



SORRENTO-BLIND BAY INCORPORATION STUDY REPORT



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CHAPTER 1

INTRODUCTION

Over a thirty-month period beginning in the fall of 2019, the Sorrento-Blind Bay Incorporation Study Advisory Committee undertook the *Sorrento-Blind Bay Incorporation Study*. The purpose of the *Study* was to examine, understand and communicate the implications of incorporation to the residents of Blind Bay and Sorrento. More specifically, the *Study* set out to help residents understand what a decision by local electors to create a new municipality would mean in terms of:

- local service provision
- governance for the community, including decision-making for local services
- the cost of providing services, and the revenues available to fund the costs
- property taxes

The *Incorporation Study* followed, and was informed by, two earlier studies — namely, the *Electoral Area C (South Shuswap) Governance Study* in 2017, and the *Electoral Area C Boundary Analysis* in 2018. Based on the recommendations put forward under these two earlier projects, the Columbia Shuswap Regional District (CSR) Board of Directors asked the Minister of Municipal Affairs for funding to support an *Incorporation Study* to examine the potential creation of a new Sorrento-Blind Bay Municipality. The Board also requested that, in the event that incorporation were deemed unfeasible as a result of the *Study* or did not receive the support of Blind Bay and Sorrento electors, the Minister support the division of Electoral Area C into two separate electoral areas. The Minister accepted the Board's requests and approved the terms of reference to guide the *Sorrento-Blind Bay Incorporation Study*.

INCORPORATION STUDY ADVISORY COMMITTEE

The Sorrento-Blind Bay Incorporation Study Advisory Committee was established by the CSR Board of Directors to conduct the *Incorporation Study*. In appointing members to the Committee, the Board made every effort to ensure a diverse membership that was representative of the community demographics, interests, and neighbourhoods of the Sorrento-Blind Bay study area. All members applied to be part of the Committee, as did other candidates who were not selected.

In October 2019, at the outset of the *Incorporation Study*, the Committee consisted of a total of twelve residents, including nine from the larger Blind Bay portion of the study area, and three from Sorrento.¹ John Smith of Blind Bay was elected Chair of the Committee by the full membership. The Electoral Area C Director was appointed to the Committee in an *ex officio*, non-voting capacity.

The Committee was responsible for overseeing and directing all stages of the

¹ By the end of the study process, the Committee's membership had been reduced to eight.



Incorporation Study, including the technical analysis of the options, and the communication of findings to residents. The Committee was also tasked with making a recommendation to the CSR Board of Directors on the need for an incorporation referendum. If the Committee determined, based on community feedback, that there were sufficient interest in incorporation, the Committee was to recommend that a referendum be held. Alternatively, if the Committee found that support for incorporation were minimal or non-existent, the Committee could choose to recommend against holding a referendum. Incorporation, it should be emphasized, could only proceed if voters in Sorrento and Blind Bay chose the option in a referendum. If voters rejected the option, or if no referendum were held, incorporation would not proceed.

In all of its work, the Committee was expected to serve as an objective fact-finding and oversight body, charged with providing information to the community in a neutral and balanced fashion. The Committee was not struck, and did not act, to recommend any particular option to the community, or to convince residents to choose any particular outcome. The Committee was created, instead, to give residents the information required to make their own informed decisions on incorporation.

Consultants to the Committee

The Committee was assisted throughout the *Incorporation Study* by a team of local government consultants.² The consultants were responsible for conducting the technical analysis, designing the community engagement strategy and, in collaboration with the Committee, engaging residents on the *Study* findings. The consultants reported to the Committee and supported the Committee throughout the entire process.

The bulk of the funding for the consultants was provided by the Ministry of Municipal Affairs; additional funds were provided by the CSR.

STUDY PROCESS AND TIMELINE

Process

The *Study* followed a seven-stage process that began in the fall of 2019.

- *Stage 1: Inaugural Committee Meeting* — The Incorporation Study Advisory Committee held its inaugural meeting with the consultants in November 2019, at the Cedar Heights Community Association Hall in Blind Bay. At the meeting, the consultants reviewed:

- the purpose of the *Study*

² The consulting team consisted of Neilson Strategies Inc. and Leftside Partners Ltd. Urban Systems Ltd. provided advice on local roads to the Committee.



- the roles and responsibilities of the parties involved, including the Committee, the CSR D Board and staff, the Ministry of Municipal Affairs and the consulting team
- the study process and timeline, along with the deliverables to expect
- the key findings from the 2017 *Governance Study* and 2018 *Boundary Analysis*

The meeting was structured, as all Committee meetings were, to provide an opportunity for members of the public to ask questions of the Committee.³ The Committee was invited at the meeting to select, from among its membership, a Committee Chair and Vice Chair. Committee members resolved during the meeting, however, to defer the choice of Chair and Vice Chair to the following meeting.

