REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN

Electoral Area "D" Service and Boundary Configuration Study Committee Agenda

Wednesday, November 10, 2021
6:00 – 8:00 pm

Via Zoom
https://us02web.zoom.us/j/82280094770?pwd=dnVCOURmbXNoV2RmeUphekJ4bG9RQT09

PURPOSE From 6:00 pm to 8:00 pm on Wednesday November 10, 2021, the Electoral Area "D" Service and Boundary Configuration Study Committee will meet as part of the initial phase of the study. The Committee will have an opportunity to review drafts of five more Fact Sheets, and one Incorporation Insight paper on incorporation impacts.

A. HOUSEKEEPING

- This meeting is being recorded
- Ensure to mute yourself except when speaking to reduce sound feedback.
- Review project purpose / scope.
- Format for including the EA Director/Alternate input on agenda items

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B. APPROVAL OF AGENDA

RECOMMENDATION 1
THAT the Agenda for the November 10, 2021 Electoral Area "D" Service and Boundary Configuration Committee be approved.

C. RECEIPT OF THE OCTOBER 13, 2021 MEETING MINUTES

RECOMMENDATION 2
THAT the minutes of the October 13, 2021 Electoral Area "D" Service and Boundary Configuration Committee be received.

D. CONSULTANT - Sherry Hurst

- Fact Sheets – the consultants will review five more Fact Sheets with the Committee, as well as an overview of incorporation impacts (Incorporation Insight)

E. QUESTION PERIOD

F. ADJOURNMENT

ATTACHMENTS

The following documents are included in the agenda package for the Committee's review:

- October 13, 2021, Committee Meeting Minutes
- Draft Fact Sheets: Environmental Services, Emergency Services, Economic Development, Bylaw Enforcement, Planning & Building
- Draft Incorporation Insight: Incorporation Impacts
- Copy of Skaha Matters November advertisement
- Service and Fact Sheet Schedule

REGIONAL DISTRICT OF OKANAGAN-SIMILKAMEEN

Electoral Area "D" Service and Boundary Configuration Committee

MINUTES

Wednesday, October 13, 2021

COMMITTEE MEMBERS PRESENT:

Matt Taylor
Myleen Mallach
Phyllis Radchenko
Vi Creasey
Kerrie MacLean
Bob Daly
Eleanor Walker
Kurt Hiebert (6:26pm)

COMMITTEE MEMBERS ABSENT: Kay Medland, David Forst

EX-OFFICIO COMMITTEE MEMBERS PRESENT:
Electoral Area "D" Director, R. Obirek

GUESTS PRESENT: Consultant, Allan Neilson, Neilson Strategies Inc.
Consultant, Sherry Hurst, Leftside Partners Inc.
David Van Ommen, Ministry of Municipal Affairs

STAFF PRESENT:

C. Malden, Manager of Legislative Services
J. Zaffino, Manager of Finance
C. Ozaraci, Administrative Assistant

A. CALL TO ORDER

The Meeting was called to order at 6:00 pm.

B. HOUSEKEEPING

Reminder that the meeting is being recorded and ensure to mute except when speaking.

C. APPROVAL OF AGENDA

Add motion at the end of agenda to endorse the Service and Boundary Configuration study
Edit Item C on agenda, should indicate September 8, 2021
Agenda was approved.
CARRIED

D. RECEIPT OF THE SEPTEMBER 8, 2021 MEETING MINUTES

The minutes were received. CARRIED

E. **CONSULTANT –** Allan Neilson & Sherry Hurst

The Consultants reviewed the graphic flow chart of the study, drafted fact sheets and Skaha Matters advertising.

Action: Capitalize the second word of each heading.

Action: Update logo to the version that reflects the Electoral Area in quotation marks.

Action: Draft graphic flow chart revisions to be made as discussed.

Action: Service and Fact sheet schedule to be brought back to the next meeting for discussion.

F. **MOTION**

Proposing a motion to endorse the Service and Boundary Configuration study process as it is laid out from the Ministry and a vote of confidence as to whether moving in the right direction.
CARRIED

G. **QUESTION PERIOD**

No questions were asked at this time.

H. **ADJOURNMENT**

The meeting adjourned at 7:58 pm

RDOS Area "D" Service & Boundary Study
Fact Sheets
DRAFT - November 2021

ENVIRONMENTAL SERVICES

➢ What services are provided?

Environmental services within the RDOS include the following services:

- **Destruction of Pests (formerly Noxious Insect Control) Program** – this service includes monitoring, verification of infestations and public education to ensure bylaw compliance for the control of noxious insects (fruit tree pests) delivered to the City of Penticton, District of Summerland, Town of Oliver, Village of Keremeos and all but 1 electoral area (Area "H") within the RDOS. The program focuses on pests not addressed by the Sterile Insect Release Program (outlined later in this section), such as the Western Cherry Fruit Fly, Spotted Wing Drosophilia, Clear Wing Moth and Fire Blight. The goal of the program is to educate individuals that are considering planting a fruit bearing tree or shrub, or already have plantings, about their responsibility to care for their fruit trees and prevent or control destructive pests.

- **Mosquito Control Program** – this service consists of site monitoring of approximately 375 – 425 properties from March to September each year for mosquito larva in all Electoral Areas except Area "E" as well as in Osoyoos, Oliver, Penticton, and Summerland. Regional District technicians check stagnant (still) water bodies for mosquito larvae as well as for the predators that eat the larvae. Once each larval/predator monitoring is complete, non-toxic organic larvicide is applied where required.

- **Invasive Species Program** (formerly noxious weeds) – this service involves the removal of both land-based and aquatic invasive plant species, as well as prevention, education and public relations related to invasive species, delivered on a region-wide basis.

- **Environmental Conservation Service** – this service was created in 2016 to promote protection of natural areas, habitat, water, the environment and wildlife. Participating areas include Electoral Areas "A", "C", "D", "E", "F", and "I" as well as the municipalities of Penticton, Summerland and Oliver. The service administers a Conservation Fund that provides financial support for projects that will contribute to the conservation of the region's valuable natural areas. The intent is to provide funding for conservation projects that are not the existing responsibility of the federal, provincial or local governments.

The RDOS also participates in and contributes to two related pest control partnership programs that are delivered on a multi-regional basis:

- **Nuisance (Starling) Control Program** – this service consists of a starling control (juvenile trapping) program for the protection of agriculture and native bird species. The program is delivered in partnership with the BC Fruit Growers' Association, the BC Cherry Association, BC Grapegrowers Association, Okanagan Tree Fruits Cooperative, the Regional District of Central Okanagan (RDCO) and the Regional District of North Okanagan (RDNO).

- **Okanagan-Kootenay Sterile Insect Release Program** – this service exists to protect tree fruit from the codling moth population and includes monitoring, education, enforcement and population control measures (sterile moth release, mating disruption, blossom/fruit removal, cardboard banding and/or pesticide

application) in partnership with the RDCO, RDNO, Columbia Shuswap Regional District (CSRD) and growers throughout participating regions. All of the RDOS participates in the program except for Area "H", the Town of Princeton and a portion of Area "I."

➢ Who delivers the service?

The Destruction of Pests and Mosquito Control programs are delivered on a seasonal basis to the participating electoral areas and member municipalities by the RDOS Engineering Services department. The Destruction of Pests program updated all of the educational materials and prepared information videos in 2021 to aid in the program delivery. The Mosquito Control Program employs 2 seasonal labourers who carry out all of the monitoring and treatment of the identified sites. The delivery of the Invasive Plant Species is contracted out to the Okanagan and Similkameen Invasive Species Society.

The Environmental Conservation service is delivered by RDOS, but is supported by contracted administrative management support, as well as a Technical Advisory Committee appointed by the RDOS Board that provides expertise in the review and recommendation of projects and recipients of the Environmental Conservation Fund.

The Nuisance Starling Control program is funded jointly by the program partners, and is overseen by a Management Committee that includes representatives from the RDOS, BC Fruit Growers' Association, the BC Cherry Association, the BC Grapegrowers' Association, BC Ministry of Agriculture, landowners whose properties are typically used for trapping and an environmental/naturalist club representative. The program is delivered on a year-round basis through the BC Grapegrowers' Association, which administers the program on behalf of the program partners. Trapping is carried out by a team of professional contracted trappers throughout the three Okanagan Regional Districts - RDOS, RDNO, and RDCO.

The Okanagan-Kootenay Sterile Insect Release (OKSIR) program was established in 1992 as an independent corporation. The program employs and is delivered by a General Manager along with approximately 16 full-time staff and 70 seasonal staff. SIR offices are located in Kelowna, Penticton, Vernon and Osoyoos.

➢ Who makes decisions?

Operational decisions related to the programs delivered by the RDOS (Noxious Insect Control, Mosquito Control, Invasive Plant and Environmental Conservation programs) are made by the RDOS directors representing the participating areas with input from the Manager of Engineering Services and Chief Administrative Officer. Decisions regarding budget matters, the financial plan, regulatory bylaws or borrowing are made by the full Board of Directors.

All matters related to the Nuisance Starling Control program are considered by the Management Committee, and any recommendations are referred to the BC Grapegrowers Association's Board of Directors for decision. The RDOS has 1 representative on the Management Committee. The total number of committee members fluctuates depending on the number of participating landowners.

