RDOS OKANAGAN FALLS INCORPORATION STUDY
TERMS OF REFERENCE

INTRODUCTION

In September 2022, the Ministry of Municipal Affairs (MUNI) received a request from the Regional District of Okanagan-Similkameen (RDOS) Board of Directors to commission an *Incorporation Study* in Electoral Area "D". On November 17, 2022, the newly elected RDOS Board confirmed their interest in moving forward with an incorporation study.

The *Okanagan Falls Incorporation Study* will be overseen by a Study Committee, which will be established by the RDOS Board of Directors. The Incorporation Study Committee will be supported in all stages of its work by independent, qualified consultant(s) who will report to the Committee, but be selected by the RDOS. The consultant(s) will be responsible for undertaking all research and analysis, for facilitating all community engagement, and for preparing a written report on the potential change to the local government structure, as well as the implications of such a change.

This document sets out the requirements and expectations for the *Incorporation Study*. The document is designed to guide prospective consultants in developing their proposals to conduct the study. The document is also designed to assist the RDOS in selecting its preferred consultant(s) for the assignment.

BACKGROUND

RDOS is comprised of six municipalities and nine Electoral Areas. Electoral Area "D" has the second largest population of the electoral areas with 4,016 residents. Most of the population (approx. 2500) is concentrated in and around the community of Okanagan Falls.

The RDOS has undertaken significant work related to restructure studies in the Okanagan Falls area to date. There have been multiple studies in the Okanagan Falls area in the past, including an 1989 incorporation study concluding with a vote 76% against incorporation. Key community concerns emphasized the costs associated with incorporation, largely driven by local responsibility for roads and establishing a municipal administration. The past four electoral area directors have advocated for another incorporation study based on community growth and desire for local decision making.

In 2016 there was a Governance and Services Study that concluded there could be service and governance improvements. In 2018, the Electoral Area "D" was divided into two electoral areas ("D" and "I") to address representation and service issues.

In 2020, MUNI funded a Services and Boundary Configuration Study for Electoral Area "D" to identify and evaluate the current state of local governance and service delivery, understand the needs and interests of community members, and undertake a boundary analysis to describe and clarify the boundaries for a potential incorporation study.

The Services and Boundary Configuration Study and associated survey revealed strong community support for incorporation within Okanagan Falls, and a mix of opinions elsewhere in the electoral area. The Study Committee's final report recommended conducting a restructure study to incorporate using their proposed boundary.

On November 17, 2022, the RDOS Board resolved to continue discussions with the Ministry on the proposed boundary, to reach consensus on an appropriate area for the *Incorporation Study*.

STUDY PURPOSE

The primary purpose of the *Incorporation Study* is to provide the electors within the study area with the information and understanding required to make an informed decision on incorporation. To fulfill this purpose, the *Study* will undertake a thorough, objective and technical examination of the incorporation option and its implications for governance and service delivery in the area.

INCORPORATION COMMITTEE

The RDOS Board of Directors will establish an Incorporation Study Committee to conduct the *Incorporation Study*. The Committee's membership will be representative of the community demographics and interests that are present within the incorporation study area. In total, the Committee will have 10 to 12 members, all of whom are electors within the study area, and will serve in a volunteer capacity.[1] The Electoral Area "D" Director will serve on the Committee in an *ex-officio* capacity[2]. All Committee meetings will be open to the public. A Committee website will be developed and hosted by the RDOS.

The purpose of the Committee is to guide and manage a locally focused process to study a local government structure change. The Committee will serve as an objective fact-finding and oversight body, established to ensure that all stages of the incorporation study, including the approval and execution of a community engagement strategy by independent qualified engagement consultant(s), are conducted in a neutral and balanced fashion.

Generally, Committee members should view themselves as process managers, not decision-makers, and therefore favour consensus rather than votes as the method of working and moving the process forward. Individual members of the Committee are expected to remain impartial and must ensure that any

[1] Any applicable RDOS policy will apply to the Committee members.