- *Stage 2: Current State* — In December 2019, at the Sorrento Centre in Sorrento, the Committee met to review the current state of service provision, governance, service funding and property taxes in Blind Bay and Sorrento — that is, in the Incorporation Study Area. A draft *Current State Report* was presented to and reviewed with the Committee.
- *Stage 3: Technical Analysis* — The technical analysis of the Incorporation Option and the default Two Electoral Areas Option was the focus of stage three, the lengthiest and most detailed stage of the *Study*. The analysis involved the development and presentation of a series of *Service Sheets* to identify and explain the service, governance, financial, property tax and other implications associated with the incorporation of Blind Bay and Sorrento, as well as with a decision to remain unincorporated as a new Electoral Area (Area C1). One *Service Sheet* was produced for each category of local, sub-regional and regional services currently provided to the community by the CSR D. Additional *Service Sheets* were produced for local services provided by regional agencies (e.g., Okanagan Regional Library), provincial ministries (e.g., Ministry of Transportation and Infrastructure, Ministry of Public Safety and Solicitor General), and by non-profit agencies (e.g., Shuswap Search and Rescue). All *Service Sheets* were public documents, presented at open Committee meetings and posted online for download.

Separate *Issue Sheets* were developed to identify and describe the implications of incorporation for the local governing body (i.e., the make-up, role and authority of a municipal council), implications related to revenue sources, implications for agricultural lands, and other issues). All *Issue Sheets* were also public documents.

- *Stage 4: Multi-Year Budget* — The information from the various *Service Sheets* was brought together in stage four to create a *Multi-Year Budget* for a

³ All Committee meetings were open to the public.



new Sorrento-Blind Bay Municipality. The budget included information from the provincial government's *Offer of Restructure Assistance*, which was presented to the Committee by the Ministry of Municipal Affairs Assistant Deputy Minister at the beginning of stage four.

Sample property tax notices for residential (Class 1) and business (Class 6) properties in Sorrento and Blind Bay were produced based on the *Multi-Year Budget*. The notices compared the total projected property taxes under the Incorporation Option against the projected taxes under the default Two Electoral Areas Option. The *Multi-Year Budget* and accompanying property tax notices, it was advised, were constructed to project the financial and tax changes that would be expected to occur simply as a result of the decision to incorporate. In the main, the budget and tax notices did not anticipate or include the impacts of potential future decisions taken by a new municipal council. The exception was an assumption by the Committee that the new council would choose to use a portion of the transition funding provided by the Province (*Offer of Restructure Assistance*) to phase-in the expected tax increase over a period of seven years.

- *Stage 5: Community Engagement* — The results of the Committee's analysis were presented to the community at stage five. A *Community Engagement Strategy* was developed to guide the engagement effort over a three-month period that was interrupted by changes to public health restrictions prompted by COVID-19. Two mail-out guides, online open houses, a study website resource, continuously updated frequently-asked-questions (FAQ), social media, advertising, and a moderated online discussion panel were featured in the *Strategy*.
- *Stage 6: Report on the Study* — The consultants assembled the *Service Sheets*, *Issue Sheets*, *Multi-Year Budget*, community engagement materials and all other information pieces developed over the course of the *Study* to produce the *Sorrento-Blind Bay Incorporation Study Report*. The *Report* was shared with the Ministry of Municipal Affairs, then presented to the Committee at its final meeting.
- *Stage 7: Recommendation* — The final stage of the *Incorporation Study* involved the presentation of the *Study Report* and the Committee's recommendation on the matter of a referendum to the CSRD Board of Directors.

Timeline

The *Incorporation Study* began in November 2019, and was intended to last a total of fifteen months. The arrival of the first COVID-19 pandemic wave in March 2020, followed by a subsequent wave in the summer of 2021, significantly disrupted this fifteen-month timeline. The following points document the impact on timing:



- The technical analysis at stage three of the process was to have been completed in June 2020. The extended lock-down that began in March 2020, delayed the completion of the analysis phase a full year to June 2021.
- The *Multi-Year Budget* was also planned to have been developed and presented to the Committee, complete with the provincial government's *Offer of Restructure Assistance*, in June 2020. The first presentation of the budget and the government's *Offer* occurred in April 2021; a final version was presented in June 2021.
- The three-month community engagement process (stage five) began in August 2021, with plans for a combination of online and in-person events. COVID-related public health orders in early September prevented the planned in-person events and resulted in the engagement process being postponed until January 2022.
- The delay to January 2022, was supported by the Committee, CSRD and Ministry of Municipal Affairs in the hope that by the new year the Committee would be able to host in-person events. The arrival of the omicron variant spoiled any plans for in-person gatherings. The need to complete the study also made it impossible to postpone engagement further. As a result, three online events occurred in January 2022, to complete the engagement phase.

The Committee's March 2022, meeting is intended to be the final meeting of the Study. At that event the Committee will be expected to receive this report and make its recommendation on the matter of a referendum.

It should be noted that the COVID-related delays to the original fifteen-month *Study* timeline forced the Committee to regroup on different occasions and hold additional meetings. In November 2019, the Committee agreed to hold a total of nine meetings over the course of the *Study*. The March 2022, meeting will be the Committee's thirteenth.