The OKSIR Board of Directors is the chief governing body for the SIR program. All key decisions related to the program are made by the board. The Board has eight voting and two non-voting members. The voting members are regional district directors (or alternates) appointed by the participating regional districts, and three grower representatives (one of whom is a certified organic grower). The two non-voting members are senior government representatives from Agriculture and Agri-Food Canada and the other from the BC Ministry of Agriculture. Only the five regional district directors vote on financial matters.

➢ What is spent by RDOS on the services?

The total cost of the environmental services that impact Area "D" are shown in Figure 1. The amounts shown represent the total cost of these services, and not the portion that Area "D"

Figure 1
Cost of Services
2021

Service	Cost[1]
Destruction of Pests	$9,959
Mosquito Control Program	$202,695
Invasive Species Program	$76,033
Environmental Conservation	$461,570
Nuisance Starling Control Program	$25,750
OK Sterile Insect Release Program	$877,587

1 Cost estimates are from adopted 2021 budget figures

residences pay for through taxes. In addition to the service costs, there are also operating and capital reserve accounts created for future expenditures. Reserve totals are included in Figure 2.

Figure 2
Reserve Totals
2020

Service	Reserve Total[1]
Destruction of Pests Operating[2]	$9,334
Mosquito Control - Capital	$5,156
Mosquito Control - Operating	$52,555
Invasive Species Operating	$8,380
Environmental Conservation Operating	$518,901

1 Reserve totals are as at the end of 2020.

2 Reserve is for areas participating in the program. A separate operating reserve exists for pest control bylaw enforcement in Summerland only ($7,307).

➢ How are the costs recovered?

Destruction of Pests – the costs of this program are recovered primarily through property taxes in the participating rural areas (levied on assessed values for land and improvements). Contract revenue from participating municipalities pays for the services within municipalities.

Mosquito Control – costs for this program are recovered through a tax requisition, and on transfers from operating reserves as needed. The amount to be recovered from tax requisition is apportioned to each participating area based on a three-year average of how much time was spent by staff in each jurisdiction over the season. Once allocated to each jurisdiction, that amount is raised through property taxes levied on assessed values for improvements only.

Invasive Species Program – the costs of this region-wide service are shared by all jurisdictions within the RDOS, and recovered through property tax requisition (levied on assessed values for land and improvements).

Environmental Conservation – the funds for this service are raised through tax requisition, levied on assessed values in the participating jurisdictions.

Nuisance Starling Control Program - the RDOS participates on a region-wide basis and contributes approximately $25,000 annually towards this program, the costs of which are raised through property taxes levied on assessed values for land and improvements.

Sterile Insect Release Program – the costs of this program are raised through a combination of property taxes and parcel taxes in the participating areas. General taxpayers (including growers) pay property taxes on the basis of the assessed value of their land only (i.e. not improvements), and orchard growers pay through parcel taxes levied on a per acre basis. In 2021 grower parcel taxes paid for approximately 37% of the overall SIR program costs.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Destruction of Pests	$1,194	0.0009	$0.41
Mosquito Control[3]	$6,397	0.0080	$1.80
Invasive Plant Control	$3,291	0.0024	$1.08
Environmental Conservation	$23,415	0.0173	$7.79
Starling Control	$1,388	0.0010	$0.45
OK Sterile Insect Release[3]	$409,002	0.0396	$8.91
OK SIR Parcel Tax[4]	$478,660	$139.26	
Total			**$20.43**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

3 Mosquito Control is only calculated on improvements, and SIR is only on land. Assumed the $450,000 property is 50% improvemnts, 50% land

4 OK SIR parcel tax is only levied on orchard growers, at a rate of $139.26 per acre. is only on land. Assumed the $450,000 property is 50% improvemnts, 50% land

➢ What is the cost to the typical resident?

The combined tax impact on residents within Area "D" for the collection of environmental services is shown in Figure 3. The amount owing is based on a home valued at $450,000, of which 50% of that assessed value represents the value of the improvements, or structures, and 50% represents the value of the land.

In addition, under the SIR program, each parcel of property that is 0.3 acre or greater in size with 20 or more codling moth host trees (apple, pear, crabapple and/or quince) are also levied a parcel tax. In 2021, the parcel tax was set at $139.26 per planted acre. All properties that are levied a SIR parcel tax are assessed for a minimum of 1 acre. This tax only applies to those growers, so in Figure 3 the per acre amount is shown, but not added into the total.

➢ What impact would incorporation have on these services?

Incorporation is not expected to have a significant impact on any of the environmental services referenced in this Fact Sheet. The services are all delivered to a combination of municipalities and electoral areas; it is reasonable to assume this would continue to be the case even after incorporation. The services themselves, and the costs, are not expected to change as a result of incorporation.

The amounts allocated to individual jurisdictions may vary – for instance the Mosquito Control allocation is based on the time spent in each jurisdiction. Depending on the boundary created for a new municipality, and the mosquito issues within it, the amount would fluctuate accordingly.

The primary impact of incorporation on these services is therefore governance, rather than any direct change to the service, service level, or service cost. Once incorporated, a municipal council would have authority to determine whether to participate in (or withdraw from), the various regional environmental services. A municipal council member would represent the municipality as a director on the RDOS Board, and the municipal director would participate in discussions and decisions regarding regional services in which the municipality participates

RDOS Area "D" Service & Boundary Study
Fact Sheets
DRAFT - November 2021

EMERGENCY SERVICES

➢ What services are provided?

Fire Protection

Part of Area "D" receives fire protection services from the Okanagan Falls Volunteer Fire Department (Figure 1). The department is comprised of a paid-on-call fire chief, a deputy chief and approximately 22 paid on-call firefighters. The fire department is authorized to provide:

- fire protection services
- fire prevention program (public education)
- auto extrication/road rescue services
- medical first responder services ,
- rescue services (still water rescue, low angle rescue, marine rescue, ice rescue), and
- property fire inspections[1]

Portions of Electoral Area "D" that lie outside of the fire service boundary receive no fire protection service. Responsibility for wildfires, as well as Crown lands, rests with the provincial the Wildfire Management Branch, although are often initially responded and attended to by the Okanagan Falls department. Within the Province of B.C. there are 6 fire centres and within each centre are zones. Area "D" is within the Penticton zone.

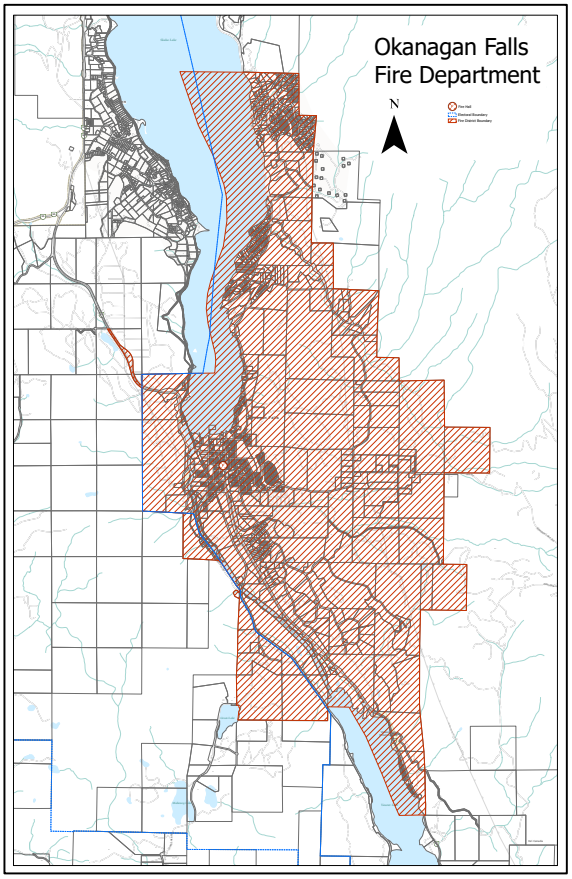
Emergency Planning

The RDOS is the lead local government authority for emergency management throughout the Okanagan-Similkameen region, including all of Area "D". This includes an emergency plan for the entire regional district, a Manager of Emergency Services, an Emergency Program Coordinator, an element of local planning, training and coordination specific to Area "D", and an annual contribution agreement for regional Search & Rescue.

911 Emergency Call System

As with emergency planning, the RDOS also provides 911 emergency telephone service for the entire regional district, including the Penticton Indian Band.

Figure 1: Okanagan Falls Fire Service Area



[1] This service was previously provided on contract. While the department has training, the department is not currently undertaking fire inspections.

Victim Services
Victim services are provided locally by the RCMP, but are supported by the regional district through subsidies from the electoral areas. RCMP Victim Services offers assistance and resources to those in need.

➢ Who delivers the service?

Fire Protection
The Okanagan Falls VFD services the area shown in Figure 1, which includes the communities of Okanagan Falls, Vaseux Lake, Skaha Estates and Heritage Hills. The VFD department is also a signatory to a mutual aid agreement that includes fire departments in Kaleden, Willowbrook, Oliver, Osoyoos, Penticton, Princeton, Summerland, the Hedley Improvement District, the Oliver Fire Protection District, and the Osoyoos Rural Fire Protection District whereby any one of them may, in situations where the resources of their own fire department are insufficient, request assistance from the others to bring the situation under control.

