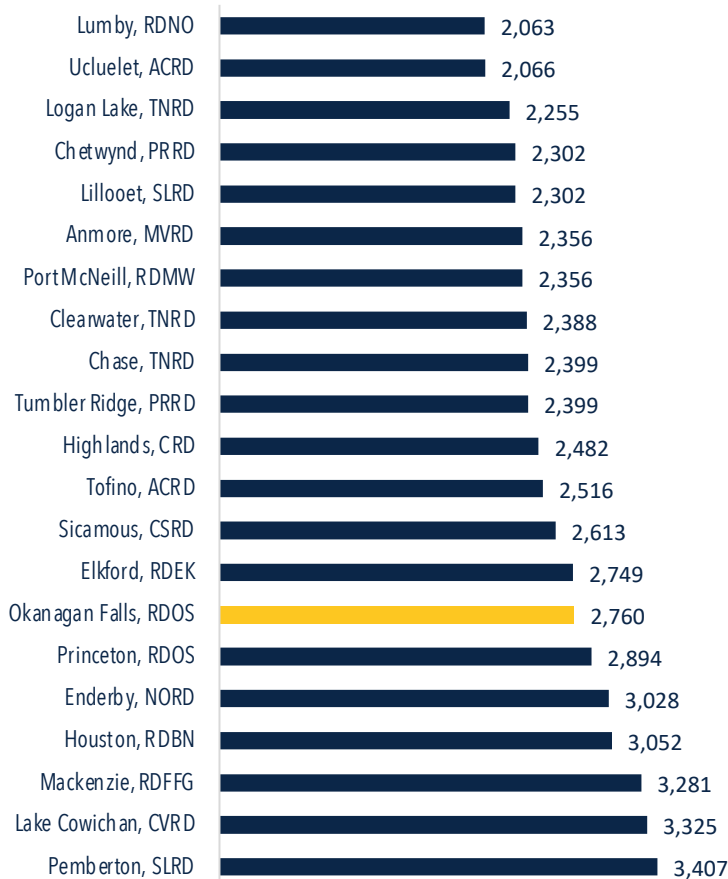


POPULATION 2,760

Okanagan Falls
Incorporation study area
has a higher population
than 63 municipalities in
BC (39% of municipalities)

* 2021 Census data

Municipalities with similar population to the Study Area

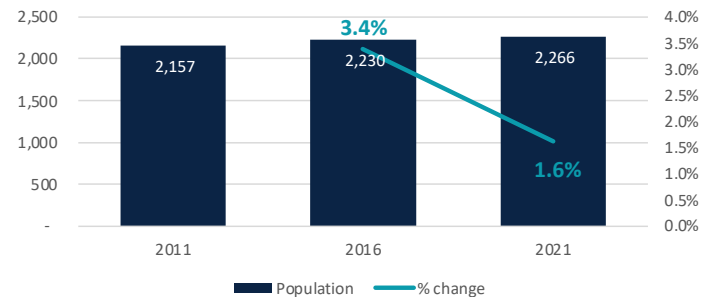


Provincial average
43.1

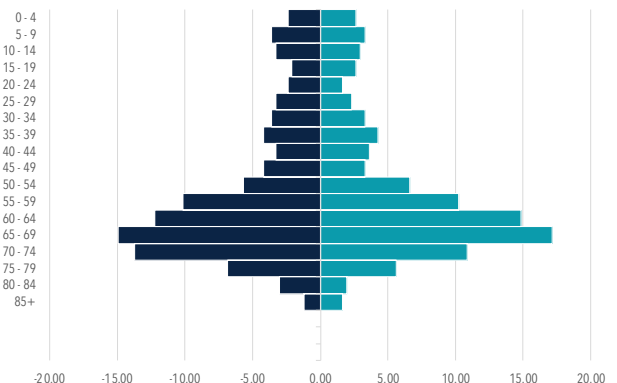


Provincial median
42.8

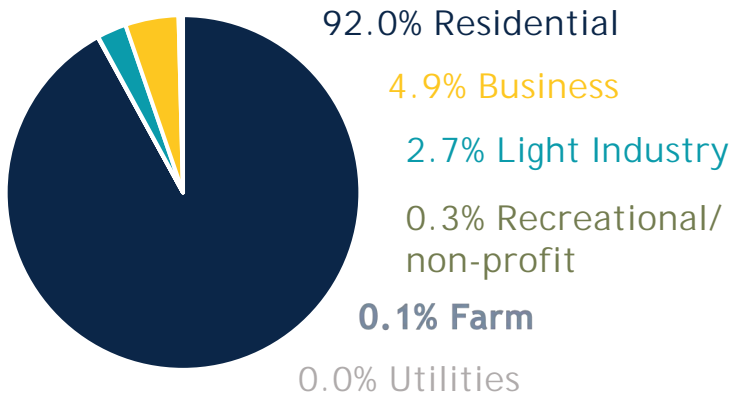
Population Growth
(Ok Falls designated place)