INCORPORATION STUDY REPORT

This *Sorrento-Blind Bay Incorporation Study Report* presents the findings of the *Incorporation Study* and work of the Committee. The remainder of the document is divided into the following six chapters:

- *Chapter 2: The Options* — Chapter 2 reviews the current situation of Sorrento and Blind Bay as unincorporated communities within Electoral Area C. The chapter then introduces and outlines the Sorrento-Blind Bay Municipality Option and the default Two Electoral Areas Option.
- *Chapter 3: Implications of Change* — Chapter 3 introduces the *Service Sheets* and *Issue Sheets* that were produced by the Committee to examine what a decision to incorporate would mean for residents in terms of service



provision, local governance, local government finances, property taxes and other matters.

- *Chapter 4: Multi-Year Budget* — Chapter 4 presents the *Multi-Year Budget* developed for a new Sorrento-Blind Bay Municipality. The chapter outlines the assumptions on which the budget is based, reviews the *Provincial Offer of Restructure Assistance* that informs the budget, and reports the impacts.

- *Chapter 5: Property Tax Impacts* — The projected property tax implications for residents associated with incorporation are presented in Chapter 5.
- *Chapter 6: Community Engagement* — The Committee's community engagement efforts are presented in Chapter 6. The chapter reviews the *Engagement Strategy*, the engagement methods chosen and materials produced. The chapter ends with observations on the engagement with residents.
- *Chapter 7: Recommendation* — The Committee's recommendation on an incorporation referendum is provided.

First Nations

The communities of Sorrento and Blind Bay are within the unceded territory of the Secwépemc Nation, specifically the caretaker area of the Little Shuswap Lake Band, Neskonlith Indian Band, and Adams Lake Indian Band.

The province is working with these Indigenous communities to develop a framework for government to government engagement to better understand impacts resulting from the potential municipal incorporation.

The Indigenous communities and the province are also jointly exploring opportunities for strengthening cooperation and collaboration between local governments and Indigenous communities.

This report presents the work of the Study Committee on, and constitutes the written record of, the *Sorrento-Blind Bay Incorporation Study*. All of the key written materials developed for the *Study* are attached to the report in fourteen separate appendices, all of which are referred to and relied on in the body of the document.



CHAPTER 2 THE OPTIONS

This chapter begins by summarizing the existing, unincorporated state of Sorrento and Blind Bay as communities within Electoral Area C. The chapter then introduces the Incorporation Option and the default Two Electoral Areas Option.

CURRENT STATE

At its second meeting, held in December 2019, the Incorporation Study Advisory Committee received and reviewed the *Current State Report* for Blind Bay and Sorrento. The report, which is attached as *Appendix I*, presented the following information:

- an introduction to British Columbia's system of regional districts, including the purpose of regional districts, as well as regional district governance, service provision and finance
- an overview of the Sorrento-Blind Bay community, including its demographics, land area, housing mix, assessment base and planning context
- a detailed inventory of local services provided by the CSR D to Blind Bay and Sorrento
- details on local services provided by others, including water users' communities and private utilities, and the provincial government

The information from the *Current State Report* was supplemented by a detailed review in every *Service Sheet* of the service provision, decision-making, cost, and property tax characteristics in place at the outset of the study for each local service in the communities of Sorrento and Blind Bay.⁴

The details in the *Current State Report* and the *Service Sheets* explain, in short, that Sorrento and Blind Bay exist at present as unincorporated communities in Electoral Area C (South Shuswap) of the CSR D. The CSR D is the local government for the communities, responsible for providing most of the local services on which residents depend, including water, fire response, planning and building inspection, parks and recreation, bylaw enforcement and others. Decisions related to these services are made by the CSR D Board of Directors. Blind Bay and Sorrento are represented on the Board by one Director — the Electoral Area C Director — who is elected by and accountable to voters throughout the whole of the Electoral Area. In total, the Board has 11 Directors, ten of whom are in place to represent other parts of the Regional District.

Property taxes are requisitioned by the Regional District to pay the cost of providing services to Blind Bay and Sorrento. Taxes are collected from residents by the

⁴ *Service Sheets* are reviewed in Chapter 3.



provincial government on behalf of the region.

The province is responsible for certain services in Sorrento and Blind Bay, including local roads and police. Decisions on these services are made by provincial ministries in Victoria. Taxes are charged by the province to help fund service costs.

INCORPORATION OPTION

The Incorporation Option would involve the creation of a new Sorrento-Blind Bay Municipality. The option is introduced in brief in this section of the chapter. Subsequent chapters examine elements of the option in greater detail, identify underlying assumptions made by the Committee, and set out what a decision by local electors to create a new municipality would mean in terms of:

- local service provision
- governance for the community, including decision-making for local services
- the cost of providing services, and the revenues available to fund the costs
- property taxes

Municipal Boundary

The Municipality's boundary — also referred to as the Incorporation Study Area — was selected by the Ministry of Municipal Affairs prior to the beginning of the Incorporation Study, based on the results of the *Boundary Analysis*. The boundary was designed to:

- create a compact Municipality, while also providing sufficient area for future growth
- capture the existing Sorrento Village Centre and Blind Bay Centre
- minimize the amount of ALR land in the Municipality, and exclude as much Class 9 (farm land) as possible
- contain all local water service areas, the entire Blind Bay-Sorrento Community Sewer area, and the bulk of the existing Shuswap Volunteer Fire Department service area
- including only the roads necessary to create a strong local road network
- include lands in a variety of property assessment classes
- capture an assessment base that is as sizeable and diverse as possible