Emergency Services
Emergency planning, coordination and preparedness initiatives are delivered on a region-wide basis to all electoral areas and municipalities within the regional district by the RDOS, overseen by a Manager of Emergency Services who reports to the Manager of Community Services.

Within the boundaries of the Regional District there are four volunteer SAR teams: Keremeos, Oliver/Osoyoos, Penticton and Princeton. These four separate teams combine their efforts to provide mutual aid service throughout the region. Calls for service from Area "D" are generally responded to by Penticton Search and Rescue. The RCMP with jurisdictional authority is responsible for all SAR activity within their catchment areas. Municipal and provincial governments also contribute towards SAR operations within the Okanagan-Similkameen region.

E911 Emergency Call System
Operation of the E911 service is contracted to the Regional District of Central Okanagan in partnership with E-Comm – an emergency communication centre located in the Lower Mainland. The current agreement with E-Comm is valid until December 31, 2021. 911 fire calls for the South Okanagan-Similkameen region are relayed to a secondary dispatch centre at the Kelowna fire hall. 911 medical first response calls are relayed from E-Comm to the Provincial BC Health Services Emergency Dispatch Operations Centre in Kamloops.

Victim Services
Victim Services are provided by the RCMP.

➢ Who makes decisions?

The Okanagan Falls fire chief has operational authority over the fire department, and responsibility for complying with the BC firefighter training "Playbook". Decisions regarding the regional district volunteer fire services, including decisions pertaining to budget and capital expenditures are made by the RDOS Board of Directors. The RDOS has a relatively new Fire Department Operational Bylaw that states that the Chief Administrative Officer oversees the operation of fire services for the regional district, but the bylaw ensures that the RDOS consults with the fire departments on major decisions, such as training programs, operational guidelines and the hiring of new chiefs.

In 2018 the Fire Chiefs created the South Okanagan Similkameen Fire Chiefs' Association, including the chiefs and deputy chiefs of Naramata, Kaleden, Okanagan Falls, Willowbrook, Keremeos and Anarchist Mountain volunteer fire departments. Tulameen Fire Department opted not to participate in the society. The purpose of the society is to benefit volunteer members through sharing training methods, equipment and information. The society also carries out the recruitment process for vacant fire chief positions.

The Chiefs report directly to a Fire Services Committee established by the Board of Directors. The Committee is composed of the directors from the areas that have the regional volunteer fire departments.

Emergency Planning and 911
Decisions for emergency planning and E911, as region-wide services, are made by the full Board of Directors.

Victim Services
Victim Services is provided to a smaller subset of electoral areas; decisions are made by the RCMP that provide the service; the service is structured solely to make a financial contribution to the RCMP's service.

➢ What is spent by RDOS on the service?

The 2021 budget for each of the emergency services are as outlined in Figure 2. It is worth noting that the Okanagan Falls fire service budget was significantly higher than usual in 2021, due to some capital expenditures (fire hall planning and construction). General operating expenses generally range from $380,000 to $400,000. Similarly the Emergency Planning budget undertook a $600,000 wildfire preparedness program initiative in 2021, paid for through a grant; in future years the budget is generally in the range of $515,000 to $530,000, supported by both tax requisition and grants.

Figure 2
Cost of Services
2021

Service	Cost[1]
OK Falls VFD[2 3]	$727,068
Emergency Planning[3]	$1,119,462
911 Emergency Call System	$1,070,522
Victim Services	$13,743
Total	**$2,930,795**

1 Cost estimates are from adopted 2021 budget figures
2 Service area is shown on Figure 1 map
3 Service cost figures represent an unusual year (see text)

In addition to the service costs, there are also operating reserve accounts created for most services, and others have capital reserves as well. It is useful to consider the amounts that the region has set aside for future expenditures.

Figure 3
Reserve Totals
2020

Service	Reserve Total[1]
OK Falls VFD - Equipment	$803,531
OK Falls VFD - Building	$225,023
Emergency Planning Operating	$13,078
911 Capital	$460,747
911 Operating	$297,328
Victim Services Operating	$3,726

1 Reserve totals are as at the end of 2020.

➢ How are the costs recovered?

Fire Protection
The cost of the Okanagan Falls volunteer fire department is raised primarily through property taxes. The tax requisition amount is raised from the properties within the service area based on the assessed value of the property (building and land). The cost of auto extrication services outside of a fire department boundary is funded provincially using a task number assigned by Emergency Management BC.

Emergency Planning
The cost of emergency planning is shared by all jurisdictions (electoral areas and municipalities) in the region, and the costs are raised primarily through property taxes based on assessed value (land and improvements).

E911 Emergency Call Service
Tax requisitions for E911 emergency telephone services are based on the assessed value of improvements only. The costs are shared by all the region's jurisdictions (electoral areas and municipalities).

Victim Services
The requisition for the victim services contribution is raised through property taxes within a defined service area. Area "D" is within a service area that includes Areas "D", "E", "F" and "I".

➢ What is the cost to a typical residence?

The tax impact on areas within Area "D" receiving fire protection from an RDOS volunteer fire department and/or emergency services is shown in Figure 4. The amount owing is based on a home valued at $450,000, of which 50% of the value is assumed to be land value, and 50% improvement or building value.

For example, a residence valued at $450,000 within Okanagan Falls would pay approximately $163 in taxes for fire protection for 2021, along with $21 for other emergency planning, victim services and 911 service.

Figure 4
Cost on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
OK Falls VFD	$424,786	0.3626	$163.18
Emergency Planning	$253,245	0.0099	$4.46
911 Emergency Call[3]	$939,069	0.0675	$15.19
Victim Services	$8,743	0.0024	$1.06
Total			**$183.89**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

3 Assessed on improvements only (assumed at $225,000)

➢ 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 RDOS regional services of emergency planning, 911 emergency call services. The costs, services and service levels for these services would therefore not change in an incorporation scenario.

Victim services would continue to be provided by the RCMP; the municipality would be expected to make its own contribution to the service.

Whether the new municipality would assume responsibility for the Okanagan Falls VFD may depend on how the fire service boundary relates to any proposed incorporation boundary. If the boundary encompasses the VFD service area, new municipalities are more likely to want control over the fire department. If any of the existing service areas are not included in a future municipal boundary, those areas could either receive service from a municipal fire department through a fee-for-service contract, or, if agreed to by the municipality and the electoral area, the fire service could remain with the regional district, similar to the Keremeos volunteer fire department.

It is typical that a municipality will provide fire service to all properties within the municipal boundary although this is not required. Depending on the boundary of a proposed incorporation area, this could potentially impact both the service boundaries and how the cost of that service is shared amongst the municipal taxpayers. There could be pressure for a municipal fire department to expand service to cover the entire municipal boundary (if it did not already).

If the fire department becomes a municipal fire service, the new municipality would be required to meet obligations under the *Fire Safety Act* to undertake fire inspections and investigations — obligations that are not imposed on regional districts. While the Okanagan Falls VFD is currently certified to undertake both inspections and investigations, it does not currently complete that work. Extra responsibilities are likely to increase the workload demands of the department and may require the new municipality to increase the stipend for the Fire Chief position or consider a full-time chief in place of the existing POC Fire Chief position.

A change in governance would also occur with an incorporation. The municipal Council would have the authority and responsibility to make decisions regarding the services, service levels, and any agreements to provide services beyond the municipal boundaries.

RDOS Area "D" Service & Boundary Study
Fact Sheets
DRAFT - November 2021

ECONOMIC DEVELOPMENT SERVICES

➢ What service is provided?

Electoral Area "D" participates in two economic development services – one is a regional service that is set up to provide a grant to the Okanagan Film Commission, and the other is a service focused solely on promoting economic development within Electoral Area "D."

Film Commission
The Okanagan Film Commission offers location scouting, tech surveys and liaison and facilitating 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 they would be closing their 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 is to assist the area in attracting business and industry, supporting the health and growth of current businesses and industry, as well as promoting uses that will create jobs.

The service is provided through an office located in Okanagan Falls, separate from the RDOS main office in Penticton. The office is to provide 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 an economic development coordinator.

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

➢ 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.

➢ Who delivers the service?

The economic development service is delivered by RDOS staff, under the direction of the Manager of Planning. The service has an economic

development coordinator, as well as administrative clerk working in the Okanagan Falls office.

➢ What is spent by RDOS on the service?

Figure 1 shows the total 2021 budgeted cost for delivering the regional and Electoral Area "D" economic development services. The amount of the Area "D" service can vary depending on the projects undertaken. In 2021 the overall service cost was greater due in part to a surplus from a previous year (which then permits a greater contribution to the operating reserves). The service is generally budgeted to have a cost of approximately $180,000 over the next few years.

Figure 1
Cost of Services
2021

Service	Cost[1]
Regional Ec. Dev. - OK Film Commission	$36,050
Economic Development - Area "D"	$211,894
Total	**$211,894**

1 Cost estimates are from adopted 2021 budget figures

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

In addition to the service cost, there is also an operating reserve account created for the Electoral Area "D" economic development service. The reserve total is shown in Figure 2.

Figure 2
Reserve Total
2020

Service	Reserve Total[1]
Area "D" Economic Development Reserve	$15,883

1 Reserve totals are as at the end of 2020.

➢ 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, but the service is 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.

The regional economic development service costs (OK Film Commission) 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 well as the provincial government.

➢ What is the cost to a typical residence?

