural taxes rise, the gap between rural and municipal taxes would shrink and municipal status would seem more attractive financially. If rural taxes fall, municipal status would seem less attractive financially.

The tax impacts of municipal incorporation would be increased under conditions like these.

- **Higher annual operating costs:** Council could decide to spend more on staff costs (for example, to provide better administrative services). Every \$100,000 rise in annual operating costs would raise taxes by about \$17.
- **Higher capital spending:** Council could decide to spend more on road improvements, or a municipal hall, or public works facilities than assumed earlier. This would force up taxes in order to make extra debt service payments on the additional funds borrowed for the additional works. Every additional \$1 million in capital spending would raise taxes by about \$17 per home.
- **Lower "unconditional" provincial grants:** The budget assumes the ongoing provincial grant to the municipality would remain in effect every year. A lower grant would require an increase in taxes (or else a reduction in services).
- **Lower rural system taxes:** The tax impacts discussed above assume the 2002 tax levels stay at their current levels. If taxes under the rural system fall over time, municipal status would seem *less* attractive than projected.

The tax impacts of restructure could also be *better* than projected.

- **Lower operating costs:** Lower spending on staff wages, mayor and council, road maintenance, land use planning, and so on would lower the need for municipal taxes. Every \$100,000 spending cut would reduce taxes on a home by \$17. A \$100,000 spending cut represents a 2% cut in the total municipal operating budget.
- **Lower capital spending:** If the municipality spends less than assumed on infrastructure improvements, taxes would fall because debt service payments would fall. Every \$1 million in reduced capital would reduce taxes by about \$17.

- *Higher “conditional” grants:* No allowance has been made for the use of annual planning grants or infrastructure grants from the province. Infrastructure grants, in particular, could lower the projected tax impacts.
- *Higher rural system taxes:* If there is a rise in the provincial rural tax rate, the Islands Trust tax rate, or the CRD administration tax rate, then municipal status would be more attractive than assumed earlier. This is because the “before” tax picture would rise but the “after” tax picture would be unaffected. The gap between them would thus close. The province is now considering raising rural taxes in some fashion to recover more of its spending on roads and policing but the amounts are not yet known.

Advantages and Disadvantages

Creating a municipality on Salt Spring Island would mean significant changes in who makes decisions about community policies, the number of bodies involved in the day to day operations of the community services, the accountability of decision makers to electors, and the funding systems for local services, and the property taxes needed to support these funding systems.

Individuals must assess the balance between the advantages and disadvantages of municipal status using their own values and concerns. It is not the *number* of advantages or disadvantages that matters but the *importance* and *weight* applied to each.

Figure 17: Selected Municipal Incorporation Trade-Offs

	<i>Benefits to residents ...</i>		<i>But it also means ...</i>
1	Less reliance on remote decision bodies	vs	More concentrated reliance on one local decision body
2	Increased local authority	vs	Increased local administration costs
3	Better access to decision makers and records	vs	Increased local administration costs
4	Easier to improve, add or expand services	vs	Possibility of advanced pace of community change
5	Easier to improve, add or expand services	vs	Easier to raise taxes
6	Easier to improve roads and set road standards	vs	Tax rise associated with road costs
7	Freedom to set local tax policies	vs	Projected tax increase
8	Freedom to set local tax policies	vs	Risk of future downloaded costs
9	Freedom from risk of more rapid rises in remotely-set tax rates	vs	Probable tax rise due to local autonomy
10	Easier way to improve community infrastructure	vs	Easier way to create new debts to fund infrastructure works

Figure 18: Overview of Advantages and Disadvantages

	<i>Issue</i>	<i>Better or worse?</i>	<i>Comment</i>
1	Autonomy	Improved	Less reliance on remote bodies for services and tax policies
2	Service quality	Some improved	Road maintenance and rehabilitation would be better
3	Service integration	Improved	"One stop shopping" replaces multiple service bodies
4	Accountability	Improved	Greater elected representation on local decision bodies
5	Service flexibility	Improved	Municipalities can react faster to community needs
6	Coordination of community policies	Improved	One comprehensive body would replace multiple decision bodies
7	Access to grants	Improved	Municipalities are eligible for water grants (improvement districts are not)
8	Tax policy choices	Improved	Municipalities set their own residential-business tax balance
9	Financial flexibility	Improved	Municipalities can direct funds from one department to another as needed
10	Property taxes	Worsened	There would be a projected tax rise due to municipal status
11	Administration costs	Worsened	Extra administration costs are part of the tax rise
12	Financial risk	Probably worsened	Municipality would be less able to finance repairs of major road failures than the province is
13	Growth and development	Debatable	Would growth and development be speeded up by having one body set policies?
14	Speed of service changes	Debatable	Would increased ability to fund new services result in extra-fast expansion of services and thus of costs?
15	"Preserve and protect" focus	Debatable	Would municipal council lose focus on special island features as they deal with multiple community issues?
16	"Better" decisions	Debatable	Would a local council make "better" decisions than those made by various bodies under the current system?