The boundary that was originally selected by the Ministry is presented in *Appendix II*. During the *Incorporation Study*, approximately 60 homeowners petitioned the Committee to adjust the Study Area boundary to exclude their properties from the area being considered for incorporation. The subject properties were concentrated in two parts of the Study Area, including:

- Hendrickson Road and White Lake Road in the extreme southeast portion of the Area
- Hilltop Road and Huband Road in the centre-south portion of the Area



In April 2021, the Committee considered a report prepared by the consultants, titled *Proposed Boundary Assessment Criteria* (see *Appendix III*). Based on this report and a presentation by the affected property owners, the Committee recommended small boundary changes to the Ministry. The Ministry accepted the recommendations and endorsed a new amended boundary, a map of which is presented in *Appendix IV*.

Local Service Provision

The Sorrento-Blind Bay Municipality would become the local government for the community under the Incorporation Option. The Municipality would be the primary local service provider, responsible for providing most local services to residents, including all utilities, parks and recreation, land use planning and building inspection, bylaw enforcement, fire response, local roads, subdivision approval and others.

The Municipality would be a member municipality of the CSR D, along with Salmon Arm, Sicamous, Revelstoke and Golden. Post-incorporation, some of the regional district services currently provided to Sorrento and Blind Bay would continue to be provided by the CSR D. In certain cases — Solid Waste Management Planning and CSR D General Government are examples — continued provision would be required by

Population

At the outset of the *Incorporation Study*, the population of the Study Area was estimated at 4,700 based on 2016 Census data for the Sorrento Designated Place, Blind Bay Designated Place, Blind Bay Population Centre, and Notch Hill Designated Place enumeration areas. The removal of properties from the Study Area in mid-2021 lowered this estimate to 4,550.

In early 2022 the results of the 2021 Census were reported. These results showed that the population for Electoral Area C as a whole increased by 12%. Staff in the CSR D's GIS service considered this figure in combination with other factors to provide an updated population estimate of 5,250.

Municipalities with populations in excess of 5,000 people are responsible for providing local policing. A decision to incorporate Sorrento and Blind Bay, however, would not trigger this responsibility until 2027, despite the new population estimate of 5,250.

To understand this delay, it is important to note that responsibility for policing only shifts to a municipality based on the exact population number recorded for the municipality in the official census. At the time of the most recent (2021) census, Sorrento and Blind Bay did not exist as a municipality. If residents chose in 2022 to incorporate, Sorrento and Blind Bay would exist as a municipality in the next census, scheduled for 2026. That 2026 Census would confirm that the municipal population exceeded 5,000, which would trigger the transfer of responsibility for policing in 2027.

The Ministry of Public Safety and Solicitor General has confirmed that a Sorrento-Blind Bay municipality incorporated in 2022 with a population in excess of 5,000 would not become responsible for policing until 2027.



law. In other cases — E911 Call Response, Emergency Preparation and GIS stand out — continued reliance on the CSR would make financial sense.

The provincial government would no longer be responsible for providing local road services after incorporation. Responsibility for the planning, maintenance and upgrading of local roads would shift to the Municipality. The province would retain responsibility, however, for providing local police service until the Municipality's population, as recorded by the Census, exceeded 5,000. At that time, responsibility for the police service would shift to the Municipality.

Governance

The governing body for the Sorrento-Blind Bay Municipality would be the Municipal Council, comprised of one Mayor and six Councillors.⁵ Each of the seven members would be elected at-large by voters to represent the community as a whole. Council would be responsible for making all major decisions, including those related to:

- existing services for which the Municipality would be responsible (including local roads)
- the establishment of new services
- the review and approval of major development applications and the development of land use planning policies
- the passing of the Municipality's annual operating and capital budgets
- the setting of tax rates for all classes of property

The CSR Board of Directors would make decisions on regional district services provided to the Municipality. The Municipality would be represented on the Board by one Municipal Director who would be appointed to the position by Council. The Director would vote along with Directors from other CSR local jurisdictions on services received by the Municipality, as well as on Regional District corporate and financial matters (e.g. establishment of a new service, adoption of the annual budgets).

The provincial government would not make any decisions related to local roads in the Municipality, since responsibility for the local road system would be transferred to Council. The province would, however, continue to be responsible for and make decisions related to provincial highways, including the Trans-Canada.

Policing decisions would rest largely with the Province and the RCMP until the Municipality reached a Census-recorded population of 5,000 and assumed responsibility for the service. At that point, the Municipal Council would be able to make some decisions and influence others. The decision to contract with the RCMP, for example, would fall to Council, as would the decision to build (or not build) a local

⁵ This size of Council would be the default Council size for a district municipality, which, based on land area and population density, would be the municipal designation for Sorrento-Blind Bay.



detachment. Decisions related to policing priorities and authorized strength, by contrast, would be made by the Province and RCMP with some input from Council.

Property Taxes

A decision to incorporate would give the Sorrento-Blind Bay community, through its locally-elected Council, greater control over local services, including local roads, planning policies, development approvals, parks and recreation services, and others. Along with greater control, however, would come higher property taxes.