Okanagan Falls Population Pyramid
(2021 Census - OK Falls Designated Place)



ASSESSMENT



100
Business & Light
Industry
properties



49
Farm Class
properties

Municipalities with similar 2023 assessment to the Study Area

Cleanwater, TNRD	598,090,052
Elkford, RDEK	648,198,334
Chase, TNRD	651,577,803
Port Hardy, RDMW	658,757,500
Vanderhoof, RDBN	683,982,346
Princeton, RDOS	710,614,736
Enderby, RDNO	717,685,505
Belcarra, MVRD	796,681,100
Grand Forks, RDKB	851,310,706
Okanagan Falls, RDOS	881,310,109
Sparwood, RDEK	1,025,531,950
Harrison Hot Springs, FVRD	1,088,792,957
Lake Cowichan, CVRD	1,147,538,050
Golden, CSRD	1,155,204,276
Creston, RDCK	1,164,900,408

• 2023 Assessment – Total Hospital Purposes Value

Okanagan Falls Incorporation study area has a higher 2023 assessment than 62 BC municipalities and a higher combined business and industry assessment than 56 BC municipalities

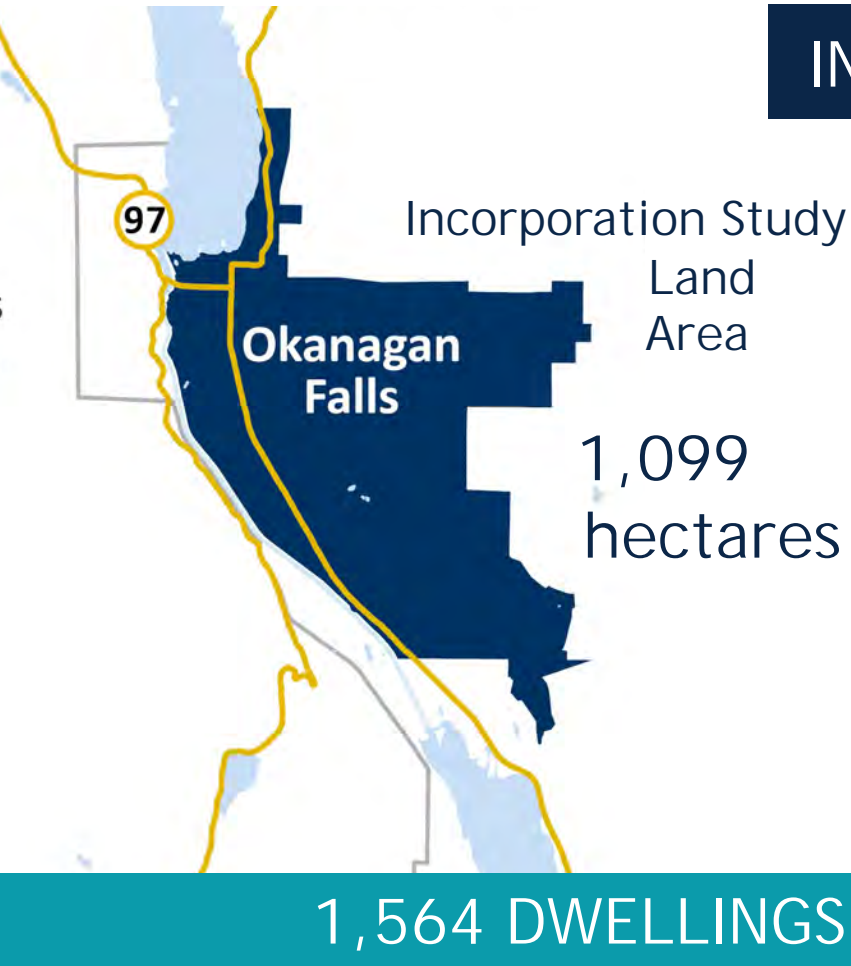


\$529,799

2024 Average Residential Assessed Value

(residential assessment ÷ # dwellings)