The cost of the economic development services are recovered from Electoral Area "D" taxpayers on the basis of property assessments. In 2021 a residence assessed at $450,000 in Area "D" paid approximately $63, as shown in Figure 3.

Figure 3
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Regional Ec. Dev	$36,050	0.0014	$0.63
Area "D" Ec Dev	$186,386	0.1379	$62.06
Total			**$62.69**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

➢ 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 (contribution to OK Film Commission).

A new municipality would be able to decide whether it wanted to provide and deliver an

economic development service focussed solely on the municipality, or whether it wants to participate in a broader initiative with the surrounding electoral area(s). While communities often benefit from a broad marketing of the area, often it is difficult to create consensus about the direction of shared economic development services, or the right focus or funding levels, and there can be a sense of "competing" to attract developers or employers to the 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.

It is therefore difficult to predict the impacts of incorporation on the service that is divided. It may depend in part upon the boundary, and how much of the area surrounding Okanagan Falls would be contained within a municipality boundary. Given that the Electoral Area "D" service is only provided to that area, it can be estimated that a similar service could be provided at a similar cost by a new municipality. The cost for taxpayers may change, however, depending on the boundary, and who is contributing to the service cost. Providing the same service to a smaller tax base may not result in proportional decreases in service costs.

Regardless, 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 service, service levels, and whether to participate in a broader regional service or to create a local service provided by the municipality.

RDOS Area "D" Service & Boundary Study
Fact Sheets
DRAFT - November 2021

BYLAW ENFORCEMENT SERVICES

➢ What service is provided?

Bylaw Enforcement
Area "D" has established regulatory bylaws and service areas for:

- dog control;
- untidy and unsightly premises;
- noise control; and,
- electoral area planning.

Each of these services includes a bylaw enforcement component. Bylaw enforcement staff respond to contraventions of these bylaws and services, primarily on a complaint basis, guided by RDOS enforcement policies. Bylaw enforcement is therefore not a separate service, but rather a component of several services.

On its website, the RDOS notes that "the goal of any proactive Bylaw Enforcement program is not to penalize residents but rather to achieve voluntary compliance with reasonable standards through increased public education and awareness of our regulations and the rationale for them." The website also notes that a new Bylaw Enforcement Procedures Policy was adopted in 2018 to provide direction and consistency to staff, elected officials, and members of the public on how bylaw enforcement complaints will be processed. The policy states that the RDOS relies primarily on written citizen complaints as a means of enforcing regulatory bylaws, and that the RDOS has no duty to take enforcement action with respect to every contravention of every bylaw that may be occurring within its jurisdiction, allowing discretion based on need and urgency.

Enforcement of bylaws, policies and regulations in service areas other than the four services referenced above, is generally done by RDOS staff who deliver the service, such as building inspectors for the Building Bylaw. Bylaw enforcement staff are typically only involved in services other than those mentioned above when fines are issued.

Dog Control
Dog control is a service that regulates the licensing and control of dogs. In addition to enforcement and education, the service includes shelter operations for impounded or dangerous dogs. A shelter is provided in Penticton and Oliver.

Untidy and Unsightly Premises
Untidy and unsightly premises service includes regulations to address issues related to the collection of garbage, water and other materials on properties as well as noxious weeds, graffiti and safety hazards from natural materials. The policy for triggering bylaw enforcement for this service within Area "D" is that a property must be referenced by three unrelated complainants from within the Electoral Area. As noted for all RDOS untidy/unsightly premises services, all complaints must be in writing and filed on the appropriate form. Due to the challenges in enforcement with these issues, complainants must be willing to appear as a witness in the event the matter proceeds to enforcement through the courts.

Noise Control
Noise control regulates noises that disturb neighbours, including the operation of equipment, idling of certain vehicles and barking dogs. Noise control is provided to six of the nine electoral areas. Bylaw 1527.01 indicates that no person shall cause or permit to be cause, any noise in Electoral Area "D" that disturbs the quiet, peace, rest, enjoyment, comfort or convenience of the neighbourhood. The bylaw also notes exceptions,

including acceptable days/times for operating equipment.

Electoral Area Planning

The majority of bylaw enforcement activity involves the enforcement of the RDOS land use regulations (zoning bylaws) that are part of the Electoral Area Planning service. Bylaw enforcement is only one component of the broader service of Electoral Area Planning. The scope and costs of that service are detailed in a separate *Planning & Building Services Fact Sheet*. All land use related complaints must be in writing and signed, and while contact information for the complainant must be provided, it is kept confidential to protect the identity of the complainant. There are no criteria as to who may lodge a complaint for land use infractions.

➢ Who makes decisions?

The full RDOS Board of Directors makes decisions regarding the bylaw enforcement budget, policy and procedures, and decisions concerning legal action to be pursued. Decisions specific to electoral area planning (e.g., approval of new land use and zoning bylaws) are made by the group of directors that participate in this service. In the case of electoral area planning, all nine electoral areas participate.

Bylaws related to dog control, noise and untidy premises are approved the entire Board, with unweighted voting, because they represent regulatory services.

➢ Who delivers the service?

RDOS Development Services department manages all bylaw enforcement and dog control matters. Bylaw enforcement staff includes one full-time coordinator and one clerk. A temporary bylaw coordinator was added for 6-month term to assist with workload. The RDOS contracts the delivery of bylaw enforcement fieldwork and dog control through two separate contracts. Currently, both contracts are held by South Okanagan Security Services.

The RDOS utilizes the Town of Oliver Animal Shelter and the City of Penticton Animal Shelter to house dogs as required. The shelters, and operation of them, are provided by the respective municipalities through contracts. The SPCA and other rescue agencies provide adoption services for unclaimed dogs.

➢ What is spent by the RDOS on the service?

The cost of the individual services is summarized in Figure 1, including the following:

- 2021 budgeted cost of the bylaw enforcement service;
- 2021 budgeted cost of the dog control service (all participating areas);
- 2021 budgeted cost of the untidy and unsightly premises service (just areas “D” and “I”);
- 2021 budgeted cost of the noise control (combined total for Areas “D,” “F” and “I”).

It is important to note that while the cost of the bylaw enforcement service is included in the chart ($271,721), the bylaw enforcement budget is recovered (funded) from the electoral area planning service, dog control, as well as untidy and unsightly premises and noise control service budgets from each of the participating areas. The bylaw enforcement budget is therefore already accounted for in the *Planning & Building Services Fact Sheet*, as well as other service budgets shown here. The amount shown in Figure 1 is therefore not in addition to the costs already referenced in other service budgets.

Figure 1
Cost of Services
2021

Service Component	Cost[1]
Bylaw Enforcement[2]	$169,435
Dog Control[3]	$117,075
Area "D" & "I" Unsightly/Untidy Premises	$52,312
Area "D" & "F" Noise Control	$5,531

1 Cost estimates are from adopted 2021 budget figures

2 Bylaw Enforcement budget includes $20,825 of Dog Control budget, plus all of the untidy and noise bylaw amounts

3 Dog Control cost is for 8 Electoral Areas, not just Area "D."

Costs associated specifically with the dog control service are largely for contracted services ($96,000), shelter rentals ($17,000) and bylaw enforcement ($27,707). The untidy premises and noise bylaw costs are comprised primarily of enforcement and contract costs, with some administration. The untidy premises service also has legal fees as an expense.

➢ How are the costs recovered?

As noted above, the of bylaw enforcement expenses are recovered from the electoral area planning and the combined unsightly/untidy premises service. These two services account for about 80% of the bylaw enforcement revenues. The remainder are recovered through dog control and noise control. Taxpayers therefore contribute through property taxes to bylaw enforcement, but the amounts are recovered through the requisitions for these other services.

The costs of the dog control service were recovered primarily through property taxes levied on land and improvements, combined with the enforcement ($6,000) and impound ($1,000) fees as well as licensing revenue ($20,000). Typically property taxes account for approximately 80 per cent of service costs, and enforcement and licensing revenues raise the remainder.

Costs for untidy and unsightly premises and noise control services are raised through property taxes levied on land and improvements. The Area "D" unsightly/untidy premise service has an operating reserve fund, which totaled $7,894 at the end of 2020. There are no operational reserve funds associated with the dog control and noise control services.

➢ What is the cost to a typical residence?

In 2021, residences throughout Area "D" assessed at $450,000, paid $23.78 in property taxes toward dog control, untidy premises and noise control services. Figure 2 summarizes the cost impact on a typical residence. The property tax contribution that residents make to electoral area planning services (which includes some bylaw enforcement) is accounted for in the separate *Planning & Building Services Fact Sheet*, and is not reiterated here, as not to double count the contribution.

Figure 2
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
Dog Control[3]	$27,760	0.0205	$9.23
Area "D" Unsightly Premises[3]	$32,692	0.0242	$10.88
Area "D" Noise Bylaw[3]	$4,326	0.0081	$3.67
Total			**$23.78**

1 Tax requisition & owing amount excludes 5.25% Surveyor of Taxes fee

2 Impact is calculated on a home assessed at $450,000

3 Tax requisition amount is for Area "D" only

➢ What impact would incorporation have on these services?