[2] Ex-officio means the Director sits on the Committee as the official representative for EA "D", Ex-officio members are stewards of the process, ensuring that it is carried out in an open and transparent manner.

expression of personal opinions does not undermine the Committee's neutrality or credibility as an oversight body, or as a conduit for providing information to the public.

Most importantly, the Committee is also responsible to listen and reflect on the consultant's input and community responses and opinions, and decide on the community's interest in incorporation through a final recommendation on an incorporation vote.

Volunteer Committee members can expect to serve with a time commitment between 1.5 to 2 years until the conclusion of the Study.

The Chair of the Committee will be the designated spokesperson for any updates from the committee, during the study period.

STUDY AREA

The incorporation study area is defined as Option A with minor adjustments in the 2022 *Services and Boundary Configuration Study* (map attached). The study area captures the primary growth centre of Electoral Area "D", and the community with the existing urban infrastructure (sewer and water), as well as the mix of property classes and population and development potential necessary to sustain a municipality. It includes established wineries to the south, and some farmland to the east (after the 2022 survey results confirmed their interest and consent).

STUDY PROCESS

The process to conduct the *Incorporation Study* includes the following stages, all of which will be conducted under the direction of the Incorporation Committee:

- *Background Research* — A consultant will briefly outline the current state of governance, service delivery, and service funding in the incorporation study area. In conducting this research, the consultant will rely heavily on the work that was completed under the *Governance and Boundary Configuration Study*.

- *Comparative Analysis* — A consultant will determine and describe the service, governance, financial, property tax and other implications associated with the incorporation of the boundary.

  The comparative analysis will include not only the local services provided by the RDOS, but also the local services provided by the Provincial Government that would become the responsibility of a new Municipal Council as a result of incorporation.

- *Implementation Process* — A consultant will outline the process through which incorporation would be implemented. Included in this outline will be an overview of the restructure assistance that would be

provided by the Provincial Government under the incorporation option.

A clear understanding of the Province's commitment to a specific assistance package will be required at this point of the study. It will be particularly important to understand the Province's funding commitment with respect to the local road network within the incorporation study area. Responsibility for local roads would be transferred to the new municipality as a result of a decision to incorporate. The Incorporation Committee will need to understand and quantify the Province's commitment as it relates not only to the ongoing maintenance of the roads in a defined post-incorporation period, but also to upgrades required to bring the roads to municipal standards prior to any transfer of responsibility.

- *Multi-Year Operating Budget* — A consultant will provide a multi-year operating budget to project the financial implications for a new Municipality. The budget will extend beyond the restructure assistance period.

- *Property Tax Implications* — A consultant will provide the property tax implications of incorporation, for sample residential, business and agricultural properties in the incorporation study area.

- *Preliminary Report* — A consultant will provide a *Preliminary Report* to capture the information collected, and the results of the analysis undertaken, in the earlier stages of the study. The report will be provided to the RDOS and the Ministry for review and comment.

- *Community Engagement* — A consultant, working with the Committee, will develop a comprehensive community engagement strategy aimed at ensuring that the electors within the incorporation study area have opportunities to review, understand, and question the implications of incorporation, as presented in the *Preliminary Report*. At a minimum, the strategy will include the provision of web-based and hard-copy materials, community meetings throughout the study area, and information sheets/distributed material to highlight specific issues or implications.

- *Final Report* — Based on the input provided by the community through the engagement process, and after considering the comments provided by the RDOS and the Ministry, a consultant will produce a *Final Report* on the study. The report must include a synopsis of the public engagement process and findings. The report will be submitted to RDOS and the Ministry, and will be presented by the Committee to the RDOS Board of Directors.

Based on the findings in the report, the Committee will make a recommendation to the RDOS Board of Directors on an incorporation referendum.

- *Community Summary* — At the conclusion of the study, a consultant will prepare a high-level public information document to summarize the findings of the final report, , and set out any next steps [such as who may participate in an incorporation vote, and when the vote may occur].