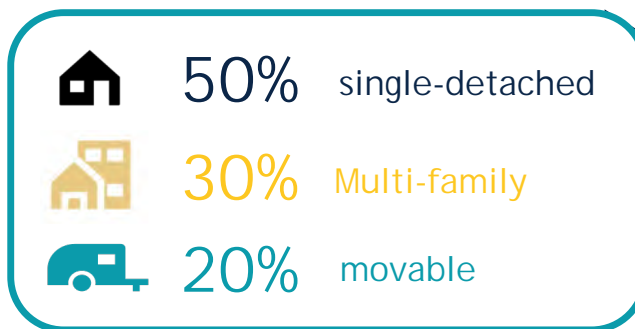
INCOME LEVELS



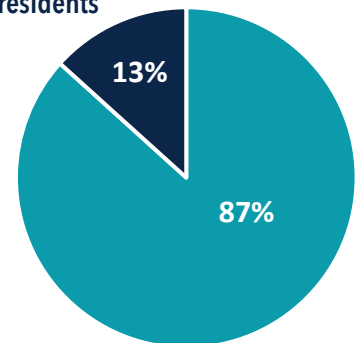
2020 Average Income*



2020 Median Income*



Vacant or occupied by temporary residents



Occupied by "usual" residents

Average household size





Implementation Overview

The Implementation Overview Sheet was developed for presentation to the Okanagan Falls Incorporation Study Committee at its meeting on May 28, 2024. The sheet was prepared using information available at the time of writing. Further changes will be made if new information becomes available.

This Overview Sheet provides information on what would happen if a referendum proceeds, not because it is assumed that will occur, but to provide information to the Committee and residents on the process to expect if that direction is ultimately recommended by the Committee and RDOS, and accepted by the Province. Understanding what would happen under all scenarios is part of providing the Committee and residents with a fulsome understanding of the process.

➤ What are the next steps in the Study?

The presentation of all the Service Sheets, Issue Sheets, and a 7-year budget (capital and operating) marks the conclusion of the initial analysis phase of the Incorporation Study.

Phase 2 of the study involves taking the results of the analysis, creating public information materials, and engaging with the public through mailouts, public events, meetings and panels to ensure residents of the study area have the opportunity to learn about the impacts and have their questions answered.

At the conclusion of Phase 2, the Incorporation Study Committee will decide if it is satisfied that residents have had sufficient opportunity to learn and become informed about the options. Once satisfied, the Committee will be expected to make a

recommendation to the RDOS Board of Directors on the matter of an incorporation referendum. It is anticipated that the Committee will be in a position to make that decision at the beginning of 2025 if not earlier.

➤ Who decides if there will be a referendum?

Once the Committee makes its recommendation on whether a referendum be held, the RDOS Board of Directors will be expected to make its own recommendation on the matter, informed by the Committee's recommendation, to the Ministry of Municipal Affairs.

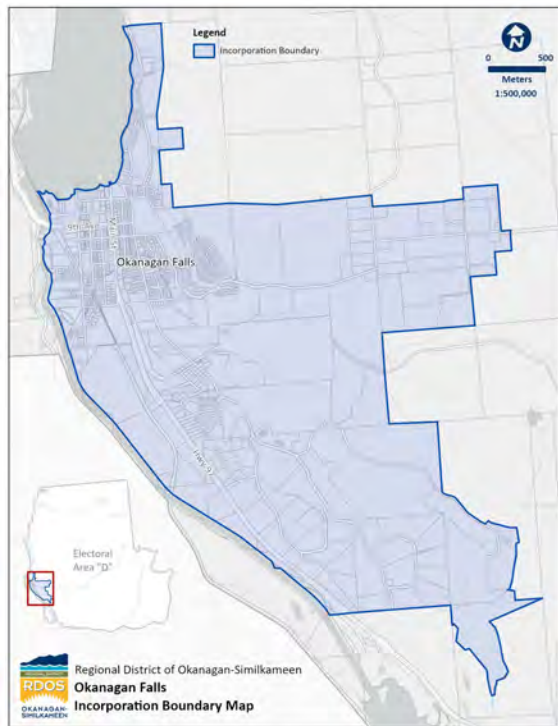
If the RDOS Board recommended that a referendum be held, and if the Ministry chose to accept the recommendation and proceed to referendum, a vote **would** be held for electors within the Study Area. A date would be set for the referendum consistent with the legislative requirements for notice, mail-in ballots, etc. The earliest timing for a referendum would be spring 2025.

➤ What happens in a referendum?