If any part of Area "D" were to be incorporated, the new municipality would assume the responsibility for enforcing its own bylaws. The municipal Council would therefore be the governing or decision-making authority that could choose to create new a new enforcement policy and procedures, or could adopt one the same as, or similar to that used in RDOS. How actively the municipality wanted to pursue enforcement, and the service level, would be up to the local municipal Council to determine. It is worth noting that local governments are not legally required to enforce their bylaws. This is true for both regional districts and municipalities. Any Council would also become responsible for determining when a bylaw enforcement issue should be pursued in court. Currently that decision would be made by the RDOS Board.

Service delivery of bylaw enforcement could be done by staff hired by the municipality to enforce their own bylaws, or some municipalities choose to contract that service to the regional district, to achieve economies of scale, or just due to the fact that their bylaw enforcement might not warrant full-time staff members.

The cost of the service would depend upon the service level provided. There is no obvious reason,

as a result of incorporation, that the cost for a similar service level would be any different for the incorporated area. As with the RDOS service, bylaw enforcement costs are typically recovered through a combination of taxes, as well as tickets/fine revenues.

One change that would occur in the event of an incorporation is that the new municipality would have the authority to regulate businesses. Generally regional districts do not have the ability to regulate businesses or require business licences. Business licences provide a source of revenue, but only as a means of supporting a service that requires monitoring and inspections, as well as the creation and enforcement of regulations. Many municipalities find that business licencing can be an effective tool to enforce regulations supported by the community.

RDOS Area "D" Service & Boundary Study
Fact Sheets
DRAFT - November 2021

PLANNING & BUILDING SERVICES

➢ What services are provided?

Planning & building services consist of:

- Electoral area planning services
- Regional Growth Strategy
- Building inspection
- Subdivision servicing
- Heritage conservation
- Heritage Hills street lighting

Electoral Area Planning

This service consists of the preparation and administration of land use plans and regulations, and such as the Official Community Plan and zoning bylaw. The planning department responds to inquiries and processes applications related to the use and development of land, including OCP amendments, rezonings, development permits and variance permits, agricultural land reserve applications, floodplain exemptions and subdivisions. Planning also facilitates citizen participation in the land use process, supports the Advisory Planning Commissions (APC), and acts as a resource on all planning and development matters.

Electoral Area Planning is supported by the bylaw enforcement department (land use infractions make up the majority of the enforcement issues), but enforcement is recovered as a separate service and department, and the costs and delivery of that service are detailed in the *Bylaw Enforcement Fact Sheet.* All electoral areas, as well as the Penticton Indian Band receive and pay toward the electoral area planning service.

Regional Growth Strategy

This service primarily involves the preparation of a regional growth strategy (RGS) for the south Okanagan municipalities and electoral areas. The RGS, which is guided by regulations and requirements in the *Local Government Act*, is currently being reviewed and is intended to guide growth in the region. The service involves cooperation to develop a vision for growth between Electoral Areas "A", "C", "D", "E", "F", and "I" as well as Penticton, Summerland, Oliver and Osoyoos.

Building Inspection

Building Inspection is a sub-regional service delivered to seven electoral areas ("A", "C", "D", "E", "F", "H" and "I"), and two municipalities (Keremeos and Princeton). It includes the processing of building permits and application of the Building Bylaw to ensure buildings are constructed to the BC Building Code and are safe for their intended use.

Subdivision and Development Servicing

Subdivision and Development Servicing involves a review of the servicing needs of new subdivisions and multi-unit residential developments. The review is generally related to the provision of adequate sewer and water connections but can also include underground electrical services and street lighting. Within electoral areas, the Ministry of Transportation and Infrastructure (MoTI) is responsible for subdivision development approvals in all areas of the province outside of municipalities and Indian Reserves. Provincial Approving Officers are appointed to MoTI and work with MoTI staff to process subdivision applications. The Ministry refers subdivision applications to the RDOS for review against any bylaw requirements. This can include requirements for servicing, development permits, park land dedication, development cost charges and zoning regulations.

Heritage Conservation

The RDOS has a Community Heritage Register, adopted by the Board, that identifies sites that

have heritage significance within the region's participating areas (all electoral areas and municipalities in the RDOS except Princeton). To be included, heritage sites are typically identified by community groups. A statement of significance is drafted in consultation with the RDOS and endorsed by the RDOS Board. As part of the service, a Regional Heritage Strategic Plan was prepared and adopted by the Board in 2015.

Heritage Hills Street Lighting

The community of Heritage Hills established a service to pay for ongoing operation and maintenance of street lights installed through the various phases of the development. The service area is shown in Figure 1. The most recently added parcel is shown in the Figure 1 inset.

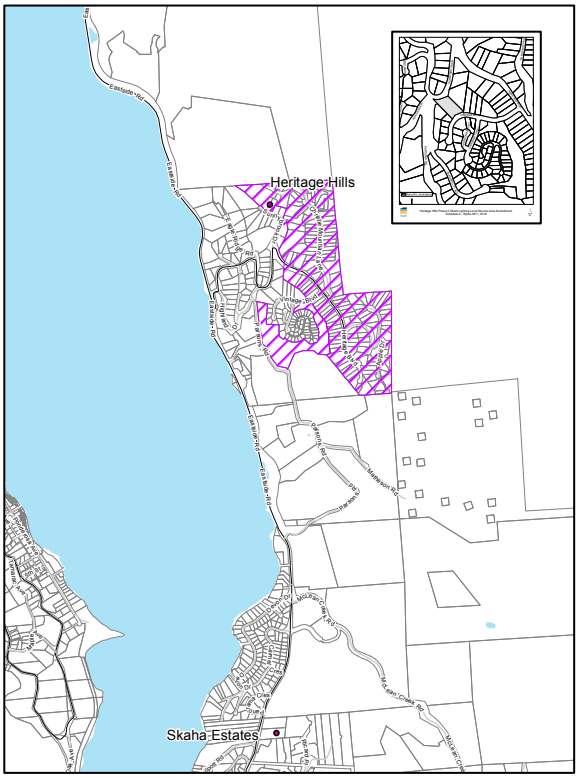


Figure 1

➢ Who makes decisions?

Operational and policy decisions on the individual planning services are made as follows:

- Electoral area planning service decisions are made jointly by all the electoral area directors;
- The six electoral areas and four municipalities that are part of the Regional Growth Strategy make decisions regarding the plan and its implementation (simple majority – each participating area director gets one vote);
- Building inspection decisions are made by the full Board (because it is a regulatory service);
- Heritage conservation decisions are made by all participants (all jurisdictions except Princeton); and,
- Decisions regarding Heritage Hills street lighting are made by the full Board.

All decisions on budget matters, financial plan, regulatory bylaws or borrowing are made by the full Board of Directors (19 directors).

The Regional District Board also draws upon the advice and input of Advisory Planning Commissions (APC). Most of the electoral areas have an APC comprised of volunteers that provide input on matters related to land use planning. Electoral Area "D" currently has an 11-member APC. The committee is an independent body that gives recommendations to the RDOS Board on planning and land use matters referred to them; the advice does not form policy or set direction for the RDOS. Members are appointed by the Board; at least 2/3 of the members must be residents of the Electoral Area. RDOS staff provide reports and agendas for the APC meetings and act as a resource for the APC.

Residents and the general public also play a role in planning decisions. Key land use policies, such as Official Community Plan bylaws, can only be adopted or changed with a public hearing. Public hearings are legislated opportunities for residents to provide opinions and viewpoints to the RDOS Board. Certain types of planning applications, such as development variance permits, also provide opportunities for public input.

➢ Who delivers the service?

The RDOS delivers all of the planning and building services. The services are provided through multiple departments. As noted previously, there is a distinction between subdivision servicing review conducted by RDOS, and subdivision approval,

which is undertaken by the provincial Approving Officer through the MoTI.

The planning department delivers the electoral area planning, and regional growth strategy service. As noted previously, the electoral area planning service is supported by bylaw enforcement, but it is recovered as a separate service and department, and is referenced in its own *Fact Sheet*. The building department undertakes the building inspection service.

Some of the services are also complemented by efforts from volunteer groups or organizations. For instance the heritage conservation efforts are supplemented by organizations such as Okanagan Falls' Heritage And Museum Society. In the past community groups have identified properties with heritage significance, and worked in partnership with the RDOS draft a statement of significance. Heritage community groups are also involved in promotion of heritage, fundraising and maintaining heritage buildings.

➢ What is spent by RDOS on the service?

The total cost of planning and development services that impact Area "D" are shown in Figure 2, and can be broken down into:

- 2021 budgeted cost of electoral area planning;
- 2021 budgeted cost of the Regional Growth Strategy service;
- 2021 budgeted cost of building inspection;
- 2021 budgeted cost of subdivision servicing;
- 2021 budgeted cost of heritage conservation; and,
- 2021 budgeted cost of Heritage Hills street lighting.

The amounts in Figure 2 represent the total cost of these services, and not the portion that Area "D" residences pay for through user fees or taxes. Several of the budget amounts are higher in 2021 than is typical – the EA planning budget includes some extra consulting work, funded through a grant and the RGS is currently undergoing a review, and also included a Housing Needs Study (grant funded), which doubles the size of its budget. Similarly, the building inspection service budgeted for the purchase of Avocet software (at a cost of approximately $170,000) in 2021. Only the subdivision servicing budget was lower than typical (by approximately $30,000) – due to the transfer of subdivision servicing consulting fees in the 2021 budget to the electoral area planning service.

