Okanagan Falls Incorporation Study

Okanagan Falls Incorporation Study Committee
February 5, 2024

AGENDA

TIME & PLACE: Monday, February 5, 2023
6:00 pm – 8:30 pm
Okanagan Falls Community Centre
1141 Cedar Street, Okanagan Falls

PURPOSE: From 6:00 pm to 8:30 pm on Monday, February 5, 2024, the Okanagan Falls Incorporation Study Committee will meet as part of the analysis phase of the study. At this meeting the Committee will review one *Demographic Profile* of Okanagan Falls, four *Service Sheets* and one *Issue Sheet*. Members of the public in attendance will be invited to ask questions and provide comments on agenda items towards the end of the meeting.

AGENDA:

1. Call to Order – 6:00 pm

   – Chair Wilson will call the meeting to order and ask for the agenda to be adopted

2. Introductions

   – Chair Wilson will ask Committee members, the consultants, RDOS staff and the Ministry of Municipal Affairs representative to introduce themselves

3. Committee Meeting Minutes

   – The Committee will be asked to adopt the November 21, 2023, Committee Meeting Minutes (see attached)

4. Study Purpose and Process

   – The consultants will briefly review with the Committee the purpose of and process for the Incorporation Study

5. Service Sheets

   – The consultants will present one *Demographic Profile*, four *Service Sheets* and one *Issue Sheet* for review:

     - Demographic Profile
     - Solid Waste Services
     - Economic Development Services
     - Parks, Recreation & Cemetery Services
     - Transportation Services
     - Incorporation Impacts on Agricultural Properties (Issue Sheet)

   – All of the sheets are presented as DRAFT documents, pending endorsement by the Committee
   – Each presentation will explore the key differences between the two local government scenarios
   – Committee members will be given an opportunity to ask questions on each service sheet
   – The Committee will be asked to endorse each sheet (with or without amendments) or refer the sheet back to consultants for further consideration

6. Project Team and Communications Updates

   – The consultants will brief the Committee on Project Team discussions that have occurred since November 21, 2024, Committee meeting
   – The consultants will also review with the Committee the information that has been posted on the study since mid-September

7. Questions and Comments from Public in Attendance – 8:00 pm (20 mins)

   – Individuals who wish to ask questions or provide comments will be asked to identify themselves and indicate if they live in the study area

8. Next Meeting

   – Next meeting is confirmed for March 19, 2024
   – The consultants will provide a brief preview of what to expect at the next meeting

9. Adjourn — 8:30 pm

ATTACHMENTS: The following documents are included in the agenda package for review:

- November 21, 2024, Committee Meeting Minutes
- Demographic Profile
- Solid Waste Services
- Economic Development Services
- Parks, Recreation & Cemetery Services
- Transportation Services
- Incorporation Impacts on Agricultural Properties (Issue Sheet)

Okanagan Falls Incorporation Study Committee
Committee Meeting
November 21, 2023

MINUTES

MEMBERS PRESENT:	Eugene Dettling	Ian Bowen
	Judy Garner	Kelvin Hall
	Randy Ludwar	Marcel Olsthoorn
	Kea Adachi	Rick Wilson
MEMBERS ABSENT:	Debbie Rose	Eleanor Walker
EX-OFFICIO MEMBERS PRESENT:	None	
OTHERS PRESENT:	Allan Neilson, Neilson Strategies Inc. Sherry Hurst, Leftside Partners Inc. Natasha Horsman, Horsman Strategies Simon Rasmussen, Ministry of Municipal Affairs	
STAFF PRESENT;	K. Roemer, Clerk H. Bui, IT Systems Analyst	

The meeting was called to order at 6:32 by Rick Wilson, Chair

A. APPROVAL OF AGENDA

MOVED and SECONDED
THAT the Agenda for the Okanagan Falls Incorporation Study Committee Meeting of November 21, 2023 be adopted. –**CARRIED**

B. INTRODUCTIONS and PHOTO

1. The Chair asked Committee members, the consultants and RDOS staff to introduce themselves.
2. The Committee member photo will be taken at the end of the meeting.

C. COMMITTEE MEETING MINUTES

MOVED and SECONDED
THAT the Minutes for the Okanagan Falls Incorporation Study Committee Meeting of September 11, 2023 be adopted. **–CARRIED**

D. PURPOSE of STUDY; STUDY PROCESS

The consultants reviewed with the Committee the purpose and process for the Incorporation Study.

E. SERVICE SHEETS

1. The Planning and Building Services Service Sheet was presented and reviewed by the committee, questions and discussion followed.

   MOVED and SECONDED
   THAT the Planning and Building Services Service Sheet be endorsed as presented by the consultants. **–CARRIED**

2. The Bylaw Enforcement Services Service Sheet was presented and reviewed by the committee, questions and discussion followed.

   MOVED and SECONDED
   THAT the Bylaw Enforcement Services Service Sheet be endorsed as presented by the consultants. **–CARRIED**

3. The Environmental Services Service Sheet was presented and reviewed by the committee, questions and discussion followed.

   MOVED and SECONDED
   THAT the Environmental Services Service Sheet be endorsed as presented by the consultants. **–CARRIED**

4. The Emergency Services Service Sheet was presented and reviewed by the committee, questions and discussion followed.

   MOVED and SECONDED
   THAT the Emergency Services Service Sheet be endorsed as presented by the consultants. **–CARRIED**

5. The Library Services Service Sheet was presented and reviewed by the committee, questions and discussion followed.

   MOVED and SECONDED
   THAT the Library Services Service Sheet be endorsed as presented by the consultants. **–CARRIED**

F. PROJECT TEAM AND COMMUNICATIONS UPDATES

1. The consultants briefed the Committee on the Project Team discussions that have occurred since the inaugural Committee meeting in September.
2. The consultants reviewed with the Committee all the information that has been posted on the study since mid-September.
3. The consultant asked the Committee to create a Communications Sub-Committee to review and provide feedback on communications materials prepared by the consultants.

MOVED and SECONDED
THAT a Communications Sub-Committee be established, consisting of Rick Wilson, Kea Adachi, Randy Ludwar, and Debbie Rose. **–CARRIED**

G. QUESTIONS AND COMMENTS FROM PUBLIC IN ATTENDANCE

Members of the Public that were in attendance both in person and online were given the opportunity to identify themselves and indicate if they lived in the study area to ask questions.

H. NEXT MEETING

1. The next meeting was confirmed for January 23, 2024. (**Please note:** this date has since changed to February 5, 2024 at 6 pm)
2. The consultants will provide a brief preview of what to expect at the next meeting.

I. ADJOURNMENT

MOVED and SECONDED
THAT the meeting adjourn at 8:33 pm. **-CARRIED**

Okanagan Falls Incorporation Study

DRAFT DEMOGRAPHIC PROFILE

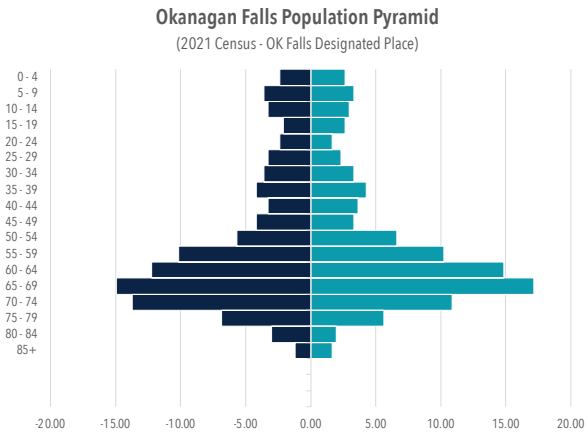
2,760 PEOPLE

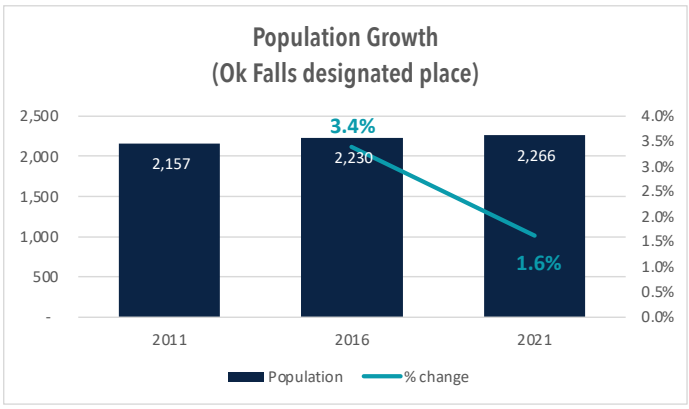


49.3% 50.7%

Average Age
54
Provincial average
43.1

Median Age
60
Provincial median
42.8



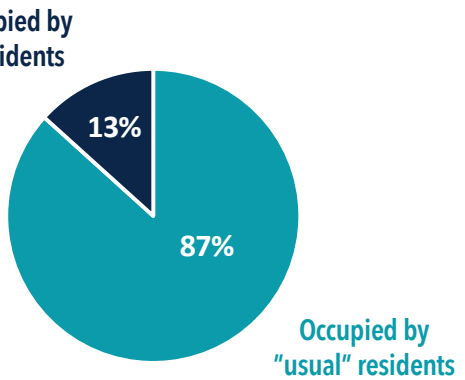


1,564 DWELLINGS

50% single-detached

30% Multi-family

20% movable



Average household size **2.0**

Okanagan Falls Incorporation Study

DRAFT DEMOGRAPHIC PROFILE



Incorporation Study Land Area

1,099 hectares

INCOME LEVELS

2020 Average Income*

$61,600

Provincial average $77,700

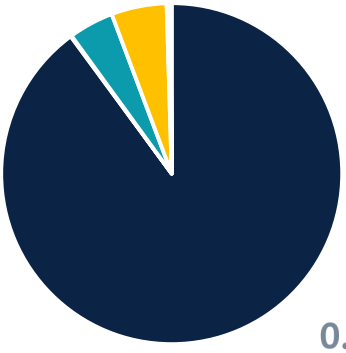
2020 Median Income*

$54,400

Provincial median $65,000

*Full-time employment

ASSESSMENT



- 89.9% Residential
- 5.2% Business
- 4.3% Light Industry
- 0.4% Recreational/non-profit
- 0.1% Utilities
- 0.1% Farm

$506,569

2023 Average Residential Assessed Value

(residential assessment ÷ # dwellings)

94

Business & Light Industry properties

64

Farm Class properties

DRAFT SERVICE SHEET
February 2024

Solid Waste Services

The Solid Waste Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on February 5, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

- *That an Okanagan Falls municipality would continue to participate in each of the existing RDOS solid waste services*

THE PRESENT

➤ What service is provided?