A referendum is the process by which electors get to decide the outcome of an issue. People who are residents or own property within the Incorporation Study Area (Figure 1) and are eligible to vote in municipal elections (see requirements below) would be able to vote in the referendum. The referendum would include a single question that asked whether residents want incorporation to proceed. The question would be decided by a simple majority; whichever response (yes or no) received more than 50 per cent of the votes cast. The result would be determined by those who voted; there would be no minimum turnout required, or need for the total number of votes cast to represent a pre-set percentage of the eligible voters.

As with all local elections, there would be advance polling available prior to the referendum date for those who could not vote on the referendum date. One polling station would be offered on the voting day, and mail-in ballots would also be available.

Figure 1: Incorporation Study Area



If a referendum were set, the referendum date and all relevant information for voting, including advance polls, dates, polling stations and instructions for requesting and submitting mail-in ballots, would be published on the RDOS website, in Skaha Matters and will be widely advertised in the community.

➤ Who would be eligible to vote in a referendum?

In the event that a referendum on incorporation were scheduled, all eligible voters that are residents within the Incorporation Study Area would be able to vote. There would be no need for voters to pre-register; registration of qualified electors would take place at the time of voting. At the time of voting eligible voters

would be required to make a declaration that they meet the following requirements:

- 18 years of age or older on voting day
- Canadian citizen
- resident of BC for at least 6 months immediately before the day of registration
- resident of the Incorporation Study Area OR
- registered owner of real property in the Incorporation Study Area for at least 30 days immediately before the referendum date, and
- not disqualified under the *Local Government Act* or any other enactment from voting and not otherwise disqualified by law.

Resident electors would be required to produce two pieces of identification (at least one with a signature). Picture identification is not necessary. The identification must prove both residency and identity.

Non-resident property electors are people who own property within the Incorporation Study Area (at least 30 days prior to the referendum date), but are not residents. Non-resident property electors must live in BC, and produce two pieces of identification (at least one with a signature) to prove identity, provide proof that they are entitled to register in relation to the property. Where properties are owned by more than one non-resident owner, only one owner can vote. Voters in that instance must have written consent from a majority of the property owners confirming they are the one owner eligible to vote on behalf of the ownership group. In the event of a referendum, forms would be made available online at www.rdosregionalconnections.ca or in-person at the RDOS office.

➤ What are mail-in ballots?

Mail-in ballot packages are an option for voting in the RDOS. If a referendum were scheduled, mail-in ballots would be requested by filling out an Application for Mail-In Ballot Package form available from the RDOS – either online (www.rdosregionalconnections.ca) or in-person at the RDOS office (101 Martin Street, Penticton), and providing the information required

(name, address, property information, method of mail ballot package delivery, identification, etc.). Additional information would be shared about how and when mail ballots must be received by the Chief Election Officer once a referendum is scheduled. The mail ballot packages contain instructions on how to complete and return the mail ballot.

➤ **Who would NOT be eligible to vote in a referendum?**

Residents who live outside the Incorporation Study Area (elsewhere in Area “D” such as Skaha Estates, Heritage Hills, Lakeshore Highlands, Vaseux Lake) and do not own property within the Study Area would not be eligible to vote in an incorporation referendum. Others who would not be eligible include:

- People who are permanent residents in another province, even if they own property within the Incorporation Study Area
- Residents who are under the age of 18
- Corporations. No corporation is entitled to be registered as an elector or have a representative registered as an elector

A person cannot vote in any local elections, including an incorporation referendum (as either a **resident elector** or a **non-resident property elector**) when that person:

- has been convicted and sentenced for an indictable offence and are in custody; or,
- has been found guilty of an election offence, such as intimidation or vote-buying; or,
- does not otherwise meet voter eligibility requirements.

➤ **What if the majority of electors who voted, voted no (against incorporation)?**

If incorporation is not desired by a majority of those who vote in a referendum, then incorporation will not

proceed, and the Incorporation Study Area will continue to be a part of Area “D” within the RDOS. Residents will not see any changes as a result of the referendum, and the area will continue to be represented by a single electoral area director (Area “D” director) on the RDOS Board of Directors.

➤ **What if the majority of electors who voted, voted yes (for incorporation)?**

If incorporation were desired by a majority of those who voted, the Ministry of Municipal Affairs would present the Letters Patent¹ to Cabinet to incorporate the new municipality. Letters Patent are formal pieces of legislation that outline the boundary and servicing arrangements of every local government in the province. Cabinet, through a document called an Order in Council (OIC), approves municipal incorporation.

The Letters Patent will document the service arrangements and the transition for services from the RDOS to a new municipality, and set up an interim structure to help establish the municipal corporation. An election would be held to identify a Council to guide the municipality until the next scheduled municipal election in October 2026.