STUDY TIMELINE

The *Incorporation Study* must be completed and delivered to the RDOS and MUNI by March 31, 2025. Key milestone dates are identified in Figure 1. These dates may change as the Study unfolds.

Figure 1
Milestone Dates

Milestone	Date
Request for Proposal Issued	June 1, 2023
Request for Proposal Awarded (Work to Commence)	July 1, 2023
Study Committee Established	July 15, 2023
Research and Analysis Completed	February 1, 2024
Preliminary Report Submitted	March 1, 2024
Community Engagement Completed	December 15, 2024
Final Report Submitted	March 31, 2025

INCORPORATION FUNDING

The Minister has agreed to provide a total of $150,000 ($60,000 Incorporation Study; $60,000 Community Engagement; $30,000 road assessment) to fund the cost of the Incorporation Study. The RDOS will provide in-kind funding in the form of staff time required to administer the study, to establish and host a study website, and to provide technical information requested by consultant(s), including mapping. The RDOS will fund administrative items such as meeting/open house facility rentals and incidental material/meeting costs, advertising of meeting notices, any needed mailouts, etc.

PROVINCIAL ROLE

The Ministry of Municipal Affairs is providing the restructure grant funding for the *Incorporation Study.*

MUNI staff will be available as a resource to RDOS staff, consultant(s), and in committee meetings as a provincial representative and observer. They will be available to take questions and report back, and act as a neutral observer during the study process. They will also provide additional input including review of the draft materials and provision of comments prior to completion of the final report.

Indigenous Consultation

The Province is responsible to discharge the constitutional duty to consult with potentially affected First Nations and Indigenous groups. MUNI staff will identify, engage and consult with local First Nations to address any raised concerns regarding a potential municipal incorporation. Meaningful consultation can take time and may extend the Study process if significant concerns require provincial accommodation.

Incorporation Process

<u>Typical incorporation process and provincial role</u>

- Regional district requests an incorporation study (typically after significant previous work and governance studies)
- If Minister approves, provincial grant funding is provided to the regional district to conduct the study
- Province initiates consultation with identified local First Nations and Indigenous groups in the study area
- Study work overseen by local Committee
- Province prepares a Restructure Assistance Offer based on the study area to mitigate certain initial municipal costs over the first five years
- Study Committee may recommend an incorporation vote
- Recommendation is supported by regional district Board and request sent to Minister
- If Minister approves, the incorporation vote is called through a Minister's Order and held by the regional district
- The incorporation vote is held, and if successful the process begins to establish the new municipality, such as hiring an interim corporate officer to set up the municipal administration framework, initial bylaws, and preparing to hold the first local election for municipal council.

OUT OF SCOPE

The Incorporation Study Committee and consultant(s) are not responsible for consulting First Nations on the potential incorporation of the boundary. Consultation with First Nations is a duty of British Columbia.

Boundary adjustments for the remainder of Electoral Area "D" are not a part of this Study. It is recognized that two portions of Electoral Area "D" are isolated if the boundary is incorporated: to the west of Okanagan Falls across the bridge; and to the south with Vaseux Lake. The RDOS Board may request a future study for electoral area boundary adjustments if desired.

The Incorporation Committee is not concerned with examining other governance or boundary options identified in the *Services and Boundary Configuration Study*, or put forward by some other source. Similarly, the Committee is not concerned with identifying or examining potential changes to the legislative framework.

ADMINISTRATION

The RDOS will procure a consultant, or consultants, in accordance with the RDOS' procurement policy and process and it will meet the requirements of applicable trade agreements including the New West Partnership Trade Agreement (NWPTA), the Canadian Free Trade Agreement (CFTA), and the Canada-EU Comprehensive Economic and Trade Agreement (CETA).

Consultant(s) will be sought to undertake this study with sufficient experience and expertise in local government restructure changes and/or public engagement.

In supervising the work of the consultant(s), the RDOS is responsible for ensuring that expected outputs completed by the consultant(s) meet the requirements outlined in this Terms of Reference.

The consultant(s) shall report directly to the RDOS, who will administer the contract.

Incorporation Study Area