The Committee developed a number of sample property tax notices to show the estimated tax impact of incorporation for residents and businesses. The property tax implications presented in these notices are addressed in a later chapter of this report.

TWO ELECTORAL AREAS OPTION

If voters in Blind Bay and Sorrento rejected incorporation, or if the Committee determined that there were insufficient interest to recommend a referendum, Electoral Area C would be split into two separate Electoral Areas — Areas C1 and C2. Sorrento and Blind Bay, along with the communities of Notch Hill, Balmoral and Carlin, would become part of Electoral Area C1, and would be represented on the CSR Board by its own Area C1 Director. This option, to be clear, is the default option that would result in the event that incorporation did not proceed.

Area C1 Boundary

The boundary for Electoral Area C1 was selected by the Ministry of Municipal Affairs prior to the beginning of the Incorporation Study, based on the results of the *Boundary Analysis*. The boundary was designed to:

- create a geographically-smaller Electoral Area that could be easily travelled by an Electoral Area Director
- provide for a good level of balance of populations between the two Electoral Areas
- keep whole existing settlement areas
- keep whole all existing local water service areas, as well as the entire Blind Bay-Sorrento Community Sewer area, and all fire department response areas
- include lands in a variety of property assessment classes
- capture an assessment base for each new Electoral Area that is as sizeable and diverse as practicable
- keep together communities with similar perspectives and wishes related to service levels and urban development

The boundary that was selected by the Ministry is presented in *Appendix V*.

Local Service Provision

The provision of local services would be very similar to the situation in Sorrento and Blind Bay today. The CSR, as the community's local government, would be the



primary local service provider, responsible for providing most local government services, including planning and building inspection, utilities, fire response, bylaw enforcement, parks and recreation, and others.

The provincial government would also play a significant role in local services. Through the Ministry of Transportation and Infrastructure, the Province would continue to manage the local road network and set road maintenance standards. Local policing would also fall to the Province.

Governance

The CSR D Board of Directors would be the governing body for the community. The Board would make all decisions for CSR D services in which Area C1 participated, including decisions on planning polices and approvals, parks and recreation priorities, and other matters.

Area C1 would be represented on the board by its own Electoral Area Director, who would participate in all votes related to Area C1 services. Directors from other jurisdictions would also participate in these votes, as they do today for decisions that affect Electoral Area C. The total number of other Directors involved would depend on the service in question and the type of decision. In some instances, the entire Board would vote. In all instances, at least one other Director from a different jurisdiction would vote.

Property Taxes

Property taxes charged in Area C1 would be essentially the same as those charged today in the communities as part of Electoral Area C.

CHAPTER 3 IMPLICATIONS OF CHANGE

The *Sorrento-Blind Bay Incorporation Study* set out to determine and help residents understand what a decision by local electors to create a new Municipality would mean in terms of:

- local service provision
- governance for the community, including decision-making for local services
- the cost of providing services, and the revenues available to fund the costs
- property taxes
- other matters

These implications were identified and examined in detail in the various *Service Sheets* and *Issue Sheets* all of which were reviewed by the Committee and presented to the community. Both types of sheets are outlined in this chapter of the report.

SERVICE SHEETS

The service provision, service governance, service finance and property tax implications associated with the incorporation of Sorrento-Blind Bay were examined by the Committee on a service-by-service basis. Over the course of the *Incorporation Study*, the Committee reviewed all 46 local services provided to Blind Bay and Sorrento residents by the CSR D, provincial government, regional agencies and others. Services were grouped together into different service categories; a separate *Service Sheet* was prepared for each category.

Figure 3.1 lists the set of *Sheets*, the meeting dates on which the *Sheets* were approved by the Committee, and the individual services addressed in each *Sheet*.

Figure 3.1
Service Sheets and Services

Service Sheet	Date Approved	Services Included
Administrative Services	February 11, 2021	<ul style="list-style-type: none"> ✓ General Government (Region) ✓ General Government (EAs) ✓ Administration Overhead ✓ Vehicle Fleet ✓ Feasibility Studies ✓ Asset Management ✓ Grants in Aid (Electoral Areas)
Economic Development Services	November 16, 2020	<ul style="list-style-type: none"> ✓ Shuswap Economic Development ✓ Shuswap Tourism ✓ Area C Tourism Information Centre ✓ Film Commission