➤ **Does the Committee have input into the Letters Patent?**

If the Ministry and Cabinet agree to a referendum, the Ministry prepares draft Letters Patent in advance of a referendum vote. There are some aspects of the Letters Patent that the Ministry may seek guidance on from the Committee at the conclusion of the Incorporation Study, based on the Committee’s understanding of the community preferences and issues. At that time the Committee will have had the benefit of hearing from and engaging with the community throughout the summer and fall.

Topics that the Committee may want to share input and guidance upon include:

¹ The Letters Patent will be developed in draft form prior to the referendum vote



- Transitional provisions that the Committee considers warranted based on feedback heard from the community with respect to governance, such as advisory committees
- Guidance on the classification of the municipality as a Town or a District
- Guidance on the size of the Council (5 or 7 members)

Governance

During the analysis phase the potential for advisory committees to assist in ensuring broader input on services that are provided beyond the municipal boundaries, or in instances where the local area services are impacted, was discussed with the Committee. In particular, the Okanagan Falls Recreation service was discussed, due to the current service area that extends well beyond the proposed Incorporation Study Area. It was assumed for the purposes of the analysis that the Recreation Service would be provided by the municipality, but that the municipality would continue to serve the current service area (including areas outside the municipality). Where electoral areas contribute toward a service provided by a municipality, there is often a joint committee created to provide the residents of the electoral area with a voice in the service and service delivery decisions. The desire for specific advisory bodies such as a Recreation Committee or Commission may be something the Committee wants to identify as input into the Letters Patent.

Similarly, given that incorporation would involve the dissolution of the Rolling Hills Waterworks improvement district, and that the new municipality would encompass two other distinct water service areas, the Committee may also want to consider recommending the creation of a water users advisory committee with representatives from each of the three local water service areas, to help ensure input from ratepayers of each of the three systems, and resolve issues regarding those separate local area services moving forward.

Municipal Classification

Section 10(1) of the *Local Government Act* identifies the system of classification that applies to new municipalities. As per that section, municipalities with more than 2,500 residents and fewer than 5,000 are classified as towns. Section 10(1)(d) of the *Act*, however, explains that if the area to be incorporated is greater than 800 hectares and has an average population density of fewer than five persons per hectare, the municipality must be incorporated as a district municipality. The Okanagan Falls Incorporation Study Area has both of these attributes, and would therefore be designated a district municipality.

Finally, section 10(3) states that despite subsection (1), if the "Lieutenant Governor in Council considers it to be in the public interest to do so, a municipality may be incorporated in another classification provided for in this Act." This authority granted to Cabinet typically results in the province seeking input from the Committee, on whether, if incorporated, the resulting municipality should be referred to as a town instead of as a district municipality (the default classification).

In almost all respects, towns and district municipalities operate with the exact same authorities, under the exact same rules and regulations. One difference, however, relates to the regulation of drainage. While all municipalities may regulate drainage, section 639 of the *Local Government Act* gives district municipalities the power to collect water from any road using drains or ditches, and to discharge the water into the most convenient natural waterway or watercourse. The same section extends some protection to district municipalities against claims for damages related to drainage.

A second difference concerns the size of council assigned, by default, to each type of municipality.

Size of Council

Section 118(1) of the *Community Charter* sets out the size of the municipal council for different types of municipalities. The section notes, specifically, that unless otherwise provided by letters patent:



- a city or district municipality with fewer than 50,000 people shall have a council of one mayor and six councillors
- a village or town shall have a council of one mayor and four councillors

Subsection (1) notwithstanding, the municipal council once formed may, by bylaw, change the size of council to make it larger or smaller than that which is set out at the time of incorporation.

The choice of classification (i.e., town or district municipality) would automatically determine the size of the municipal council unless the letters patent established by Cabinet (on the advice of the Ministry) stated otherwise. Input from the Committee could be provided to help the Ministry appreciate any reason to depart from the classification-determined size.

A smaller council of five may be preferred by community members who wish to minimize the cost — or, more accurately, the perception of cost — associated with governance and administration. The actual cost of two additional council members would not be significant; however, the choice of a small council may be considered as a demonstration of efficient, low-cost government. The analysis and administrative costs referenced within the *Administration Services Sheet* adopted by the Committee, and in the draft budget, assumes a five-member council.





Incorporation Impacts on Agricultural Properties

Introduction

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

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

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

Agricultural Properties in BC

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

Agricultural Land Reserve

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

processing facilities for farm products, timber production, seasonal agri-tourism activities, and others.