For the purpose of this *Service Sheet*, solid waste management consists of curbside collection of garbage and recycling, refuse disposal/landfill operations, a solid waste management planning service and an illegal dumping clean-up service.

Curbside Garbage/Recycling
The Regional District provides curbside recycling and garbage collection to residences in all the electoral areas except Area H. In Area "D" it is provided through two separate services — Recycling/Garbage OK Falls, and Recycling/Garbage Area D/E/F/I. The Okanagan Falls service consists of four main programs for single-family homes:

- Weekly garbage collection,
- Every other week recycling collection,
- Seasonal yard waste pickups, and
- Yearly pickup (one date) of two large bulky items.

Residents can place two cans or bags (max 95 L can or or 25 kg weight) at the curb and unlimited recycling. One (1) 240 litre rolling cart is also acceptable for garbage collection. Additional garbage can be collected using "tag-a-bag" stickers.

Yard waste (grass clippings, trimmings, etc.) is collected every other week, with the exceptions of only one pick-up in December and February, and no collection in January. Unlimited amounts of properly packaged yard waste is accepted on collection days.

There is also one day annually where no more than two large items (appliances, furniture) are collected.

Multi-family (anything over four units) residential and non-residential uses must contract their own garbage and recycling service separately; this service is not through the RDOS.

Solid Waste Management
The RDOS provides a Solid Waste Management Service that includes long-term planning for solid waste management for the entire regional district. Solid waste planning includes preparation and update of the region's solid waste plan (adopted in 2012 and amended in 2019 to include the Apex Mountain Transfer Station). The plan provides a long-term vision for solid waste management, including waste diversion targets and disposal plans. The province requires most regional districts to prepare waste management plans for the entire region. A contract to update the plan was awarded in May 2023, at a cost of $120,000, funded through the Community Works Fund. The update is still underway.

The service also includes public education, waste reduction coordination, annual reporting, preparation of new waste facility sites, and other works or services as required by the plan.

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Landfill Operations

There are 7 sanitary landfills within the RDOS to manage the region's solid waste; the regional district operates 4 of them, and 3 are operated by municipalities. One landfill is located within Area "D" — Okanagan Falls Sanitary Landfill. That landfill is located just beyond the eastern Incorporation Study Area boundary. The landfill does not accept household garbage; instead it is a regional centre for demolition, land clearing and construction waste (wood, yard waste, metals, propane tanks, tires and lead acid batteries). The waste collected in Okanagan Falls through the curbside collection program, commercial collection or multi-family collection is disposed at the Campbell Mountain Landfill, located in Penticton. Residents and businesses in Okanagan Falls can also take garbage to the Campbell Mountain Sanitary Landfill (CMSL).

The RDOS recently approved a new organics composting facility adjacent to the Campbell Mountain Sanitary Landfill (CMSL) to process food and yard waste. The RDOS *Solid Waste Management Plan* has identified composting as one of the best means to divert waste entering local landfills. The new operation will be designed to accommodate up to 35,000 tonnes of organic materials per year and would include odour controls and paving the site to contain leachate. The facility is expected to be up and running by end of March 2025.

The RDOS commissioned updates to the master plans for both the CMSL and OK Falls landfill in 2021. The results of the updates were then used to update the Design, Operations and Closure Plans, which are required by the Ministry of Environment every 5 years.

Illegal Dumping

RDOS also provides a regional illegal dumping education and control service that includes reporting of illegal dumping within the region, collection and support of community clean-up efforts. The service is provided region wide – all electoral areas and municipalities participate in this service.

➤ Who makes decisions?

The RDOS has authority for providing solid waste collection services to residents of 8 electoral areas as well as the Village of Keremeos. Although there are different curbside collection areas, all curbside collection is through one service provider. Operational decisions are made by all the service participants, and budget decisions are made by the full Board.

The RDOS's Board of Directors makes decisions for the region-wide solid waste management planning function, including decisions on the service budget. The participants make operational decisions regarding the landfill operations for Campbell Mountain and Okanagan Falls (Penticton and Electoral Areas D, E, F and I).

Figure 1: Service Decision-making

SERVICE	DECISION-MAKERS
Garbage/Recycling Collection	Operational decisions made by the service participants (8 electoral areas + Village of Keremeos)
Solid Waste Management	Decisions made by the entire RDOS Board because it is a regional service
Landfill Operations	Operational decisions made by the service participants (Electoral Areas D, E, F and I + City of Penticton)
Illegal Dumping	Decisions made by the entire RDOS Board because it is a regional service

➤ Who delivers the service?

Residential garbage and recycling collection services are delivered by Waste Connections of Canada on contract with RDOS. The current contract began in July 2018 and is scheduled to end in the middle of 2025. Waste Connections delivers the service to 8 electoral areas and the Village of Keremeos.

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The RDOS provides regional solid waste planning to the entire region. The Region is required to complete and update its regional *Solid Waste Management Plan*, and to undertake long-term solid waste facility planning on behalf of the region. Consulting services are used to support staff in delivering the service. A total of 1.03 FTE are involved in the region-wide service.

The operation of the 4 regional landfills is currently provided by RDOS. A landfill operations agreement for CMSL was signed with GFL Environmental Inc. and began in June 2022. The contract expires in May 2027. The RDOS also uses some consultants and contractors to assist with landfill operations. RDOS recently requested proposals for the ongoing training, collection, transportation and disposal functions of the household hazardous waste facility at CMSL.

The illegal dumping service encourages and supports community clean-ups and collection through the use of fee waivers that pay for the disposal of the items. The service does also rely on some contract services. RDOS staff administer the waivers. A total of 0.2 FTE area associated with the service as a whole.

➤ What is spent by the RDOS on the services?

The total cost of solid waste management services that impact Okanagan Falls can be broken down into:

- the 2023 budgeted cost of garbage collection and recycling services
- the 2023 budgeted cost of the RDOS solid waste management planning service
- the 2023 budgeted cost of operating the Campbell Mountain and Okanagan Falls landfills
- the 2023 budgeted cost of illegal dumping service

The amounts in Figure 2 represent the total cost of these services, and not the portion that Okanagan Falls residences pay for through user fees or taxes. These amounts also include capital expenditures, which can vary greatly from year to year, particularly for the landfill operations. The operating costs are more stable.

Figure 2: Service Operating Costs (2023)

SERVICE	COST[1]	TAX REQ.
Garbage/Recycling	$342,378	n/a
Waste Management	$528,326	$271,240
Landfill Operations	$4,291,971	n/a
Illegal Dumping	$39,275	$34,950
Total	**$5,201,950**	**$306,190**

1 Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included

Most services have operational reserves in place, and the landfill facilities also have capital reserves and closure reserves. It is useful to consider the amounts that the region has set aside for future expenditures. Reserve totals are included in Figure 3.

Notably, the Campbell Mountain landfill has multiple reserves. Closure costs must cover the costs of closing the landfill, as well as post-closure care for an estimated 30 years. The total estimate of closure costs, estimated in 2016, is about $9 million, plus another $4.9 million on post-closure. The earliest closure date is estimated at 2104 (80 years).

The OK Falls landfill is estimated to have 38 more years, with a tentative closure date of 2062. Closure costs were estimated in the 2021 Closure Plan at $1.3 million, not including $815,500 to conduct monitoring required to the year 2112.

In addition to the organics composting facility, which represents the most significant capital item planned for 2024, the CMLF and OK Falls landfill have several capital projects planned or underway. Capital expenditures planned in 2023 include leachate management, entrance upgrades and scales, biocover and some security improvements. The majority of capital items were funded from the Community Works Fund (gas tax), but the RDOS also used existing reserve

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funds and a $1.2 million grant from the province. The capital plan items for the landfills in 2023 and 2024 are summarized in Figure 4. The total cost of the Organics Facility is estimated at $19 million, with partial funding from a $10.8 million grant.

Figure 3: Service Reserves (2022)

SERVICE/RESERVE	TOTAL[1]
Garbage/Recycling (OK Falls) Operating	$84,134
Solid Waste Management Operating	$209,011
Refuse Disposal (Penticton & Area) Oper	$579,755
Illegal Dumping Operating	$98,139
Ok Falls Landfill (Capital)	$1,104,852
Campbell Mt. Landfill (Closure)	$5,355,686
Campbell Mt. Landfill (Capital)	$1,923,718
Campbell Mt. (Env. Improvement)	$2,325,927
Total	$11,681,222

[1] *Reserve totals are as at the end of 2022*

Figure 4: Landfills Capital Plan (2023 and 2024)

LANDFILL	CAPITAL ITEM	COST
CMLF	Upgrade to entrance and scales	$50,000 (2023) $300,000 (2024)
CMLF	Organics Composting Facility	$1.22 million (2023) $19 million (2024)
CMLF	Leachate management	$349,972 (2023) $200,000 (2024)
CMLF	Biocover	$80,000 (2023) $500,000 (2024)
CMLF/OKF	Completion of master plan designs and updates	$70,000 (2023)
CMLF/OKF	Security improvements	$22,000 (2023)
CMLF	Financial Plan cell design and geotech	$150,000 (2024)
OKF	Drainage	$30,000 (2023) $20,000 (2024)
OKF	Buffer Purchase	$150,000 (2024)

➤ How are the costs recovered?