Figure 2
Cost of Services
2021

Service Component	Cost[1]
EA Planning	$1,231,262
Regional Growth Strategy[2]	$244,626
Building Inspection[3]	$1,248,283
Subdivision Servicing	$158,949
Heritage Conservation	$27,625
Heritage Hills Street Lighting	$6,205
Total	**$2,916,950**

1 Cost estimates are from adopted 2021 budget figures

2 2021 costs were more than double the typical cost for this service due to the completion of the RGS review as well as Housing Needs study.

3 2021 costs were higher than usual due to the purchase of Avocet software ($170,000)

In addition to the service costs, there are also operating reserve accounts for several of the services. Reserve totals are included in Figure 3.

Figure 3
Reserve Totals
2020

Service	Reserve Total[1]
EA Planning Operating	$7,349
Regional Growth Strategy	$31,710
Building Inspection - Stabilization	$437,652
Building Inspection - Equipment	$1,145
Building Inspection - Operating	$21,176
Heritage Conservation	$18,986
Heritage Hills Street Lighting	$1,920

1 Reserve totals are as at the end of 2020.

➢ How are the costs recovered?

Planning and building services are recovered using a variety of means. In general, local governments

typically aim to partially recover the costs of processing planning applications and building permits through application fees. Policy projects are recovered more through taxes. Grants are used when available, but typically grants relate to specific projects or studies.

Electoral Area Planning
The majority of the electoral area planning budget (86%) is recovered through property taxes levied on assessed values (land and improvements). Amounts raised through taxes are combined with development application fees (4%), and grants and contracts (2%) to fund the service. Although bylaw enforcement is a separate service and department, 10% of the planning budget covers the costs of enforcing land use and planning related bylaws (e.g. zoning infractions). Land use issues represent the majority of the region's bylaw enforcement activity (not including building bylaw). Bylaw enforcement is addressed in a separate *Fact Sheet.*

Regional Growth Strategy
The regional growth strategy budget is recovered through a combination property taxes levied on the assessed value of land and improvements in the service area, as well as provincial grant funding.

Building Inspection
Unlike the electoral area planning service, the majority of the building inspection service is paid for through permit fees (57%). Property taxes make up approximately 25% of the revenues in 2021. The taxes are levied on assessed values (land and improvements), but each electoral area pays a proportion of the overall tax requisition based on a five-year moving average of construction value of permits within the service area. This formula ensures that those areas receiving the majority of the service are the ones paying the higher portion of the costs. In addition, the municipalities of Keremeos and Princeton contract the RDOS to provide building inspection services through a separate fee-for-service agreement.

Subdivision Servicing
Subdivision servicing costs are recovered through a combination of property taxes (levied on land and improvements) as well as application fees. Application fees generally represent about 10 to 12% of the service cost.

Heritage Conservation
The heritage conservation budget is recovered through property taxes levied on the assessed value of properties (land and improvements), together with any transfer from reserves, or prior years' surplus.

Street Lighting
The street lighting service is recovered through taxes on those properties within the Heritage Hills subdivision (land and improvements).

➢ What is the cost to a typical residence?

The RDOS planning and building services are recovered from Area "D" taxpayers on the basis of property assessments, as well as through application and permit fees by applicants who use the permitting and development approval services. A residence assessed at $450,000 located outside the Heritage Hills community paid approximately $95.18 in taxes in 2021 for planning and building services, as shown in Figure 4. Those within the Heritage Hills community paid a slightly higher fee of $118.75, due to the extra street lighting service.

Figure 4
Cost Impact on Typical Residence
2021

Service	Tax Req.[1]	Res. Rate	Owing[2]
EA Planning	$1,055,104	0.1452	$65.34
Regional Growth Strategy	$64,488	0.0029	$1.29
Area "D" Building Inspection	$60,178	0.0445	$20.04
Subdivision Servicing	$128,949	0.0183	$8.26
Heritage Conservation	$13,599	0.0006	$0.25
Heritage Hills Street Lights[3]	$6,193	0.0524	$23.57
Total			**$95.18**
Heritage Hills Total			**$118.75**

1 Tax requisition amount excludes 5.25% Surveyor of Taxes fee
2 Impact is calculated on a home assessed at $450,000
3 Service only provided and paid for in Heritage Hills

➢ What impact would incorporation have on these services?

An incorporated municipality would have authority for the planning, subdivision servicing and building

inspection services referenced in this Fact Sheet; the regional growth strategy, heritage conservation services would remain as regional services in which the new municipality would participate. The street lighting service, if it were encompassed by the municipal boundary, would also become a municipal function.

Upon incorporation, the municipality would become responsible for subdivision approvals, which is currently the authority of the Ministry of Transportation and Infrastructure. This would require review beyond that currently provided by the RDOS, a portion of which could be recovered through subdivision application fees. Typically the subdivision review and approval would involve an engineer (staff or contract), who consider issues such as access, but also the design of local roads, given that local roads would be owned by the municipality. Further information regarding local roads is referenced in the *Provincial Services Fact Sheet.*

Decisions
The municipality would have a council comprised of either four or six councillors and one mayor. The Council would make decisions on all services. Councils can choose to delegate some decisions to staff members.

Planning applications would still require public input (these are requirements of all local governments, not just regional districts or municipalities). There is no requirement, however, for a municipality to have an Advisory Planning Commission. Whether to have an advisory committee on planning or any other topic would be up to the new Council.

Responsibility for subdivision approvals would rest with the new municipality; the Province/MoTI would no longer be the approval authority. The Agricultural Land Commission would continue to review and have authority over various activities within the Agricultural Land Reserve.

Delivery
While the authority for providing the planning and building services would transfer to the municipality, it is not necessarily the case that the municipality would choose to deliver each of the services referenced in this *Service Sheet*. It is expected that a new municipality would want to deliver many if not all of the services; however, the newly formed municipality could choose to have some services continue to be provided by the regional district or even by another municipality. Some services commonly provided by regional districts to municipalities include those where economies of scale might exist. For instance, the RDOS currently provides building inspection services to Keremeos and Princeton on a fee-for-service basis. Some regional districts or municipalities also provide planning services to small municipalities; however, the decisions and policies that guide the service are still determined by Council.

Costs
If delivered solely by a new municipality, there may be economies of scale that are lost when a service is no longer shared with other electoral areas or jurisdictions. However, in those instances, other strategies could be used to mitigate cost impacts, such as using contracts instead of full-time staff, or combining positions where the workload does not warrant a full-time staff member, such as building inspector who also processes business licences, or staff who work on planning and building administration.

If the street lighting service were to be contained within a municipality boundary, the infrastructure and the service responsibility would be transferred to the municipality. A municipality could decide to continue to recover taxes through a local service area, similar to the service area that currently exists, or could recover the service from general taxes. The approach taken would impact how the municipality's residents would be affected.

Summary
Incorporation would therefore impact the scope and level of service that would be offered by the municipality (i.e. they would become responsible for subdivision review and approvals). The cost has the potential to increase, given the increase in responsibility and potential for reduced economies of scale, but could be mitigated through subdivision application fees, combining staff roles.

RDOS Area "D" Service & Boundary Configuration Study
Incorporation Insight
DRAFT November 2021

INCORPORATION IMPACTS

What is the purpose of this paper?

Electoral Area "D" of the Regional District of Okanagan Similkameen is currently undergoing a *Services and Boundary Configuration Study*. The study proposes to examine the services provided in Electoral Area "D", and to identify any issues or concerns with services or governance. The study includes consideration of different boundary configurations and explores the high-level impact that incorporation would have on political representation, governance structure and service provision.

The *Services and Boundary Configuration Study* does not presume that an incorporation study will proceed. Ultimately the Study Committee must contemplate whether an incorporation study might be an appropriate future step, and if so, identify the most suitable boundary for that subsequent analysis.

As part of the *Services and Boundary Configuration Study*, this paper is therefore intended to communicate some of the high-level impacts that can be anticipated to occur as a result of incorporation. The purpose is to help the Committee and residents become familiar with some of the impacts that incorporation would have, to help them appreciate and consider whether they believe incorporation is an option worth exploring for their community.

➢ What happens when a community incorporates?

Incorporating as a municipality triggers a number of changes and impacts for a community. Some of those changes occur right away, while others develop over time. There are impacts due to the legislative changes statutory requirements, and transferred services and others that evolve due to the changes in governance and local control afforded by the new governance and local Council structure.

An examination of newly formed municipalities reveals many impacts – changes in tax levels, services, and governance. However, it is important to understand and distinguish between changes that happen as a result of incorporation, and those that occur because the locally-elected Council has the authority and flexibility to respond to its individual community's needs. Indeed, this is why it is difficult to compare municipalities and their paths – not all the changes that occur in a new municipality can or should be understood as impacts that are directly attributable to incorporation itself, nor should they be expected in all incorporation scenarios.

For instance, a municipality has the flexibility to determine service levels for their own community, and has the authority to regulate certain areas that a regional district does not. However, it does not necessarily follow that service levels will increase, nor that the municipality will choose to utilize those new authorities to create regulations. The purpose of this paper is therefore to identify those changes that happen *as a result of* incorporation. How those changes in governance and authority are used, is ultimately what will determine the impacts for any individual community. However, those impacts, and the cost implications will vary depending on the individual situation.

➢ What service changes occur?