Service Sheet	Date Approved	Services Included
Emergency Services	October 29, 2020	<ul style="list-style-type: none"> ✓ Fire Protection (Area C) ✓ Shuswap Emergency Program ✓ 911 Emergency Telephone Response ✓ Shuswap First Response ✓ Shuswap Search & Rescue
Environmental Services	October 29, 2020	<ul style="list-style-type: none"> ✓ Weed Control ✓ Milfoil Control
Library Services	February 12, 2020	<ul style="list-style-type: none"> ✓ Okanagan Regional Library
Local Roads	February 11, 2021	<ul style="list-style-type: none"> ✓ Local Road (planning, maintenance, rehabilitation)
Miscellaneous Services	October 29, 2020	<ul style="list-style-type: none"> ✓ Dog Control ✓ SPCA (Grant) ✓ Anti-Whistling
Parks and Recreation Services	October 29, 2020	<ul style="list-style-type: none"> ✓ Community Parks ✓ Rail Trail Corridor ✓ Shuswap Multipurpose Recreation
Planning and Building Services	February 12, 2020	<ul style="list-style-type: none"> ✓ Electoral Area Planning ✓ Building Inspection ✓ Subdivision Approval ✓ Special Projects ✓ Bylaw Enforcement ✓ GIS/Mapping ✓ House Numbering
Police Services	February 11, 2021	<ul style="list-style-type: none"> ✓ Local Policing
Police Services Addendum	December, 2021	<ul style="list-style-type: none"> ✓ Local Policing (Collective Agreement Impact)
Recycling and Solid Waste	October 6, 2020	<ul style="list-style-type: none"> ✓ Regional Solid Waste Management ✓ Regional Recycling
Sewer and Utilities	October 29, 2020	<ul style="list-style-type: none"> ✓ South Shuswap/Area C Liquid Waste Management Plan ✓ Sorrento/Blind Bay Community Sewer ✓ Street Lights
Transportation	October 6, 2020	<ul style="list-style-type: none"> ✓ Area C/D Transit ✓ Shuswap Regional Airport
Water Services	October 29, 2020	<ul style="list-style-type: none"> ✓ Local Waterworks Systems ✓ Regional Waterworks Service ✓ Waverly Park Water Loan ✓ Lakeview Place ✓ Shuswap Watershed Council

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Each *Service Sheet* was written using a common template that began with a listing of the assumptions on which the information in the *Sheet* was based. Each *Sheet* then presented the following information on the services featured in the *Sheet*:

- The Present: Electoral Area C
 - What service is provided?
 - Who makes decisions?
 - Who delivers the service?
 - What is spent on the service?
 - How are the costs recovered?
 - What is the cost to a typical residence?
- The Future: Incorporation
- The Future: Two Electoral Areas
- Summary of Impacts

All *Service Sheets* are presented in *Appendix VI*.

ISSUE SHEETS

Most of the implications associated with a decision to incorporate, and with the default Two Electoral Areas Option, are identified in the *Service Sheets*, and included in the *Multi-Year Budget* and property tax notices. Over the course of the study, however, certain issues arose that required special attention and explanation. To address these issues, the Committee produced a set of *Issue Sheets*.

Figure 3.2 lists the *Issue Sheets*, gives the meeting dates on which the documents were received by the Committee, and describes the issues addressed.

Figure 3.2
Issue Sheets and Issues

Issue Sheet	Date Approved	Nature of Issue
Agricultural Properties	February 12, 2020	Questions were raised in the Committee's meetings concerning what incorporation would mean for agricultural properties in terms of: <ul style="list-style-type: none"> – property tax exemptions for agricultural lands and improvements – the process and requirements used by the Agricultural Land Commission (ALC) to review applications dealing with removal of land from the ALR, and for development on ALR land – local government services



Issue Sheet	Date Approved	Nature of Issue
		This <i>Agricultural Properties Issue Sheet</i> addresses these points.
Governance	October 6, 2020	Governance, put simply, is all about who makes decisions for the community. Each of the two restructure scenarios being considered in the Sorrento-Blind Bay Incorporation Study comes with its own governance model that assigns different roles to different players. It is important for the community to clearly understand each model and the differences between them. To that end, the <i>Governance Issue Sheet</i> was prepared.
Land Use Planning Authority	February 11, 2021	<p>Land use planning is an important local government service through which communities make decisions regarding development, including the types of land uses, mix of densities and character of the built form.</p> <p>Municipalities and regional districts have slightly different land use planning powers. It is important for the community, as it considers incorporation, to clearly understand the differences between them. To that end, the <i>Land Use Planning Issue Sheet</i> was prepared.</p>
Other Revenues	February 11, 2021	<p>Local governments have the following primary sources of revenue:</p> <ul style="list-style-type: none"> – property taxes (value and parcel) – user fees – fines and penalties <p>These revenue sources are identified and explained in the <i>Service Sheets</i>. The <i>Other Revenues Issue Sheet</i> highlights additional revenue sources that may be available to Sorrento and Blind Bay under the different governance options. These other revenue sources include:</p> <ul style="list-style-type: none"> – grants from other governments – payments in lieu of taxes (PILTs) – agreements – tax on private utilities



Issue Sheet	Date Approved	Nature of Issue
Municipal Classification and Size of Council (Ministry Requests for Input)	April 29, 2021	In the event that electors chose to incorporate, the Ministry would need to classify the new Municipality and set out the size of the Municipal Council. The decisions on classification and size of Council would only matter in the event that incorporation were chosen, and would not be formalized until that time. Questions on the two items, however, are likely to arise during the community engagement phase of the Study. This <i>Issue Sheet</i> sets out the options available.

All *Issue Sheets* are presented in *Appendix VII*.



CHAPTER 4 MULTI-YEAR BUDGET

The development of a *Multi-Year Budget* is the process through which all current and known-future costs identified in the *Service Sheets* are combined with all restructure assistance offered by the provincial government to determine the property tax revenues the new Municipality would need to collect each year in order to remain financially viable. The process is designed to confirm the financial feasibility of the Incorporation Option. The process also provides the information needed to create sample property tax notices, with estimated tax impacts, that homeowners could expect to receive in a new Municipality.