Curbside collection of garbage and recycling in Okanagan Falls is paid for primarily through user fees, as well as a contribution from Recycle BC, a non-profit industry-funded group that manages packaging and paper recycling. In 2023, user fees were $135 in Okanagan Falls. That fee is a flat rate per residence, and does not fluctuate with the value of a home. Rates are reviewed and revised annually based on costs of the contract, tipping fees and administrative costs. RDOS does have the option to raise revenues through taxation on improvements only, but historically the RDOS has not used this option.

The cost of operating the Campbell Mountain Landfill and Okanagan Falls Landfill is currently recovered through tipping fees and user fees for the landfill. Refuse charges at both the Campbell Mountain and OK Falls are $120 per metric tonne, with a minimum charge of $6, and are paid at the time of drop-off. Other types of waste have specific charges. Yard and garden waste, as well as sorted residential recycling materials are free to drop off, although the Okanagan Falls landfill does not accept food waste. As with the curbside collection, the service does have the ability to raise revenues through taxes on improvements only, but this approach is not currently used.

The cost of both the solid waste management service and illegal dumping services are shared by all jurisdictions in the region, and the costs are raised primarily through property taxes. The cost of these services is allocated to each electoral area and municipality on the basis of converted assessment for land and improvements. Requisition amounts for the services, and associated tax rates are included in Figure 4. The tax contribution toward solid waste management service from all of Okanagan Falls (Incorporation Study Area) in 2023 totalled $7,463 for

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the solid waste management service, and $980 for the illegal dumping service.

➤ What is the cost to a typical residence?

The net cost of the RDOS solid waste services is recovered from Okanagan Falls taxpayers on the basis of property assessments, as well as through user fees. A residence assessed at $500,000, paid approximately $140 for the solid waste services, as shown in Figure 5 including the garbage user fees and any applicable taxes.

As noted previously, a flat user fee of $135 for garbage is paid by Okanagan Falls residents for garbage and recycling collection (depending on the area), regardless of assessed value or volume of garbage or recycling. The exception is if a resident has more than the permitted amount of garbage, in which case additional "tag-a-bag" stickers can be purchased at $1.50 per sticker.

Landfill operations are paid for through tipping fees (by both commercial and residential users).

Figure 5: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING[1]
Garbage/Recycling	n/a	$135.00
Waste Management	0.0072	$3.59
Landfill Operations	n/a	n/a
Illegal Dumping	0.0009	$0.47
	Total	**$139.06**

1 Impact is calculated on a home assessed at $500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas

INCORPORATION

➤ What impact would incorporation have on these services?

Incorporation would not result in any required changes to the Solid Waste Management services currently provided to Okanagan Falls. A municipality could choose to provide some services currently provided by the RDOS, but there would be no immediate need or requirement to do so.

A newly Incorporated municipality could choose to provide its own garbage and recycling collection services, or could continue the service as currently provided by the regional district. Typically changes would be made at the conclusion of the current service contract, particularly if a different service level is desired. There may be economies of scale achievable by participating in a larger service that provide an incentive to remain as part of the RDOS contract. A municipality would have the authority to determine whether to participate in the regional service, to provide the service through other means, or even to not provide garbage and recycling collection at all.

It is anticipated that a new municipality would continue to participate in the refuse disposal service that provides for the operation of the CMSL and the Okanagan Falls landfill. That service is not funded through tax requisition, so there would not be any impact on residents of the new municipality.

The new municipality would be required to participate in the solid waste management service, which is a mandatory service for the region. There would be no service or cost impacts, as all of Area "D" already participates in, and contributes to, this service.

➤ How would decision-making change?

As noted with all services, there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the participation in most

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solid waste collection services, and a municipal director would participate in discussions at the RDOS Board level regarding service levels and cost for regional services.

➤ How would incorporation impact service delivery?

The new municipality, as noted, would have authority and responsibility for the service. The new municipality would not, however, need to deliver the service itself, using municipal staff. Incorporation could provide opportunities for the municipality to deliver its own recycling and solid waste collection service, or deliver it through a separate contract, rather than combining the service with other RDOS electoral areas and municipalities. The most obvious time to make a change would be at the conclusion of the current collection contract, which is in 2025.

➤ How would service costs change?

In the short term, it is anticipated that the municipality would continue to participate in the services provided through the current contract. Delivering the services through a separate contract, or through an in-house model, would not be expected to yield the economies of scale achievable through a joint contract. While a change in the approach could be made by a municipal Council, for the purposes of this analysis, no changes to the current rates have been assumed.

SUMMARY OF TAX IMPACTS

Figure 6 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 6: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS[1]	MUNICIPAL[1]
Garbage/Recycling	$135.00	$135.00
Waste Management	$3.59	$3.59
Landfill Operations	n/a	n/a
Illegal Dumping	$0.47	$0.47
Total	**$139.06**	**$139.06**

1 Impact is calculated on a home assessed at $500,000.

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DRAFT SERVICE SHEET
February 2024

Economic Development Services

The Economic Development Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on February 5, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

- *That an Okanagan Falls municipality would continue to contribute toward the existing Okanagan Film Commission regional service*
- *That an Okanagan Falls municipality would operate its own economic development service*

THE PRESENT

➤ What service is provided?

Electoral Area "D" participates in two economic development services — one is a regional service established to provide a grant to the Okanagan Film Commission; the other is a service focused solely on promoting economic development within Electoral Area "D."

Regional Economic Development (Okanagan Film Commission)
The Okanagan Film Commission offers location scouting, tech surveys and liaison and facilitation services. The Film Commission also provides a digital photo library of locations and a crew database of experienced workers in the Okanagan. The Commission is jointly funded by RDOS and the regional districts of the North Okanagan, Central Okanagan, and Kootenay Boundary. Additional funding is provided through the Province of British Columbia.

Electoral Area "D" Economic Development
In 2007 Weyerhaeuser announced that it would be closing its Okanagan Falls plant. In response, the RDOS, on behalf of Electoral Area "D," applied for a grant to assist in economic development for the area. As part of that proposal, the RDOS established an economic development service for Electoral Area "D" and an Economic Development Service/Community Services Office in Okanagan Falls.

Initially the service was focused on finding a new user for the Weyerhaeuser site; however, the broader purpose was and is to assist the area in attracting business and industry, supporting the health and growth of current businesses and industry, and promoting uses that will create jobs. The service also encompasses some tourism and marketing elements.

The service is delivered from an office located in Okanagan Falls, separate from the RDOS main office in Penticton. The office provides a local point of contact for those seeking information on the electoral area, its economy, community, local services, programs, businesses and development opportunities. The office also provides a home for the volunteers who operate the Okanagan Falls Visitor Information Centre. The service is supported by a website and is led by the RDOS' Community Services Department.

An Economic Development and Recovery Plan was completed for Okanagan Falls in 2020. The plan identified 7 goals; key action items for each goal were developed to provide a work focus for the community and RDOS staff for the next three years. Given that many of the action items require collaboration, strong working relationships with the RDOS, Okanagan Falls organizations, and residents are required to implement the plan.

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➤ Who makes decisions?

The entire RDOS Board makes decisions regarding the Electoral Area "D" Economic Development service, due to the fact that one electoral area director cannot make decisions on a service alone. Decisions are made on the advice of staff.

The OK Film Commission has an 8-person Board that makes decisions for the Commission. The Board includes representatives from the four regional districts, including one representative from RDOS.

Figure 1: Service Decision-making

SERVICE	DECISION-MAKERS
Regional Economic Development (OK Film Commission)	Most decisions are made by the OK Film Commission Board. Decisions regarding RDOS funding of the Film Commission made by the entire RDOS Board.
Area "D" Economic Development	Decisions made by the entire RDOS Board because the service area is contained to only one electoral area

➤ Who delivers the service?

The economic development service is delivered by RDOS staff, under the direction of the Senior Manager of Community Services. The service has a Community Services Coordinator working in the Okanagan Falls office (total of 1.5 FTE, including support from senior and administration staff).

➤ What is spent by the RDOS on the service?

Figure 1 shows the total 2023 budgeted cost for delivering the regional and Electoral Area "D" economic development services. The amount of the Area "D" service in any year can vary depending on the projects undertaken and the grants available. The service is generally budgeted to have a cost of approximately $180,000 to $190,000 over the next five years.

The regional economic development (OK Film Commission) service cost is based on a $35,000 annual grant contribution to the service (plus administration). The grant amount is not budgeted to change in the upcoming years.

Figure 2: Service Operating Costs (2023)

SERVICE	COST[1]	TAX REQ.
Regional Econ. Dvlpmt.	$35,000	$35,000
Area "D" Econ. Dvlpmt.	$170,951	$150,951
Total	**$205,951**	**$185,951**

[1] *Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included*

In addition to the service cost, there is an operating reserve account created for the Electoral Area "D" economic development service that totaled $141,679 at the end of 2022. At that time the regional economic development service operating reserve total was $660.

➤ How are the costs recovered?

Property taxes are the source of funding for both economic development services. Occasionally grant funding or prior years' surplus may be available; however, the services are typically funded through property taxes on land and improvements. The Electoral Area "D" service is only recovered from property tax levied on Area "D" properties. In 2023, $20,000 from the operational reserve were used to reduce the property tax burden to approximately $150,000, as referenced in Figure 2.

The regional economic development (OK Film Commission) service costs are recovered from all jurisdictions within the RDOS through property tax on assessed values. As noted previously, four regional districts — RDOS, RDNO, RDCO and RDKB — provide funds to the Commission, as does the provincial government.

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➤ What is the cost to a typical residence?

The costs of the economic development services are recovered from Electoral Area "D" taxpayers on the basis of property assessments. In 2023 a residence assessed at $500,000 in Area "D" paid approximately $37, as shown in Figure 3. As noted, the use of operational reserves in 2023 reduced the property tax burden, which would otherwise have been approximately $5 higher for a typical residence.

Figure 3: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING[1]
Regional Econ. Dvlpmt.	0.0009	$0.47
Area "D" Econ. Dvlpmt.	0.0731	$36.53
	Total	$37.00

[1] *Impact is calculated on a home assessed at $500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas*

INCORPORATION

➤ What impact would incorporation have on these services?