Once incorporated, a municipality will become the local government for the community, and

responsible for most local government services currently provided by the regional district[1]. Incorporation will also trigger the transfer of some services from the province that were previously provided to electoral areas, including the authority for local roads (not provincial highways) and for subdivision approval. Municipalities do not have the option to refuse – transfer of the ownership and responsibility for local roads happens automatically upon incorporation.

New Municipal Services*

- ✓ *Local roads*
- ✓ *Subdivision approval*
- ✓ *Tax notices and collection*
- ✓ *Municipal hall*
- ✓ *Irrigation/Improvement District services*

** not currently provided to Area "D" by RDOS*

An incorporated municipality would also become responsible for providing tax notices to residents, collecting taxes and, where applicable, remitting the balances to the various authorities (i.e. CSRD, Province, BC Assessment authority, school board, etc.). That service is provided to electoral area residents by the Provincial Surveyor of Taxes. Because this would no longer be a function provided by the Surveyor of Taxes, municipal residents do not pay the 5.25% provincial fee for each tax collected.

Another service that would become the responsibility of a new municipality would be any utility or service currently operated by an improvement or irrigation district, that is wholly located within the new municipal boundary. There are four improvement districts within Area "D," so if any of those were to be encompassed by a municipal boundary, the improvement/irrigation district would be dissolved, and the assets would become owned by, and the service provided by, the municipality.

As a municipality there are some areas that of regulation that are options for municipalities, that are otherwise not available to regional districts – one of the primary ones is business licencing. Most municipalities choose to regulate businesses, and create business licences to implement that service. However, just because a new municipality would have that new authority does not mean it would necessarily choose to provide that service.

Although a new municipality would become responsible for providing local government services such as planning, that does not mean that the municipal staff would have to deliver the service. Municipalities are responsible for providing the services, but can decide how those services are provided. In some cases, municipalities may choose to participate in shared service arrangements with other jurisdictions in the region, including having services provided by the regional district. For instance, the municipality will have authority for making decisions on garbage and recycling collection; however, it may choose to continue to have that service delivered by the regional district, who provides the service to many electoral areas and the Village of Keremeos.

Because the municipality would become responsible for providing services, as well as having a municipal Council as the governing body, a municipality requires a municipal hall. While not a new "service" a hall is necessary as an office for staff, as well as an area for Council to convene and to host public meetings.

It is worth noting that some services are currently required to be provided at the regional level, such as solid waste management and regional growth strategy planning. These regional services would continue to be provided by the region, and upon incorporation the new municipality would automatically become one of the participating jurisdictions.

➢ What about service level changes?

Most services will not experience changes that occur as a result of incorporation. Often municipalities may determine that a different service level is warranted or desired, based on community input and priorities, but for most services this is not a requirement of incorporation.

[1] There are some exceptions for services that are required, by statute, to be provided by the regional district, such as regional growth strategies and solid waste management planning.

An example is local road standards. The Province has established road standards, as well as maintenance standards for its provincial roads, and the roads in Area "D" are created and maintained based on those standards. Municipalities have the opportunity to adopt their own standards – everything from right-of-way and pavement widths, storm drainage infrastructure, sidewalks or walking paths, bike lanes, to roadside clearing, street sweeping, patching or frequency of snow clearing – may be different than those associated with the provincial rural areas. However, municipalities are not required to create higher standards than those currently provided to Area "D" by the province. It is not a requirement of incorporation that municipal road standards or maintenance requirements be higher than the standards provided by the Province.

Municipal Service Level Increases (required)

- ✓ *Municipal fire service – increased service level*

One notable exception is in the fire suppression. If a fire suppression service is provided by a municipality, there are some additional standards and service levels that the department is required to provide, in accordance with the *Fire Services Act*. One of those services is providing fire investigations. This is not typically a service offered by most volunteer fire departments operating in electoral areas, due in part to the expertise and time involved.

➢ How does governance change?

When a municipality is created, the RDOS would be replaced as the local government by the new municipal corporation; similarly, the RDOS's Board of Directors would be replaced as the local governing body by the new Municipal Council for the newly incorporated area.

Municipal Governance

- ✓ *Locally elected council (5 or 7 members)*
- ✓ *Municipal director on RDOS Board*

Council would consist of a mayor and either 4 or 6 councillors[2], all of whom would be elected at-large to represent the community as a whole. Council, together, would be responsible for making all major decisions, including those related to the establishment of new services and programs, the review and approval of major development applications, and the passing of the annual financial plan (i.e., budget). Significantly, Council would also determine local road standards and other road-related matters.

Residents

In addition to electing their council members, residents of the new municipality would be involved in local decision-making through consultation processes, much as residents of Area "D" are today. Council could establish a citizen-based Advisory Planning Commission (APC) to comment on development applications and land-use matters and could also create a recreation commission to guide that service, similar to that already created for recreation in Okanagan Falls.

Resident electors would have some role to play in approving certain decisions of Council through the alternative approval (petition) process and/or assent votes. The range of decisions on which approval would be required in the municipality, however, would be different than that which exists in Electoral Area "D". Municipal electors would need to approve long-term borrowing, decisions to enter into public-private partnerships, the disposal of local utilities and certain types of parkland, and certain other decisions, just as electors do today in Area "D". Decisions by Council to establish new services would not be subject to elector approval.

Regional District

A new municipality would become a RDOS member municipality, along with Penticton, Summerland, Oliver, Osoyoos, Keremeos and Princeton. Council would appoint one of its members to the RDOS Board of Directors as a Municipal Director. This Director would vote at the Board table on all corporate matters (e.g., adoption of the annual financial plan), and in

[2] Council size is determined during the incorporation process.

decisions on services in which the municipality participated.

Provincial Government
The provincial government would have diminished authority over local services in a new municipality. Specifically, the province would no longer make decisions related to local roads, and would no longer have authority over subdivision approval.[3] The province would still, however, make decisions concerning local policing.

➢ What are the high-level cost impacts?

Upon incorporation, there are some changes both to the revenue sources available to incorporated municipalities, but also to how the taxation tools can be used.

Revenue Sources
Changes in municipal revenue sources include:
- grants from other governments
- agreements
- tax on private utilities

Grants
Unconditional grants are provided to local governments without any need for applications, and without restrictions or reporting requirements on their use. Both regional districts and municipalities receive unconditional grants from the Province. The regional district receives the *Basic Grant* and the municipalities receive *Small Communities Grant*. The Basic Grant is based on population, in both the electoral areas and entire region, and the Small Communities Grant is a function of a base amount plus an amount based on population. Both grants represent relatively minor sources of revenue for the local governments; the intention is that the grants assist in the payment of administration costs.

Similar to the province's *Small Community Grant*, the *Community Works Fund*, which is part of the Federal Gas Tax program, requires no application. Monies awarded, however, are not unconditional in that they can only be expended on eligible projects as outlined in the program requirements. Local governments must also report annually on the projects and their outcomes. The RDOS currently receives Gas Tax funding for the electoral areas; incorporated municipalities receive their own allocation of the Community Works Funding.

Aside from the Gas Tax, most conditional grants are competitive, application-based grants awarded to local governments to assist in funding specific projects. The federal and provincial governments are the principal providers of such grants. Many grant programs are focused on infrastructure and capital projects, including public works projects related to sewer, water and roads services, or are directed towards affordable housing, internet services or child care spaces. Other grants focus on financial and community planning. Which grants a local government is eligible for depends upon the services they offer. While both regional districts and municipalities are eligible for the same grants, regional districts are sometimes limited to two applications, which can result in electoral areas "competing" to be prioritized for a regional grant application with other areas or communities in the region. Municipalities submit one application per grant.

Agreements
The *Community Charter* gives municipalities the authority to grant a franchise for the provision of natural gas within their borders – a provision not available to regional districts. In total, 75 municipalities in BC, including many in the Interior, have exercised this authority and have granted a franchise to Fortis BC. Under these agreements, Fortis shares 3% of its gross revenues of natural gas sales made within the municipality in exchange for the right to operate within the local government's roads and rights-of-way. The agreements also absolve Fortis from paying any approval, license, inspection or permit fee from the municipality. Because Area "D" has Fortis natural gas service, a new municipal council could choose to enter into a franchise agreement as an additional source of revenue. The amount that the new local government could expect to receive would depend upon the boundaries of the municipality, and number of natural gas users.[4]

[3] The province would remain in control of Highway 97, which is designated a provincial highway.

[4] As an example, the Town of Oliver received $47,559 in 2020

Tax on Private Utilities

Inside municipalities, private utility companies do not pay property value taxes on some of their improvements (e.g., telephone lines). Instead, the utilities pay a special tax equivalent to 1% of revenue generated inside the municipality. In unincorporated areas, these assets are taxable and contribute towards services. The resulting utility tax received by a municipality depends on the boundary, and utilities inside.[5]

Municipal Finance

- ✓ *Grants allocated to municipality (unconditional grants)*
- ✓ *Utilities 1% tax*
- ✓ *Option for franchise fee (Fortis)*
- ✓ *Ability to change tax ratios*

Tax Ratios

The primary tool to assist local governments in raising revenues is property taxes. The ability to levy property taxes is available to both regional districts and municipalities. Property taxes are applied to the assessed values for eight different property classes. Both municipalities and regional districts set tax rates to enable them to recover their costs through property taxes.