Agricultural Land Commission

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

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

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

Farm Class Properties

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

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

Figure 1: Farm Class properties in the Incorporation Study Area

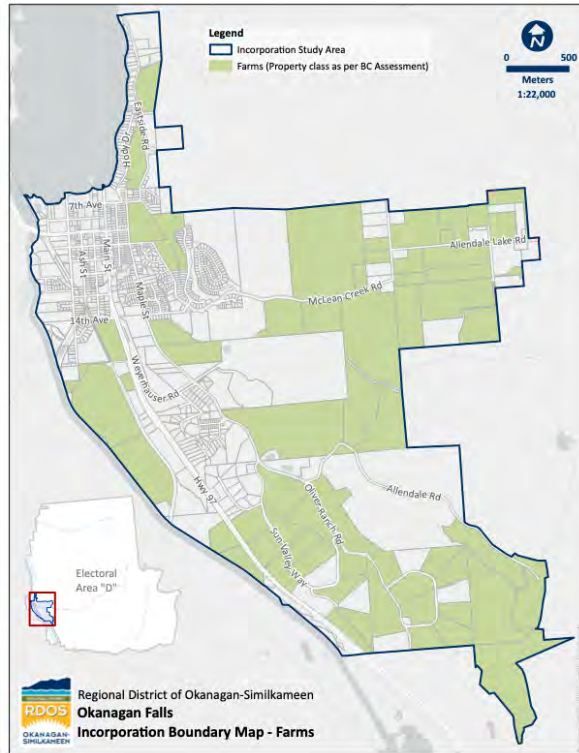


Figure 1 shows the farm class properties within the Okanagan Falls Incorporation Study Area. It is useful to note that not all ALR parcels are classified as farm for the purpose of property taxation. Likewise, not all properties classified as farms by BC Assessment are located within the ALR. Lands both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

Property Tax Exemptions

Under provincial law, ALR properties and farm class (Class 9) properties across British Columbia receive partial or full exemptions from different types of property taxes, including taxes that are charged to pay for local government services. The majority of the tax exemptions apply to all ALR properties used for farm or residential purposes, and all farm class (Class 9) properties regardless of

whether the property is located in a municipality or in an unincorporated area. These universal ALR and farm class exemptions are referenced in Figure 2.

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

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

These exemptions are explained in more detail below.

Property Tax Class

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

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

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

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

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

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

Taxing Authority

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

- **Province** - The provincial government taxes all properties in BC to help pay for schools. In electoral areas, the province also charges a provincial rural tax primarily to help fund the cost of local roads. The rural tax is not applicable in municipalities. A police tax is charged by the province in electoral areas and small municipalities (below 5,000 population) to recover part of the cost of providing police services.
- **Regional Districts** - Regional districts charge property taxes to electoral area residents to pay for local services. Taxes are charged to residents in electoral areas and municipalities to pay for sub-regional and regional services provided in these areas. Property taxes charged to fund regional hospital districts are considered regional district taxes, as are property taxes charged for regional library districts and other inter-regional services in which regional districts may participate.
- **Municipalities** - Municipal governments charge property taxes to municipal residents to fund local services that are provided by councils within municipal boundaries. Municipal taxes are not levied in electoral areas.

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

Incorporation Status

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

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

The key difference in exemptions that apply to residences is illustrated in Figure 3. The chart highlights the full (100%) exemption that residences on farm class properties in unincorporated (electoral) areas receive (regardless of whether they are in the ALR or not), from the Provincial Rural Rate tax. In comparison, if the community in which that property is located

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

RESIDENCE TAX EXEMPTIONS ON FARM (CLASS 9) LAND			
Tax Authority	Tax	unincorporated	incorporated
Provincial	Provincial Rural Rate (Electoral Area Tax)	100% Exempt	N/A
Municipal	General Municipal Tax	N/A	0% Exempt

becomes incorporated as a municipality, the Provincial Rural Rate no longer applies to the property, but a General Municipal Tax does. The farm residence does not receive any exemption from the General Municipal Tax (i.e., it pays the full General Municipal Tax rate the same as residences that are not on farms).

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

Farm Buildings

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

In all, the most significant tax impact for a farm class property as a result of incorporation relates to the

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

FARM BUILDING TAX EXEMPTIONS ON FARM (CLASS 9) LAND			
Tax Authority	Tax	unincorporated	incorporated
Provincial	Provincial Rural Rate (Electoral Area Tax)	100% Exempt	N/A
Municipal	General Municipal Tax	N/A	87.5% Exempt*

* Or \$50,000, whichever is greater

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

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

Applications to the ALC

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

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

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



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

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

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

Local Government Services

Unincorporated

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

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

Incorporated

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



Regional District Governance

What is a regional district?