It is expected that a newly incorporated municipality would continue to participate in and contribute to the regional economic development service (OK Film Commission).

A new municipality would have the authority to decide whether it wanted to provide an economic development service focused solely on the municipality, or whether it wished to participate in a broader initiative with the surrounding electoral area. While communities benefit from a broad marketing of an area, it can be difficult to reach consensus on the direction of shared economic development services, or on the right focus or funding levels. There can also be a degree of inter-partner competition aimed at attracting developers or employers to individual jurisdictions in an area. While a more regional model is used in some areas of the province, others prefer the narrower focus of providing a municipal economic development service.

Given that Okanagan Falls is the only designated growth area within the regional growth strategy located in Area "D", and given that the community has the infrastructure (sewer and water) as well as the majority of the area's employment lands, it is assumed that Okanagan Falls has a greater interest in economic development than other parts of the Electoral Area, and in attracting businesses and visitors to the area. It is therefore expected that the municipality would choose to guide an Okanagan Falls municipal economic development service. The primary question would be whether the municipality would be the only contributor, or if residents from the surrounding Area "D" would continue to pay into the municipal service.

➤ How would decision-making change?

Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the service, service levels, and whether to participate in a broader regional service or to create a local service provided by the municipality. Assuming the municipality chose to deliver the service itself, all decisions for the service would be made by the municipal council. The council could choose to establish a Committee or Commission to ensure input from interested stakeholders in the community, such as the Okanagan Falls Skaha Lake Winery Association, Okanagan Falls Community Association and South Okanagan Chamber of Commerce.

➤ How would incorporation impact service delivery?

It is expected that the municipality would choose to deliver the service in house, with consulting assistance on projects such as the creation of an economic development strategy. The municipality may rely upon partnerships with existing associations, such as the Okanagan Falls Skaha Lake Winery Association, or with new groups. Associations and groups could support the

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service through contracting on specific projects; but the service oversight would likely fall under the portfolio of responsibilities of a staff member.

➢ How would service costs change?

The cost of economic development services depends in part upon the number of staff (FTE), as well as the service focus and type of projects undertaken by the department. Economic development services do not always encompass related tourism and marketing functions but in smaller municipalities these roles are often combined. The type and scope of tasks and projects can impact the annual budget. Often one-time studies are supported through grants.

Given the goals referenced in the *2020 Okanagan Falls Economic Development & Recovery Plan*, and consistent with the current Area "D" service, some aspects of tourism promotion are expected to be part of the municipal service. Depending on the focus of the service, the new municipality would have the option of applying to the province to levy a Municipal and Regional District Tax (MRDT) that applies to purchases of overnight accommodation within a designated accommodation area, which could include hotels and other facilities (short term rentals).[1] The tax would be collected by the province on behalf of the municipality to fund destination tourism marketing, programs and projects. Once approved, it would be in effect for five years. The amount of revenue generated would depend on the amount of overnight accommodation in the area, as well as on the success of tourism in any given year. Penticton has levied MRDT since 2013; the Town of Oliver and Area "C" began in 2021. Area "E" (Naramata) began levying the tax in 2023. Each of these surrounding jurisdictions has a current tax of 3%.

The application process requires the submission of a 5-year business plan, consultation with local stakeholders and demonstration of support from the local accommodation providers. If the municipality was conducting economic development on behalf of a wider area (i.e. all of Area "D"), the area to which the MRDT is applied could include areas outside the municipality (to capture primarily short-term vacation rentals outside the boundary). Funds raised through the tax vary, and depend in part upon the number of accommodations available in the community.[2]

If the MRDT option is not feasible, grants are available, but are not a guaranteed annual source of revenue. Currently the Okanagan Falls Incorporation Study Area contributes about half the amount (approximately $76,000 in 2022) of the total tax requisition to the Area "D" service. That amount would likely fund approximately 0.5 FTE for the service, and after typical office expenses (education, office supplies, travel, phone) would allow close to $20,000 to support initiatives or events each year. It is useful to note that in That budget would be significantly smaller than some comparable sized communities.[3] If the service is supported by the remaining Area "D" the budget would be approximately double, and be better able to fund a dedicated staff member. This would be more likely if the MRDT revenues were introduced.

[1] Note that the RDOS could apply to levy the MRDT for the electoral area, and this option is not limited to municipalities.
[2] The Town of Sicamous, which is of a similar population to Okanagan Falls (2,613 in 2021), raised $153,000 through the tax in 2022.
[3] Sicamous created a separate municipal corporation in 2018 for economic development, and had a budget of $220,000 in 2022, including close to $100,000 for staff.

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SUMMARY OF TAX IMPACTS

Figure 4 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 4: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS[1]	MUNICIPAL[1]
Regional Econ. Dvlpmt.	$0.47	$0.47
Area "D" Econ. Dvlpmt.	$36.53	$36.53
Total	**$37.00**	**$37.00**

[1] *Impact is calculated on a home assessed at $500,000.*

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Parks, Recreation & Cemetery Services

The Parks and Recreation Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on February 5, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

> *That an Okanagan Falls municipality would continue to participate in the existing regional trails service*

> *That an Okanagan Falls municipality would operate a municipal parks and recreation service, and provide the same service and service levels to the existing benefitting area, with outlying Area "D" properties contributing to the service at the same rate*

> *That the Okanagan Falls cemetery would be transferred to the municipality, with the entire municipality contributing to the service*

THE PRESENT

➤ What service is provided?

Okanagan Falls and the broader service area encompassing much of Electoral Area "D" receive three parks and recreation related services:

- regional parks and trails,
- Okanagan Falls parks and recreation, and
- Okanagan Falls cemetery

Regional Parks and Trails

The RDOS has 9 regional parks featuring unique topography, flora and fauna; and offering sandy beaches, hiking trails, historic sites, picnic areas, playgrounds, spray parks and baseball diamonds. Two waterfront regional parks are located in the Okanagan Falls Incorporation Study Area — Lions Park and Kenyon Park.

Regional trails include portions of the Kettle Valley Rail (KVR) Trail (through a licence of occupation and a partnership agreement with the Province), the Similkameen Rail Trail and other multi-use trails. As part of the service, the RDOS also provides the Click, Hike and Bike trail information database. The KVR trestle in Okanagan Falls is also part of the Regional Parks and Trails system.

In 2023 the RDOS completed a *Parks, Trails and Recreation Master Plan* to guide decision-making over the next 10 years. The plan is intended to ensure the region has sufficient outdoor and indoor recreation facilities and services, while continuing to protect environmentally significant areas. The plan evaluated the broader inventory of regional district owned parks and facilities regardless of whether they were regional or local parks. The plan identified a target of 3-4 ha of park space for every 1,000 residents (excluding regional parks) as a common minimum provision target. Electoral Area "D" has 8 RDOS-owned parks, totalling 12.65 ha, or 3.15 ha per 1,000 residents[1]. All but one of those parks (Garnett Family Park, 2.3 ha) are within the Okanagan Falls Incorporation Study Area. The ratio of RDOS park space within the study area to the estimated population is therefore 3.75 ha per

[1] Centennial Park, which is now a RDOS park, is included in this calculation. All population figures are from the 2021 Census.

1,000 residents. Notably both these numbers include two regional RDOS parks (Lions and Kenyon).

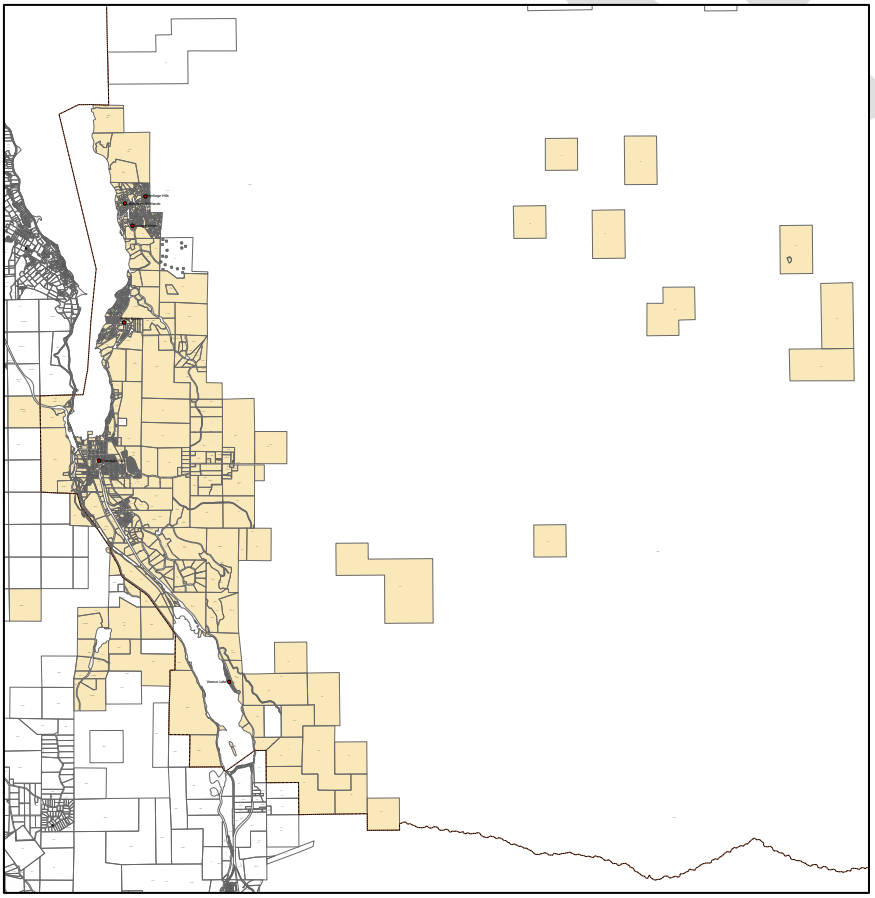
Okanagan Falls Parks and Recreation

Okanagan Falls Parks and Recreation service provides community parks such as Keogan Sports Park, Christie Memorial Park, Centennial Park within Okanagan Falls as well as Garnet Family Park in Heritage Hills. Outdoor amenities at those parks include playgrounds, washrooms, skateboard parks, ball fields, a cricket pitch, and beach volleyball. In addition, Area "D" includes beach accesses (classified as roads under Provincial Highways) in Okanagan Falls and Skaha Estates (including the Skaha Lake Dog Park and the Skaha Lake boat launch), although these sites are currently owned by the Ministry of Transportation and Infrastructure (MoTI). An *Area "D" Parks Plan* is currently being developed that is intended to direct and guide funding, planning, and upgrading of park assets in Area "D" for the next ten years. The plan will encompass location-specific assessments of current assets, identify user needs and desires specific to the parks and recreational spaces and provide programming and design recommendations at a conceptual design level.