This chapter outlines the *Multi-Year Budget* developed by the Committee. The chapter begins with a review of key assumptions used by the Committee in building the *Budget*. The Provincial Offer of Restructure Assistance is then outlined, followed by the *Budget's* projected impacts. The *Multi-Year Budget* is presented in *Appendix VIII*.

ASSUMPTIONS

The Committee made the following assumptions:

- *Time Period* — The *Multi-Year Budget* shows the municipal expenses and revenues identified by the Committee in the *Service Sheets*, extended over a seven-year period, beginning in 2023.
- *Municipal Only* — The *Budget* only shows municipal expenses and revenues. The costs of the services provided by the CSR D and the provincial government to the new Municipality are not included in the *Municipal Budget* (such costs would not be included in any municipal budget). Tax charges to pay for these others services, however, appear on the sample tax notes (see Chapter 5) and would appear on annual municipal tax notices sent to property owners.
- *2020 Data* — All of the cost, revenue, assessment and other data used in developing the *Service Sheets*, sample property tax notices and *Multi-Year Budget* are 2020 data.
- *Inflation* — Costs and revenues in the *Multi-Year Budget* are not adjusted for inflation over the budget period. Any increases in the numbers are related primarily to increased capital contributions for capital reserves or planned projects, all of which were addressed and endorsed by the Committee in the individual *Service Sheets*.
- *Local Policing* — Municipal costs increase significantly in 2027 when, it is assumed, the new Municipality would have a population recorded in the



2026 Census in excess of 5,000 and would become responsible for providing local policing.

- *Provincial Offer of Restructure Assistance* — The *Provincial Offer* — outlined later in this chapter — includes a transition assistance grant of \$250 per person for a total of \$1,175,000.⁶ The Committee has assumed that this full funding, along with the pro-rated portion of the Small Communities Grant from the end of 2022, would be divided equally and applied as revenue over the first five years of the *Budget* in order to phase in gradually the projected property tax increase.

Assumption on Use of Funds

After careful consideration, the Committee made the assumption that the transition assistance of \$250 per person would be treated, along with the pro-rated portion of the Small Communities Grant, as revenue over the first five years of a Sorrento-Blind Bay municipality, in order to phase in gradually the projected property tax increase. The Committee made this assumption based in part on approaches taken in other local government restructure exercises.

The Committee feels that this assumption makes sense and is defensible. The Committee recognizes, however, that the ultimate decision on how to use all funds in the *Provincial Offer*, including the \$250 per capita transition payment, would belong to the inaugural municipal council of the new municipality. The council could endorse the Committee's assumption or reject it.

- *Tax Rates* — The property tax revenues shown in the *Budget* identify the funding necessary to recover the full cost of the services, net of revenues from other sources. To calculate property tax rates for different classes of property, the Committee assumed the property tax ratios applied by the provincial government in unincorporated areas for regional district (local government) services.⁷
- *Operating Reserve* — The Committee assumed that a portion of existing CSR D operating reserves would flow to the new Municipality and be placed in new reserves. Based on estimates, the resulting transfers would together represent 14% of the Municipality's annual operating expenses (net of capital reserve contributions).

The funds transferred would be drawn upon in 2023 — and only in 2023 — to address existing commitments under the following services:

⁶ This total amount is based on the estimated population of 4,700. If incorporation is chosen, the transitional grant will be based on the actual municipal population at the time of incorporation.

⁷ The Committee recognized that the new Municipality would have the authority to select other ratios.



- Planning service (\$30,000)
- Bylaw enforcement service (\$5,692)
- Lakeview Place debenture (\$3,656)

The municipal operating reserves, it is assumed, would be invested with the Municipal Finance Authority at an annual interest rate of 1.4%.

- *Capital Reserves* — The Committee established the following capital reserves for the new Municipality.
 - *Water Reserve* — This reserve holds the total CSR reserve amounts in place today for the three Sorrento-Blind Bay water systems. Future contributions (from users) would follow the schedule in the existing CSR 10-year reserve contribution plan for the systems.
 - *Parks and Parkland Acquisition* — A portion of the existing Area C reserves would be transferred to these new reserves. Expenses contributions are based on an existing ten-year capital plan.
 - *Roads* — During the first five years of the new Municipality, the Ministry of Transportation and Infrastructure (MOTI) would continue to provide and pay for the local road service.⁸ The Committee assumed that the Municipality would tax to raise the funds that it would require, were it not for the Ministry's commitment, to pay the Municipality's estimated local roads annual cost. The funds raised, the Committee assumed, would be placed in a roads reserve for future road needs.
 - *Municipal Hall* — The Committee included an annual cost of \$250,000 for a municipal hall. The Committee assumed that the new Municipality would pay \$50,000 of the \$250,000 each year to lease space for municipal hall (and related) operations. The remainder would be placed in a reserve to finance the purchase, in year six, of land, building and/or construction of a municipal facility. Beginning year six, the annual contribution to financing would be pegged at \$250,000.