The Regional District of Okanagan-Similkameen (RDOS) is one of 28 regional districts in BC. The boundaries of regional districts are vast – the RDOS spans 10,407 km² from the Okanagan Connector Highway 97C in the north, south to the US border, stretching west from close to the Coquihalla Highway 5, to well east of Skaha Lake. Regional district boundaries encompass municipalities as well as unincorporated lands, which are divided into smaller areas called electoral areas. Regional districts are modeled as a federation of municipalities and electoral areas, each of which has representation on the regional board. The RDOS encompasses 9 electoral areas, of which Area “D” is one, and 6 municipalities.

Figure 1: RDOS Electoral Areas



Regional Districts:

- Are the local government for rural (electoral) areas, providing them with basic local services such as community planning.
- Provide region-wide services to all electoral areas and municipalities within a region, such as solid waste management planning and emergency planning.

- Provide a framework for sub-regional or inter-municipal services to combinations of municipalities and electoral areas, such as garbage collection and animal control.

Who makes decisions?

Regional districts are governed by a board consisting of two types of directors:

- **Electoral Area Directors** are elected directly by rural area voters, and serve 4-year terms. RDOS has 9 electoral area directors.
- **Municipal Directors** are first elected to a municipal council, and are then appointed by their council to the regional district board for a term determined by their council. RDOS has 11 municipal directors.

The board selects its own chairperson, who has the authority to create standing committees to deal with issues such as planning, environmental management, and regional growth. The RDOS has Planning & Development, Community Services, Corporate Services, Environment & Infrastructure, and Protective Services committees.

Each municipality or electoral area has a voting strength on the board based on population. In the RDOS, each jurisdiction has one vote for every 1,800 residents. The voting strength is then divided by 5 to determine the number of directors that sit on the board from each jurisdiction. The RDOS Board consists of 20 directors – one from each of the 9 electoral areas and one from each of the municipalities, with the exception of the City of Penticton, which appoints 5 directors, and the District of Summerland, which appoints 2. Area “D” is represented by one Director on the Board. The population of Area “D” in 2021 was 4,016, resulting in 3 votes.

As the governing body, the RDOS Board is responsible for making a wide range of decisions for Area “D”. Some decisions are made by the full Board and others are made only by the directors from the areas participating in the service. There are two types of votes at the board:

- **Corporate votes**, in which all directors vote. Some of these votes are unweighted (1 director, 1 vote), such as for establishing new services, or regulatory bylaws. Weighted corporate votes are used for money matters, such as the financial plan, borrowing or buying property.
- **Stakeholder votes**, in which only those directors participating in a service are entitled to vote. Weighted votes (by population) are used. These votes are for the operations of existing services. If there is only one participating area, the entire board will vote on the service.

The decision to establish a new local service in Area “D”, is a decision for the full the Board using an unweighted corporate vote. The decision to adopt RDOS's annual financial plan (i.e., budget), through which the services provided to Area “D” are funded and tax requisitions are determined, is also a decision for the full Board. This decision, however, is made using a weighted corporate vote. Decisions on region-wide services in which Area “D” along with all other jurisdictions participates are made by the full Board as well. In some instances the decisions are made using unweighted votes; in other instances, weighted votes.

Electoral Area “D” participates in a number of sub-regional services — that is, services that are provided to a limited number of jurisdictions (electoral areas and/or municipalities). Examples of these services include Electoral Area Planning, Regional Growth Strategy, and curbside recycling and garbage collection. Decisions on the operation and administration of these services are made only by the directors who represent the participating jurisdictions, using weighted stakeholder votes.

Some of the RDOS services in which Electoral Area “D” participates are provided solely to Area “D” such as Okanagan Falls Sewer, and Sun Valley water service. The *Local Government Act* requires all

votes on services that are provided to a single electoral area to be made by the full Board of Directors.

What is important to understand is that the Area “D” Director is not the only decision-maker for Area “D”. Indeed, all decisions on RDOS services that are provided to Area “D” involve directors from other jurisdictions in the regional district. In some cases directors from all municipalities and electoral areas of the RDOS are involved; in other cases, directors from only a sub-set of jurisdictions are involved. In every case, however, the Area “D” Director shares decision-making authority over local matters with elected officials from other parts of the region.

Area “D” Residents

Electoral Area “D” residents participate in local decision-making through consultation processes on major initiatives, such as development of an OCP, the creation of a compost facility or the Area “D” Services and Governance study. In some cases — the development of an OCP is an example — consultation with residents is required under the *Local Government Act*. In other cases, consultation is undertaken simply as a local governance best practice.