Recreation programs offered in Okanagan Falls include activities for seniors, children and families. The RDOS has a long-term use agreement with School District 53 for the elementary school during weekends and evenings as a community centre, including the activity room and gym. The Zen and Fitness Centre and Tennis/Pickleball courts are also leased from the School District for recreational purposes.

The service area that contributes to the Okanagan Falls parks and recreation service is shown in Figure 1.

Figure 1: Okanagan Falls Parks & Recreation Service Area



Okanagan Falls Cemetery

When the Okanagan Falls Irrigation District (OFID) was dissolved as of January 1, 2023, one of the assets that was transferred to the RDOS from the OFID was the Okanagan Falls Cemetery. Maintaining and operating the cemetery became a regional district service, funded through the same service area as the former OFID.

Provincial and Private Recreation

Residents of Okanagan Falls also have access to local provincial parks in Area "D" and beyond, including Vaseux Lake Park, sx̌ wəx̌ wnitkw (Okanagan Falls) Park, Skaha Bluffs Park, as well as the Vaseux Protected Areas.

➤ Who makes decisions?

The RDOS Board of Directors (Board) is responsible for the operational decisions related to regional parks and trails. The Board also makes

decisions for the Okanagan Falls parks and recreation service, given that it only serves one electoral area.

The Board has a Community Services Committee (made up of the full Board) to advise on service decisions related, but not limited to, the operation and control of all public parks, trails, public recreation grounds and facilities.

The RDOS Board has established the Okanagan Falls Parks and Recreation Commission. Commission Directors are appointed by the RDOS Board for a term of 2 years; the Area "D" Director participates as a non-voting member. The Okanagan Falls Parks and Recreation Commission is comprised of 7 voting members. Meetings are open to the public and all questions before the Commission are decided by a majority vote.

The Commission provides guidance and advice on behalf of Okanagan Falls and the surrounding communities to the RDOS on operational matters related to parks and recreation.

All parkland acquisitions are approved by the Board on the advice of staff and the Commission.

Figure 2: Service Decision-making

SERVICE	DECISION-MAKERS
Regional Parks & Trails	Decisions made by the entire RDOS Board because it is a regional service
Okanagan Falls Parks and Recreation	Decisions made by the full Board because the service area is contained to only one electoral area. However decisions are made on the advice of the Okanagan Falls Parks and Recreation Commission.
Okanagan Falls Cemetery	Decisions made by the Board because the service area is contained to only one electoral area.

➤ Who delivers the service?

The parks, recreation and trail services and the cemetery service are managed by the Community Services Department of the RDOS. Staff make recommendations to the Board considering both local interests and regional perspectives.

Regional Trails

RDOS staff maintain all Okanagan Falls and Area "D" parks and trails. The recreation commission in Okanagan Falls advises on the local and regional parks in their area, including initiation of volunteer projects. RDOS allocates approximately 2.0 FTE to the Regional Trails service, of which Area D accounts for approximately 0.25. RDOS staff that deliver the parks and trails services include the Parks Manager, Parks Lead Hand, Labourers and Summer Students.

Okanagan Falls Parks and Recreation

RDOS staff deliver recreation programing with the Commission providing guidance. Each year the Parks and Recreation Commission identifies the projects it wishes to pursue (in consultation with RDOS staff) and a budget for RDOS staff time is established to pursue the projects. The service is supported by full and part-time staff, including the Recreation Manager, Recreation Coordinator, assistants, instructors and summer staff. The Okanagan Falls parks and recreation services reflects 3.78 FTE.

A private contractor delivers custodial services to the Okanagan Falls community centre, and other facilities associated with the service. Volunteer organizations and park user groups also contribute significantly to Okanagan Falls parks and recreation. Community organizations and individuals played a significant role in establishing the ball fields, skateboard park and cricket pitch in Keogan Sports Park; benches and picnic tables in Lions Park and Kenyon Park; and the playground and water fountain in Kenyon Park.

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➢ What is spent by the RDOS on the service?

The total cost of regional trails, the Okanagan Falls parks and recreation service and Okanagan Falls cemetery can be broken down into:

- 2023 budgeted operating cost of the RDOS regional trails service;
- 2023 budgeted capital cost of the RDOS regional trails service;
- 2023 budgeted operating cost of Okanagan Falls parks and recreation service,
- 2023 budgeted capital cost for the Okanagan Falls parks and recreation service, and
- 2023 budgeted operating cost of the Okanagan Falls cemetery.

The majority of the regional trails capital projects are funded through transfers from capital reserves, debenture proceeds, grants and donations. The OK Falls parks and recreation capital expenses were funded primarily from Gas Tax monies, with some funds from grants and reserve transfers. The capital costs budgeted in 2023 are shown in Figure 3. Tax requisition amounts for 2023 operating costs are shown in Figure 4.

Figure 3: Service Capital Costs (2023)

SERVICE	2023 CAPITAL ITEMS	COST
Regional Trails	KVR-Similkameen trail signage, trestle redeck and rails, Adra tunnel, purchase of vehicles (2 electric, pick-up truck and dump truck) and trailer	$612,111
OK Falls Parks and Recreation	Area "D" Parks Plan, waterfront plan, Keogan Park plan, Cedar Road Spit erosion mitigation, Christie Memorial Park beach enhancements, work on boat launch/Lamb property, improvements to Garnet Family Park	$314,422

In addition to service costs, there are also operating and capital reserve accounts for these services. It is useful to consider the amounts set aside for future expenditures. Reserve totals are shown in Figure 5.

Figure 4: Service Operating Costs (2023)

SERVICE	COST[1]	TAX REQ
Regional Trails	$476,682	$414,052
OK Falls Parks & Recreation	$476,682	$414,052
Ok Falls Cemetery	$43,293	$33,093
Total	**$996,657**	**$861,197**

[1] *Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included*

Figure 5: Service Reserves (2022)

SERVICE/RESERVE	TOTAL[1]
Regional Trails (Capital)	$100,960
Regional Trails (Equip)	$19,342
Regional Recreation (Oper)	$6,190
OK Falls Recreation	$209,468
OK Falls Park Acquisition	$2,261
Area "D" Park Acquisition	$2,061
Total	**$340,282**

[1] *Reserve totals are as at the end of 2022*

Add cemetery reserve when shared by finance

➢ How are the costs recovered?

Regional Parks and Trails

In 2023, the costs of the regional parks and trails service were recovered primarily through property taxes, provincial contribution to KVR management and previous year's surplus. The property tax portion of the service is shared by all local governments in the region, allocated on the basis of converted assessment for

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land and improvements. The tax requisition for the service was $414,052, which translated into $5.57 for a representative residential property ($500,000 assessment).

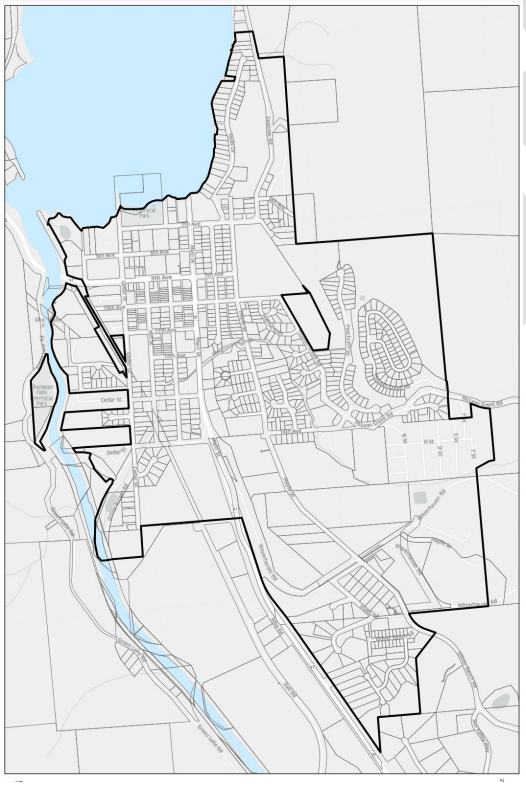
Okanagan Falls Parks and Recreation

In 2023, the costs of the Okanagan Falls parks and recreation service were recovered primarily through property taxes allocated to the specified area (see Figure 1). Fees and charges, grants, rental revenue, and donations made up the remainder. The tax requisition amount was $719,405 which translates into a residential tax rate of 0.4014 per $1,000 of assessed value (land and improvements) for properties within the service area boundary. Area "D" residents outside the service area do not contribute taxes to the Okanagan Falls parks and recreation service.

Okanagan Falls Cemetery

2023 was the first year that the Okanagan Falls Cemetery was owned and operated by the RDOS. The cost of operating the cemetery was recovered primarily through property taxes; a portion is recovered through user fees. The property taxes are currently only paid by those in the former OFID service area, shown in Figure 6.

Figure 6: Cemetery Service Area



➤ What is the cost to a typical residence?

The cost of RDOS parks, trails, recreation and cemetery services in the Okanagan Falls area (Figure 1) on a typical residence within the Okanagan Falls Incorporation Study area are shown in Figure 7. User fees in relation to specific recreational programs, would apply in addition to the tax amount referenced in Figure 7.

Figure 7: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING[1]
Regional Trails	0.0111	$5.57
OK Falls Parks & Recreation	0.4014	$200.72
OK Falls Cemetery[2]	0.0395	$19.75
	Total	**$226.04**

[1] *Impact is calculated on a home assessed at $500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas*

[2] *This tax is recovered from a subset of the Okanagan Falls Incorporation Study Area*

INCORPORATION

➤ What impact would incorporation have on these services?