Tax ratios are different than tax rates. The 'tax ratio' is the tax rate levied on a class divided by the tax rate levied on the residential class. The tax ratios for all regional districts are the same, and are shown in Figure 1. As the table shows, for most of the non-residential tax classes the tax ratio is greater than 1, which means that business properties pay a higher rate of tax than residential properties.

Tax ratios in the unincorporated areas are set by the provincial government and apply to any property taxes levied by a regional district or an improvement district.[6] These local governments can adjust property tax rates but not tax ratios. The tax ratios shown in Figure 1 were first established by the province in the mid 1980s and have never been changed.

In contrast, municipalities have almost complete discretion over tax rates and tax ratios.[7] Municipalities can adjust tax ratios to change the proportion of taxes levied from each class. A municipality therefore has the option of setting tax ratios different to those prescribed by the province for unincorporated areas. The new municipal council would make the decision on the appropriate allocation of taxes among the various property classes. The result could be that the municipality chooses to recover a different proportion of the tax burden from different property classes.

Figure 1
2021 Tax Rates and Ratios
Area "D" Economic Development

Property Class	Tax Rate[1] ($/$1,000)	Tax Ratio
Residential	$0.1379	1.00
Utilities	$0.4827	3.50
Major Industry	$0.4689	3.40
Light Industry	$0.4689	3.40
Business/other	$0.3379	2.45
Managed Forest	$0.4137	3.00
Recreation/Non-profit	$0.1379	1.00
Farm	$0.1379	1.00

[1] [1] Tax Rate excludes 5.25% Surveyor of Taxes fee

➢ What does this mean for residents?

While the responsibility for services and various financial recovery tools change with incorporation, not all changes will translate into impacts for residents or taxpayers bottom line.

The transfer of decision-making authority from the province to the municipality also includes a transfer in the cost to municipal taxpayers. Local taxpayers would become fully responsible for the cost of maintaining local roads, for processing and approving

[5] As an example, the Town of Oliver received $99,312 in 2020.

[6] The fixed tax ratios do not apply to parcel taxes, nor do they apply to the provincial rural area tax.

[7] Municipalities are restricted by the ratio that can apply to utilities. The maximum tax rate levied on a Utility (Class 2) property is the greater of $40 per 1,000 or 2.5 times the Business (Class 6) property tax rate.

subdivisions, and for delivering tax notices. However, residents would no longer pay for the provincial rural tax, which is used by the province to fund roads. Similarly, although a new municipality would recover administration costs, including the collection of taxes, from municipal residents, those residents would no longer have to pay the 5.25% premium on their taxes previously recovered the cost of providing that service to electoral areas.

Not all municipal services will be associated with a reduction in costs elsewhere. Some costs, such as a municipal hall, may represent a new item for local residents. However the costs of capital assets can be borrowed and paid back over long periods of time, to reduce the impact.

Given the current population of Area "D" is estimated at 4,198, policing services for a new municipality would continue to be provided by the province. However, the police tax that helps to recover the cost of that service does change upon incorporation. In addition, municipalities nearing the 5,000 population threshold need to keep in mind the implications associated with policing a community of more than 5,000. Once over 5,000, the municipality would have the option of providing its own police department, contracting with an adjacent municipality with an existing municipal police department or by entering into an agreement with the Province to contract the RCMP as the municipal police service.

If a municipality enters into an agreement with the province, the federal government pays 30% of the RCMP cost-base to the municipality's 70%. Municipalities are responsible for 100% of certain costs, such as the detachment building, holding cells, furniture and civilian support staff. Municipalities with more than 5,000 people that are policed by municipal police department, or that contract with the municipal department in an adjacent municipality, must pay 100% of their policing costs.

The Province also recognizes the impact of the transfer of some of the services and responsibilities to a newly incorporated municipality. The transition to paying for roads, in particular, is a significant change. Accordingly, as part of incorporation process, the provincial government creates a "provincial offer" that provides some grants and assistance to help in the transition to become a new municipality.

Some potential components of a previous provincial offers include:

- Community planning grant to assist in the conversion and transition of key policy documents and bylaws
- Service transition grant
- Per capita municipal restructure assistance
- Roads assistance – continued operations and maintenance of local roads at provincial levels for a period of up to 5 yeas
- Incorporation referendum assistance

One of the purposes of a detailed incorporation study, is therefore the closer examination of each of these impacts – how they translate into taxes, and whether, given the specific boundary, tax base, population and service characteristics, those impacts offset each other, if the differences are minimal, or where they may be more significant. The cumulative impact of all the changes varies depending on the services provided, the population, the total amount, as well as the characteristics of the assessment base of the incorporation area. The provincial offer is also an important consideration in the incorporation study process to determine the impact on residents.

SUMMARY OF INCORPORATION IMPACTS

New municipal services*

- ✓ Local roads
- ✓ Subdivision approval
- ✓ Tax notices and collection
- ✓ Municipal hall
- ✓ Irrigation/Improvement District services

Municipal Service level increases (required)

- ✓ Municipal fire service – increased service level

Municipal governance

- ✓ Locally-elected council (5 or 7 members)
- ✓ Municipal director on RDOS Board

Municipal finance

- ✓ Grants allocated to municipality (unconditional grants)
- ✓ Utilities 1% tax
- ✓ Option for Franchise Fee (Fortis)
- ✓ Ability to change tax ratios

** not currently provided to Area "D" by RDOS*

Water - Sewer - Garbage and Recycling - Bear Aware - Regional Public Transit - Regional Growth Strategy

Volunteer Fire Protection - Permits

Invasive Species - Bylaw Enforcement

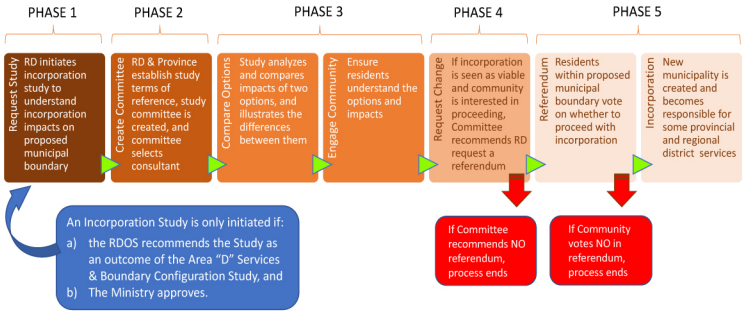
The Electoral Area "D" Service & Boundary Configuration Study

Get Informed. Get Involved. Have Your Say.

For full details, regular updates, to ask questions, or to join monthly committee meetings, please visit our website at *rdosregionalconnections.ca/area-d-boundary-study*

To reach the RDOS, please call 250.492.0237.

LOCAL GOVERNMENT INCORPORATION PROCESS



Regional Heritage Strategic Plan - Official Community Plans - Regional Trails - Regional Parks and Recreation Programs

FACT SHEET & INCORPORATION INSIGHTS SCHEDULE

FACT SHEET	SERVICE	ALL OF AREA D	PORTIONS OF AREA D	SCHEDULE
REGIONAL DISTRICT GOVERNANCE				Oct
SOLID WASTE AND RECYCLIING				Oct
	Curbside recycling and garbage collection Area D		x (areas outside OK Falls)	
	Curbside Recycling/Garbage OK Falls		x (OK Falls)	
	Illegal dumping	x		
	Solid waste management	x		
	Landfill operations	x		
	Refuse Disposal Penticton/D3	x		
LIBRARY				Oct
	Okanagan Regional Library	x		
PARKS & RECREATION				Oct
	Regional parks and trails	x		
	Ok Falls Parks, Recreation and Facilities		x (OK Falls)	
SEWER				Oct
	Okanagan Falls Sewer		x (OK Falls)	
	Septage disposal	x		
EMERGENCY SERVICES				Nov
	Emergency planning	x		
	911 Emergency Call System	x		
	Fire protection		x (OK Falls)	
	Victim assistance contribution	x		
PLANNING AND BUILDING				Nov
	Electoral area planning	x		
	Subdivision servicing	x		
	Regional Growth Strategy	x		
	Building Inspection	x		
	Heritage Conservation	x		
	GIS mapping and information services	x		
	Heritage Hills Street Lighting		x (Heritage Hills)	
BYLAW ENFORCEMENT				Nov
	Noise control	x		
	Untidy/unsightly premises	x		
	Animal control	x		
ECONOMIC DEVELOPMENT				Nov
	Area D Economic Development	x		
	Regional economic development (Ok Film)	x		
ENVIRONMENTAL SERVICES				Nov
	Nuisance control	x		
	Mosquito control	x		
	Invasive species	x		
	Sterile insect release	x		
	Destruction of Pests (weeds and insects)	x		
	Environmenal conservation service	x		
WATER				Dec
	Sun Valley water service		x (Sun Valley only)	
	Okanagan Basin Water Board	x		
ADMINISTRATION				Dec
	Electoral area government administration	x		
	General govenrment regional administration	x		
	Grant in Aid program	x		
	Rural Projects (Area D)	x		
TRANSIT				Dec
	Electoral Area D Transit System service		x (Lakeshore Highlands, Vintage Views, Heritage Hills and Skaha Estates)	
	Regional transit	x		
	South Okanagan transit system		x (select properties in OK Falls)	
PROVINCIAL SERVICES				Dec
	Roads	x		
	Policing	x		

INCORPORATION INSIGHTS	
Incorporation Study process	Oct
High level incorporation impacts	Nov
Municipal boundary considerations	Dec