Area “D” residents also participate in decision-making through citizen advisory bodies. The Electoral Area “D” Advisory Planning Commission (APC) is one such group, established to advise the Board on land use and community planning matters in Area “D”. The Okanagan Falls Parks and Recreation Commission is an additional body with representation from residents.

Finally, residents who are also electors have a significant role to play in approving certain decisions of the RDOS Board. In some instances, elector approval is sought using an “alternative approval process” (AAP); in other cases, approval is pursued using an assent vote (i.e., referendum). Initiatives related to long-term borrowing, the establishment of new services, the disposal of infrastructure and parkland, and entering into public-private partnerships, are key examples of decisions that must be approved by electors.

Provincial Government

The provincial government has a direct role in (and ultimate authority over) decision-making for certain local services in all unincorporated areas of British Columbia, including Electoral Area “D”. Roads, policing, and subdivision approval are the three key services for which the province is the principal decision-maker.

What services does a regional district provide?

Regional districts can provide a broad range of services. With the exception of a few provincially mandated services, the services are determined by the regional board, with the support of residents. Because the board only provides services that their members, or residents, agree the regional district should provide, the menu of services varies by regional district, and can be different within each electoral area or community.

Some services, such as street lighting, may be provided to a portion of an electoral area, or to a combination of electoral areas and municipalities (such as the operation of the Campbell Mountain landfill). Regional services are those that are provided to all member municipalities and electoral areas, such as solid waste management planning.

Services are established to respond to needs identified by the board, electoral area directors, member municipalities, staff or residents. A proposed service must go through a process to determine its feasibility, including scope, cost, and delivery options. If deemed feasible, a service establishing bylaw must receive support from the regional district board. Ultimately the bylaw must also be approved by the province’s Inspector of Municipalities, and supported by the residents that will participate in and pay for the service. Support can be demonstrated through a petition, alternative-approval process, referendum, or approval by a Council or electoral area director on behalf of residents of that jurisdiction.

Just because the regional district can provide a service, does not mean that they do. There are many organizations that provide services. For instance, water service may be provided to a community

privately, or through an Improvement or Irrigation District independent of the regional district.

What services does a regional district NOT provide?

The provincial government provides some services to rural areas, including roads and policing. These services are not the responsibility of the regional district and they do not have control over how they are provided.

How do regional districts pay for services?

Unlike a municipality, which has the flexibility to allocate “general revenues” to its services, each service provided by a regional district is budgeted for separately. Costs are recovered by billing those who benefit from the service. The expense of providing a service must be covered by revenue generated for that same service; one service cannot subsidize another. Revenue raised for a fire protection service, for example, must fund the fire department and no unrelated activity.

Regional districts raise funds primarily through requisition – parcel taxes (a set amount per parcel, land area, or metre of frontage), or property value taxes based on tax rates applied to the assessed value of the property (land, improvements, or land and improvements combined). Tax notices reference the services, or group of services received, and the associated tax rates or parcel tax amounts.

Regional districts also generate revenues from user fees and charges, such as dog licenses, garbage collection fees, and recreation fees, as well as provincial or federal government grants. Some services, such as garbage collection, are recovered fully through user fees, and do not require any taxation.

In electoral areas, regional district property taxes are collected by the provincial government’s Surveyor of Taxes on behalf of the regional district. Within municipal boundaries, property taxes are paid to, and collected by, the municipality. The Province and municipalities then transfer funds to the regional services that the regional districts provide.

How would governance differ in a municipality?

If a new Okanagan Falls municipality were 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.

Council would consist of a mayor and either 4 or 6 councillors¹, 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.

Council Committees

Standing and select committees of Council could be established to provide advice and recommendations on services and other matters. Residents could be appointed to both types of committees, as desired by Council.

Residents

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; however, APCs are less common in municipalities than in electoral areas.

Resident electors would have some role to play in approving certain decisions of Council through AAPs 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, however, 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 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.² The province would still, however, make decisions concerning local policing. If the new municipality reached a population of 5,000, Council (through the Mayor) would have an enhanced role in helping to set policing priorities.³

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 and for processing and approving subdivisions.

¹ Council size would depend in part on population, and be determined during the incorporation process.

² The province would remain in control of Highway 97, which is designated a provincial highway.

³ Even at 5,000 population, the new municipality would not control local policing. Authority over local policing in communities served by the RCMP is held by the province and is exercised through the Solicitor General. The municipality would, however, have the ability to influence the setting of local RCMP policing priorities.