The regional trails service would continue to be provided by the RDOS, and funded by all local governments within the RDOS, with any new incorporated municipality as a participant in the service (with tax contributions on the same basis as is currently provided).

The new municipality would have options on how to provide the parks and recreation service to residents, specifically:

a) continue to be provided by and paid for through the RDOS
b) be provided and delivered by the new municipality, with the outlying Area D contributing to the service

Both options assume that the service would continue to be provided to and paid for by the current service area (Figure 1). The primary difference between the two options is who would be responsible for making decisions regarding the service. Given that the majority of park assets and associated programs are located within Okanagan Falls, it is assumed that the new municipality would choose to provide this service (option b above). Having outlying areas contribute toward municipal recreation facilities and programming in neighbouring jurisdictions is common in RDOS, and indeed many regions, and is a model that acknowledges the fact that recreational programs and facilities benefit catchment areas that are often well beyond administrative boundaries.

It is assumed that RDOS would retain ownership of the two waterfront regional parks (funded regionally); but that the municipality would receive ownership of, and responsibility for the local parks within the municipal boundary (i.e., all except Lions and Kenyon parks), including Christie Memorial and 605 Willow/Lamb Property. In addition, the beach access (road end) and boat launch currently owned by the Ministry of Transportation would be transferred to the new municipality from the Province.

It also assumed that the Okanagan Falls cemetery would be transferred to the new municipality, and maintenance and operations of that facility would become a municipal responsibility.

➢ How would decision-making change?

As noted with all services, there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding the local parks and recreation service, as well as the cemetery. A municipal director would participate in discussions at the RDOS Board level regarding service levels and cost for the regional parks and trail service.

If the recreation service were provided by the new municipality, but contributed to by outlying areas within Area "D" (i.e. the current service area), Area "D" residents may expect to have representation on a commission or similar committee or advisory body, to ensure input into decisions regarding the service. A committee or commission governance structure, it is assumed, would be a condition of continued financial contribution to the service.

➢ How would incorporation impact service delivery?

As noted previously, it is expected that the new municipality would want to take responsibility for the recreation service, given that the majority of the parks and recreational facilities are within Okanagan Falls. Given the assumption that the service levels and service area would remain the same, it is expected that the service would be delivered through a similar staff complement as currently allocated to the service.

The cemetery service could be provided by municipal staff or on contract.

➢ How would service costs change?

There is no obvious reason why the Okanagan Falls recreation or cemetery service operating costs would change as a result of a new municipality operating the services, assuming the service levels do not change and that the new municipality dedicates the same number of staff or FTE to each service.[2] However, while the costs won't change, as a service of the municipality the costs of the cemetery service would likely be recovered

[2] would not necessarily be transferred, in which case there may be additional capital costs associated with the service.

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from the entire municipality, not just the portion that represents the former OFID.

There may be an impact to establish a new municipal parks service in terms of capital costs. Equipment associated specifically with the service, and purchased by the existing service taxpayers, would be allocated to the new municipality on a proportional basis (based on the assessed value of the municipality relative to the broader service area). Equipment that is shared by other RDOS parks services would likely remain with the RDOS. Establishing a municipal service may therefore require the acquisition of equipment related to parks maintenance.

As long as the contributing area for the parks and recreation service remained the same, the reserve accounts associated with that service would continue to be allocated to that service. If Area "D" were no longer participating in the service, then the existing reserves would be allocated to the respective jurisdictions based on the converted tax base (land and improvements). It is noteworthy that both Okanagan Falls and Area "D" have separate parkland acquisition reserve accounts. Both accounts are depleted (less than $2,300 in each at the end of 2022). Typically, funds from parkland dedication (cash-in-lieu) accumulate in the parkland reserves, so in the event of an incorporation, even though Area "D" and Okanagan Falls municipality have a shared parks and recreation service, they can decide separately how best to spend their parkland acquisition funds. Acquisition of new properties would therefore remain outside of the shared service structure. Accordingly, while the Okanagan Falls recreation and parks acquisition reserves would transfer to the new municipality, the Area "D" parkland acquisition reserve would remain with the RDOS for the electoral area.

SUMMARY OF TAX IMPACTS

Figure 8 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL). It is useful to note that the cemetery amount referenced in the RDOS scenario currently only applies to properties within the service boundary (Figure 6). In the Municipal scenario, the reduced amount would apply to the entire municipality – this would be a reduction for most Okanagan Falls residents, but for those who do not currently contribute, it would represent an increase.

Figure 8: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS[1]	MUNICIPAL[1]
Regional Trails	$5.57	$5.57
OK Falls Parks & Recreation	$200.72	$200.72
OK Falls Cemetery[2]	$19.75	$15.90
Total	**$226.04**	**$222.19**

[1] *Impact is calculated on a home assessed at $500,000.*

[2] *The contributing area for the cemetery service differs in each scenario; after incorporation the tax applies to all properties in the municipality*

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Transportation Services

The Transportation Services Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on February 5, 2024. The sheet was prepared using information available at the time of writing. Changes will be made if new information becomes available.

Information presented on the Okanagan Falls Incorporation scenario is based on the following assumptions:

- *That Okanagan Falls municipality would continue to participate in the existing Area "D" and Regional transit services*
- *That there would be no changes to service routes, frequency levels or service costs as a result of a decision to incorporate*

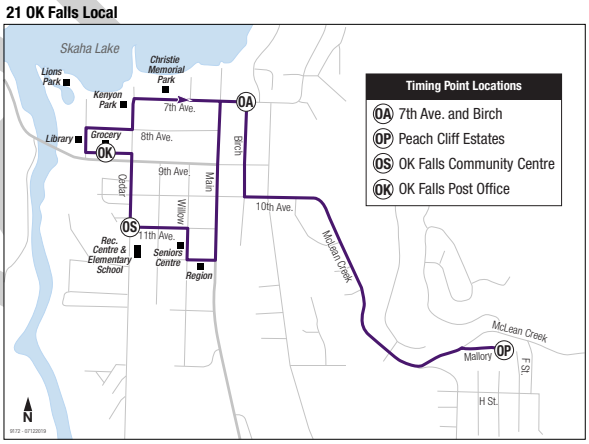
THE PRESENT

➤ What service is provided?

Okanagan Falls and Electoral Area "D" are serviced by BC Transit through the South Okanagan-Similkameen Transit system. There are two separate services that apply to Okanagan Falls — regional transit, towards which all the RDOS municipalities and electoral areas pay; and Area "D" transit, which benefits a defined service area within Area "D," including Okanagan Falls.

Area "D" Transit
The #20 bus provides five times daily return service between Penticton and Okanagan Falls along the east side of Skaha Lake via Eastside Road, with service extending into the Heritage Hills subdivision. The #21 bus provides five daily local service loops within Okanagan Falls community, including service up to Peach Cliff estates. The #21 Okanagan Falls route is shown in Figure 1. The 2023 *Transit Future Plan* noted that expanding the #20 service to 10 pm on Fridays (two extra round trips) is a priority for the period of 2023 to 2026; expanding the #20 and #21 routes to Saturdays is listed as a priority for 2027 to 2030.

Figure 1: Okanagan Falls Transit Route #21



Regional Transit
BC Transit offers one regionally-funded route (#70) to connect RDOS with the Central Okanagan. The #70 bus route connects Penticton to Kelowna via Summerland, Peachland, Westbank, and West Kelowna. While Okanagan Falls residents already have opportunities to get to Penticton on route #20, referenced above, residents also benefit from a sub-regional route (#40) that connects Osoyoos through to Penticton, including a stop in Okanagan Falls (post office).[1]

[1] *Okanagan Falls and Area "D" do not fund route #40; as such, the route is not referenced separately as an Okanagan Falls service.*

In addition to connecting the southern Okanagan communities, BC Transit offers a "Health Connections" service aimed at providing communities with accessible transportation options to non-emergency medical appointments. Passengers call in advance to arrange their trips. Generally the route is planned along the #40 route. The service is funded in part by Interior Health. Although there is a stop available in Okanagan Falls, residents in Okanagan Falls do not contribute taxes to the service.

➤ Who makes decisions?

Decisions about transit fares, routes and service levels are made by the RDOS Board of Directors. In making its decisions, the Board considers information and planning advice provided by BC Transit. The Board is also guided by the *Transit Future Plan*, which was updated in 2023 in partnership with BC Transit. The plan sets out an implementation strategy for short and long-term transit investments.

The RDOS electoral area directors and Board make decisions on whether to create or participate in specific services. Decisions regarding both the regional transit service and the local Area "D" transit service are made by the full Board.

Figure 2: Service Decision-making

SERVICE	DECISION-MAKERS
Regional Transit	Decisions made by the entire RDOS Board because it is a regional service
Area "D" Transit	Decisions made by the entire RDOS Board because the service area is contained to only one electoral area

➤ Who delivers the service?

BC Transit delivers the service on behalf of the Regional District. Operation of buses, including management of drivers and vehicle maintenance, is handled by Penticton Transit Service Ltd. on contract to the RDOS and BC Transit.

➤ What is spent by the RDOS on the service?

The costs of the Area "D" transit and regional transit services are provided in Figure 3.

Figure 3: Service Operating Costs (2023)

SERVICE	COST[1]	TAX REQ
Area "D" Transit	$120,457	$113,444
Regional Transit	$348,898	$227,645
Total	**$469,355**	**$341,089**

[1] *Cost and tax requisition figures are from RDOS 2023 budget for entire service area (not just OK Falls or Area D). Administration allocation is not included*

It is useful to note that the RDOS has operating reserve accounts for most services. The Okanagan Falls transit service had a reserve account balance of $28,827 at the end of 2022; the regional transit service operating reserve balance was $108.

➤ How are the costs recovered?

Area "D" Transit

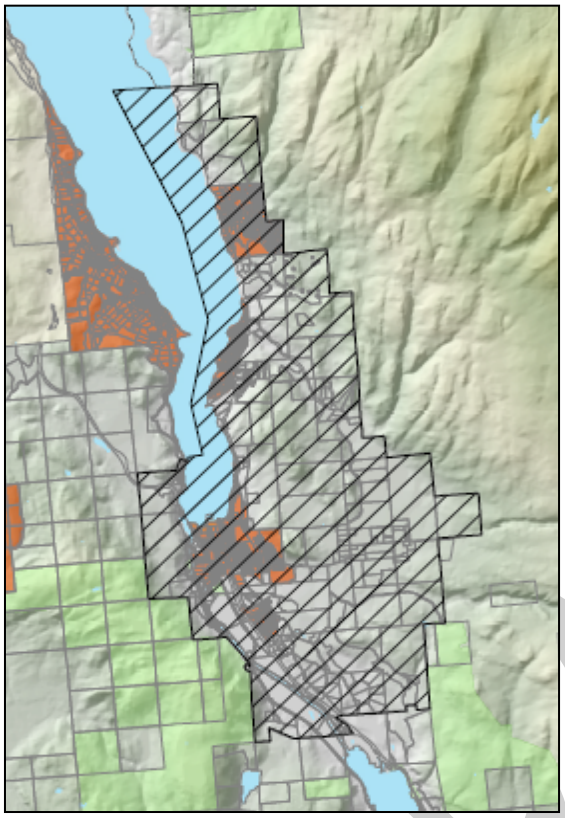
The Area "D" Transit system is recovered through a combination of tax requisition from the service area (see the crosshatched area in Figure 4), as well as passenger fares, and some grant funding. Only those properties within the service area shown in Figure 4 contribute to the Area "D" Okanagan-Similkameen Transit System. The service area encompasses all but one property within the Okanagan Falls Incorporation Study Area, but the service extends well beyond the study area boundary.

Regional Transit

The RDOS cost of the Okanagan-Similkameen Transit System is recovered through a combination of property taxes based on assessed value (land and improvements) throughout all of the RDOS, as well as transit fares, and some grant funding from the provincial government.

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Figure 4: Area "D" Transit Service Area



➤ What is the cost to a typical residence?

Figure 5 provides the tax impacts to a typical Okanagan Falls residence for transit service. Transit fares for service would be in addition to the amounts shown below. Fares for local service are $2.25 on the Okanagan-Similkameen Transit System (free for children under 12). The regional routes are $4.00, or $5.00 for route #70 which provides connection from Penticton through Summerland to Peachland, Westbank, West Kelowna and Kelowna.

Figure 5: Cost Impact on a Typical Residence (2023)

SERVICE	RES RATE	OWING[1]
Area "D" Transit	0.0656	$32.80
Regional Transit	0.0061	$3.06
	Total	**$35.86**

[1] *Impact is calculated on a home assessed at $500,000. Amount excludes 5.25% Surveyor of Taxes fee charged in unincorporated areas*

INCORPORATION

➤ What impact would incorporation have on these services?

A new municipality would become responsible for providing transit services; however, it is anticipated that the new municipality would continue to participate in the regional transit service, and would participate in the RDOS service for Area "D" as a sub-regional service to both Area D and the new Okanagan Falls municipality, given the broader area serviced by (and contributing to) the #20 and #21 routes. While it is anticipated given the priorities in the *Transit Future Plan* that service levels will be increasing (together with the costs), these enhancements are planned regardless of incorporation. No changes to cost or service level are therefore anticipated as a result of incorporation.

➤ How would decision-making change?

As noted with all services there would be a change in governance. Within a municipality, it would be the municipal Council that would have the authority to make decisions regarding participation in the transit service; a municipal director would participate in discussions at the RDOS Board level regarding service levels and cost for the regional and sub-regional services.

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➤ How would incorporation impact service delivery?

The new municipality's authority over and responsibility for the service would not compel the municipality to deliver the service using municipal staff. It is assumed that BC Transit would continue to deliver the service, and at least in the short term it is anticipated that the services would continue to be delivered by BC Transit through the RDOS. In time the new municipality could choose to negotiate its own terms for municipal service directly with BC Transit.

➤ How would service costs change?

In the short term, it is anticipated that the municipality would continue to participate in the regional service, and that the Area "D" routes would become a sub-regional service, given that they are provided to, and their costs are recovered from, a broader service area. Assuming there are no changes to service levels (other than those that have already been identified as priorities for the existing routes), there is no rationale to assume any significant cost changes as a result of a decision to incorporate. What would change is that the municipality's contribution would be recovered from the entire municipality, which would include the one extra property not currently included in the service area. The inclusion of this one additional property would have a negligible impact on the overall cost of the Area "D" service.

SUMMARY OF TAX IMPACTS

Figure 6 presents the tax impact of the two scenarios – the current situation (RDOS) and incorporation (MUNICIPAL).

Figure 6: Tax Comparison of Regional District and Incorporation Scenarios

SERVICE	RDOS[1]	MUNICIPAL[1]
Area "D" Transit	$32.80	$32.80
Regional Transit	$3.06	$3.06
Total	**$35.86**	**$35.86**

[1] *Impact is calculated on a home assessed at $500,000.*

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Incorporation Impacts on Agricultural Properties

Introduction

Given the number of agricultural properties both within and outside the Agricultural Land Reserve (ALR) in the Incorporation Study Area, there is a need to understand what incorporation would mean specifically for agricultural properties in terms of:

- property tax exemptions for agricultural lands and improvements
- the process and requirements used by the Agricultural Land Commission (ALC) to review applications dealing with development on ALR land and removal from the ALR
- local government services

This *Incorporation Impacts on Agricultural Properties* Issue Sheet addresses each of these issues.

Agricultural Properties in BC

Before considering the implications of incorporation, it is useful to review the ALR and the role of the ALC. It is also important to explain the significance of the terms “farm” and “farm class” as they apply to ALR and non-ALR properties.

Agricultural Land Reserve

The ALR is a provincial zone in which agriculture is the priority use. The ALR was established by the provincial government in 1973 to protect agricultural land in British Columbia from non-agricultural development. Within the ALR, agriculture, which is broadly defined to include farming and ranching activities that produce crops and/or livestock, is encouraged, and non-agricultural uses are restricted. A variety of "farm uses" are also permitted, such as wineries and cideries, processing facilities for farm products, timber production, seasonal agri-tourism activities, and others.

Agricultural Land Commission

The ALC is an independent administrative tribunal that exists to administer the ALR. Under the province's *Agricultural Land Commission Act*, the ALC works to:

- preserve agricultural land throughout BC
- encourage farming
- encourage local governments (regional districts and municipalities) to promote agriculture in local plans, bylaws, and policies

The ALC reviews 500 to 700 applications from property owners and governments each year to remove land from the ALR,[1] subdivide land within the ALR, allow non-adhering residential uses and non-farm uses, or to place or remove soil. Applications are also received to bring land into the ALR. Six regional panels of ALC members, all appointed by the provincial government, are in place to hear the applications using the processes and evaluation criteria set out in the *Agricultural Land Reserve General Regulation*, and the *Agricultural Land Reserve Use Regulation*. In 2023, decisions were made on 117 ALC applications in the Okanagan Region.

Farm Class Properties

The terms "farm" and “farm class” refer to a property tax class – Class 9 – that is assigned by BC Assessment to ALR and non-ALR parcels that are actively used for farming, and that meet minimum income-generating and other requirements set out in the *Assessment Act.*

[1] Since 2020, only local governments, First Nations governments or the provincial government can make an application to remove land from the ALR.

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Figure 1: Farm Class properties in the Incorporation Study Area

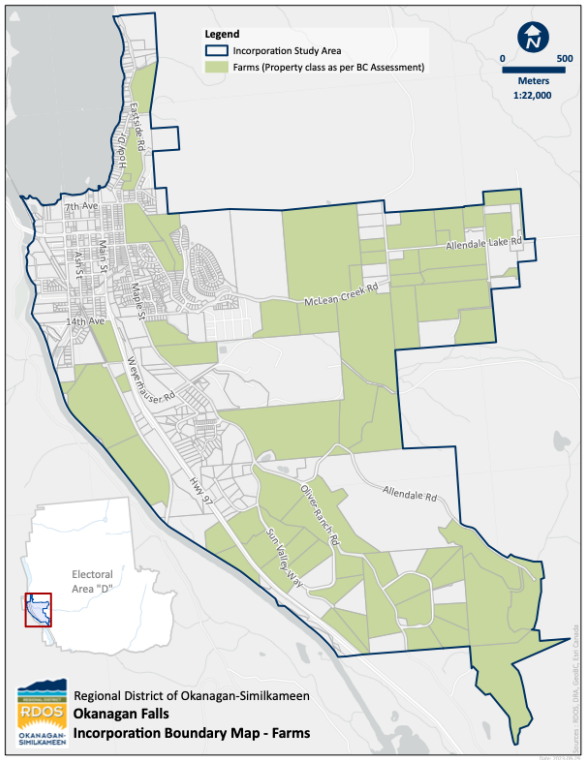


Figure 1 shows the farm class properties within the Okanagan Falls Incorporation Study Area. It is useful to note that not all ALR parcels are classified as farm for the purpose of property taxation. Likewise, not all properties classified as farms by BC Assessment are located within the ALR. Lands both inside and outside the ALR must apply for and meet specific regulations to receive the farm class status.[2]

Property Tax Exemptions

Under provincial law, ALR properties and farm class (Class 9) properties across British Columbia receive partial or full exemptions from different types of property taxes, including taxes that are charged to pay for local government services. The majority of the tax exemptions apply to all ALR properties used for farm or residential purposes, and all farm class (Class 9) properties regardless of whether the property is located in a municipality or in an unincorporated area. These universal ALR and farm class exemptions are referenced in Figure 2.

Additional exemptions are provided to residences on farm class parcels but are dependent on:

- the taxing authority
- the incorporation status of the jurisdictions in which the properties are located

These exemptions are explained in more detail below.

Property Tax Class

Lands in the ALR are classified by BC Assessment either as Class 9 (farm) or as Class 1 (residential) depending on their use. As noted earlier, lands receive Class 9 designation when they are actively used for farming, and when they meet minimum income-generating and other requirements set by the province. Parcels do not have to be within the ALR to be assessed as Class 9.

BC Asssessment classifies all residences as Class 1 (residential) improvements. Farm outbuildings on Class 9 land that support active farming are also designated Class 1. Buildings used for other purposes, such as business or light industry, are assessed for that purpose. Properties can have more than one property

TAX EXEMPTIONS ON ALR LAND AND FARM (CLASS 9) PROPERTIES
(Electoral Area and Incorporated)

Tax Authority	Tax	Land	Residence
Provincial	School	50% Exempt	No Exemption
	Police Tax	50% Exempt	No Exemption
Regional District (RDOS)	RDOS Services	50% Exempt	No Exemption
	Hospital	50% Exempt	No Exemption
	ORL	50% Exempt	No Exemption
Other	BC Assessment	50% Exempt	No Exemption
	MFA	50% Exempt	No Exemption

[2] In 2023 there were 63 Class 9 properties in the Study Area. Four of those properties are not within the ALR.

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class that applies, and BC Assessment relies upon its definitions to determine what buildings on a farm are considered to be "farm-related" improvements. BC Assessment does not consider the incorporation status of the jurisdictions in which properties are located when assigning tax classes.

Taxing Authority

In British Columbia, property taxes are charged by three main authorities and a few other agencies. The three main authorities are the provincial government, regional districts, and municipalities.

- *Province* - The provincial government taxes all properties in BC to help pay for schools. In electoral areas, the province also charges a provincial rural tax primarily to help fund the cost of local roads. The rural tax is not applicable in municipalities. A police tax is charged by the province in electoral areas and small municipalities (below 5,000 population) to recover part of the cost of providing police services.

- *Regional Districts* - Regional districts charge property taxes to electoral area residents to pay for local services. Taxes are charged to residents in electoral areas and municipalities to pay for sub-regional and regional services provided in these areas. Property taxes charged to fund regional hospital districts are considered regional district taxes, as are property taxes charged for regional library districts and other inter-regional services in which regional districts may participate.

- *Municipalities* - Municipal governments charge property taxes to municipal residents to fund local services that are provided by councils within municipal boundaries. Municipal taxes are not levied in electoral areas.

Other taxing authorities that appear on all tax notices include the Municipal Finance Authority and BC Assessment Authority.

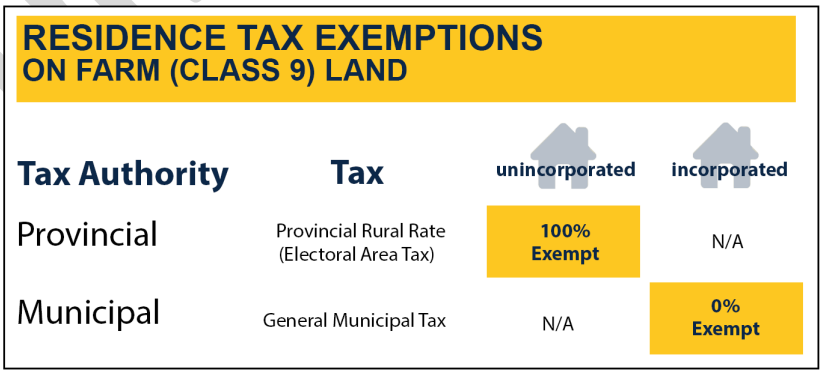
Incorporation Status

As noted previously, the majority of tax exemptions received by the owners of properties that are assessed as farm class, are unaffected by incorporation status.

However, for two specific taxes — the **Provincial Rural Rate**, *which only applies in unincorporated (electoral) areas*, and the **General Municipal Tax**, *which only applies in municipalities* — the exemptions are different depending on the incorporation status of the community in which the property is located. The differences are in the exemptions that apply to the improvements (residences and the farm outbuildings) — the land is fully taxed in both instances.

The key difference in exemptions that apply to residences is illustrated in Figure 3. The chart highlights the full (100%) exemption that residences on farm class properties in unincorporated (electoral) areas receive (regardless of whether they are in the ALR or not), from the Provincial Rural Rate tax. In comparison, if the community in which that property is located becomes incorporated as a municipality, the Provincial Rural Rate no longer applies to the property, but a General Municipal Tax does. The farm residence does not receive any exemption from the General Municipal Tax (i.e., it pays the full General Municipal Tax rate the same as residences that are not on farms).

Figure 3: Tax exemptions for residences on Farm Class (Class 9) properties in unincorporated and incorporated communities



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For ALR properties that do not have farm status there are no exemptions from either the Provincial Rural Rate or the General Municipal Tax on the land or the residence. So for a property in the ALR without Class 9 farm status, only the exemptions in Figure 1 would apply, and there would be no change to the exemptions as a result of incorporation.

Farm Buildings

Non-dwelling farm buildings (farm outbuildings such as barns) on farm class properties receive similar exemptions in both electoral areas and municipalities. In electoral areas, farm-related outbuildings are 100% exempt from the Provincial Rural Rate. If the farm is located inside a municipality, the farm buildings receive an exemption on the first $50,000 of assessed value, or 87.5% exemption on the full value, whichever is greater. The differences that result from changes in incorporation status on farm outbuildings are highlighted in Figure 4. Exemptions on all other taxes are the same in both types of jurisdictions for these structures. As noted previously, not all buildings on a farm property are necessarily assessed as farm-related buildings. For instance, farm market buildings are assessed as commercial if used to sell alcoholic beverages, or if they sell a significant amount of non-farm merchandise. A single property can have multiple property classes.[3]

In all, the most significant tax impact for a farm class property as a result of incorporation relates to the General Municipal Tax. Ultimately the actual impact will depend on the Class 9 and Class 1 rates that are charged by the municipality to recover the cost of municipal services, and how those rates compare to the Provincial Rural Tax charged in the electoral area prior to the incorporation. In the event of incorporation, any tax impact faced by farm class properties would, by law, be phased-in over a five-year period.

The tax impact expected for Class 9 farm properties within the Okanagan Falls Incororation Study Area will be calculated once the full analysis of services has been completed as part of the Study. Once the analysis is complete, sample tax notices for a sample farm (Class 9) property and an ALR property that does not have farm status (Class 1) will prepared to share with residents and illustrate the impacts.

Figure 4: Tax exemptions for farm buildings on Farm (Class 9) properties in unincorporated and incorporated communities

FARM BUILDING TAX EXEMPTIONS ON FARM (CLASS 9) LAND

Tax Authority	Tax	unincorporated	incorporated
Provincial	Provincial Rural Rate (Electoral Area Tax)	100% Exempt	N/A
Municipal	General Municipal Tax	N/A	87.5% Exempt*

* *Or $50,000, whichever is greater*

Applications to the ALC

As noted earlier, the ALC receives approximately 700 applications each year to remove land from the ALR, subdivide, use agricultural land for non-farm purposes, or purposes that do not comply with the ALR regulations, as well as place or remove soil. The processes used by the ALC to review applications by landowners are the same for all properties, irrespective of the incorporation status of the local jurisdictions in which the properties are located. The owner of a property in a municipality must follow the same application process as the owner of a property in an electoral area.

All applications to the ALC must be submitted through the host local government — that is, through the municipality in the case of an incorporated area, or through the regional district in the case of an unincorporated area. An application fee of $1,500 applies to all applications with the exception of the non-adhering residential use, which is $900. If the property is zoned for

[3] 14 Farm class ALR properties in the Study Area also have Class 6 Business or Class 5 Light Industry assessment

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agriculture use, the municipality or regional district that receives the application can reject it, or can authorize it to proceed to the ALC for a decision. Since 2020, applications for removal from the ALR can only be initiated by the host local government. As part of a local government application, the municipality or regional district must hold a broader planning process including a public hearing and pass a resolution authorizing an ALR removal application to proceed to the ALC for consideration.

The criteria and considerations used by the ALC in reviewing the applications that come before it are the same for all properties, irrespective of the local government jurisdiction in which the properties are located.

Decisions made by the ALC on applications related to the removal of land from the ALR, the subdivision and development of land in the ALR, and the use of ALR land for non-adhering residential or non-farm purposes, do not take into account the incorporated status of the host jurisdiction. The incorporation of an Okanagan Falls municipality would not, therefore, create any advantage or disadvantage for landowners who wished to apply to the ALC to change their land within the ALR.

Local Government Services

Unincorporated

In electoral areas, agricultural properties and their residents receive local government services primarily from their host regional district — the RDOS in the case of Okanagan Falls. Most services provided by the RDOS are delivered to service areas that include all or most parcels in the Okanagan Falls Incoproration Area, including ALR lands. Examples of such services are emergency planning, land use planning, building inspection, general government, electoral area administration, parks and recreation, fire protection, and several others.

Certain services are provided to more limited service areas that are more urban or semi-urban in nature than their surrounding rural parts. These services typically deliver infrastructure such as water, sewer systems and street light networks. These services are paid for by the properties that receive them. While the majority of ALR properties are not within these service areas, a few ALR parcels in Okanagan Falls receive, and pay toward these services. Where agricultural properties receive the service, such as water, they pay for that service.

Incorporated

In the event of an Okanagan Falls incorporation, ALR and farm property owners whose lands are included in the new municipality would look to the municipality as their primary local service provider. The service area throughout which most municipal services would be delivered would be the entire municipality. All properties within the municipal boundary, including those with ALR status, would receive the services. As at present, however, key infrastructure services — municipal water and sewer systems, in particular — would continue to be provided to urban and semi-urban portions of the jurisdiction. Farm lands that do not currently receive these services would not automatically be provided with, or be required to pay towards these systems as a result of incorporation. Those properties that already benefit or are connected to these systems would continue to pay toward them. Farm properties should not expect to receive new services such as water and sewer as a direct result of incorporation. The primary difference would not be the delivery of new services, but rather that the services and infrastructure would be owned, governed and delivered by a municipality rather than the regional district.

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