PROVINCIAL OFFER OF RESTRUCTURE ASSISTANCE

The Minister of Municipal Affairs, on behalf of the provincial government, presented a *Provincial Offer of Restructure Assistance* to the Committee on March 25, 2021. Staff from the Ministry of Transportation and Infrastructure subsequently added to

⁸ The Ministry's payment is outlined later in the chapter under the *Provincial Offer of Restructure Assistance*.

the terms in the *Provincial Offer* related to local roads assistance. The Minister's letter and the update from MOTI are attached to the report as *Appendix IX*.

Figure 4.1 outlines the *Offer* and its key components. It is important to note that the *Offer* is conditional on a decision to incorporate. The *Offer* does not apply to the Two Electoral Areas Option.

Figure 4.1
Provincial Offer of Restructure Assistance

Component	Details	Comments
Per Capita Grant	<ul style="list-style-type: none"> ✓ <u>\$250</u> per person, for estimated total of <u>\$1,175,000</u> ✓ intended for discretionary spending (as determined by inaugural Municipal Council) 	<ul style="list-style-type: none"> ✓ based on population of 4,700 from the original Study Area ✓ would be updated at time of incorporation ✓ Committee has assumed that funds would be used to provide for gradual phase-in of projected tax increase
Small Communities Grant	<ul style="list-style-type: none"> ✓ <u>Est. \$75,450</u> in year of incorporation 	<ul style="list-style-type: none"> ✓ based on November, 2022, incorporation; expected to be higher if incorporation in 2023 ✓ does <u>not</u> include full Small Communities Grant of <u>\$485,000</u> per year, which would begin following incorporation
Incorporation Referendum	<ul style="list-style-type: none"> ✓ estimated at <u>\$30,000</u> 	<ul style="list-style-type: none"> ✓ province to pay; CSR D to administer
Inaugural Election	<ul style="list-style-type: none"> ✓ estimated at <u>\$30,000</u> 	<ul style="list-style-type: none"> ✓ province to pay; CSR D to administer
Interim Administration	<ul style="list-style-type: none"> ✓ estimated up to <u>\$100,000</u> to manage start-up and establish ongoing administration for Municipality 	
Community Planning Grant	<ul style="list-style-type: none"> ✓ <u>\$100,000</u> to assist in transfer of planning services from CSR D to Municipality 	<ul style="list-style-type: none"> ✓ could be contribution towards new OCP and zoning bylaw



Component	Details	Comments
Service Transition Grant	✓ <u>\$100,000</u> to CSRD	to address any cost impacts to properties in the remainder of Area C
First Nations	✓ <u>\$150,000</u> for joint First Nations-Local Government initiatives	✓ initiatives could include relationship building forums, cultural revitalization projects, protocol agreements
Road Operations	✓ MOTI to provide and pay for ongoing maintenance and operations of local roads for five years	✓ estimated value of <u>\$2,500,000</u> ✓ Committee has assumed that Municipality would tax for service, and put funds in roads reserve
Road Resurfacing	✓ additional estimated <u>\$1,500,000</u> in road resurfacing projects during first five years	✓ represents resurfacing of all portions of existing hard surface roads listed as "poor" and "very poor" in December 2020, Urban Systems report (commissioned by Committee)
Rural Tax Rebate	✓ estimated at <u>\$391,580</u>	✓ amount based on incorporation after June 30 ✓ would be double if incorporation occurred before June 30
Policing	✓ assurance that no changes in policing responsibility until April 1, 2027, at the earliest, and then only if 2026 Census shows a municipal population in excess of 5,000	✓ 2021 Census estimates for Incorporation Study Area do not affect assurance

PROJECTED REVENUES AND EXPENSES

A projected revenues spreadsheet is included with the *Multi-Year Budget* in *Appendix VIII*. The spreadsheet projects all revenues, from all known sources, for a future seven-year period, beginning in 2023. Sources include:

- local service and parcel taxes
- user fees
- 1% Utility Tax and franchise agreement revenues
- existing sale of service and agreement revenues



- unconditional grant revenues (estimated) from Small Communities Grant, Community Works Fund and Traffic Fine Revenue Grant
- small contributions from operating reserves, and from investment income

Combined revenues from these sources total \$1,762,410 in 2023. Subsequent year totals increase slightly to reflect the small known changes to individual revenue items, such as Traffic Fine revenues that would come into effect in 2027, and scheduled increases to water user fee revenues.

A projected expenses spreadsheet, also presented in *Appendix VIII*, projects expenses in 2023 at \$5,296,951. Included in this figure are all of the costs, itemized in the various *Service Sheets*, that the new Municipality would incur to provide municipal services. Total costs increase slightly over the first four years in response to known future events. Costs increase significantly, however, beginning in 2027 when, it is assumed, the new Municipality would be responsible for providing local policing.

The revenues spreadsheet presents the total revenues from other sources — \$1,762,410 in 2023 — against the projected expenses — \$5,296,951 in 2023 — to determine the amount required to be raised in municipal property value taxes each year — \$3,534,542 in 2023.

Transition Assistance

The revenues spreadsheet itemizes the cash components of the Provincial Offer of Restructure Assistance. The total amount of \$1,592,030 is listed as received in Year 1 (2023). The in-kind contribution from MOTI is shown as well, spread across the five year transition schedule. MOTI's contribution, however, is shown solely for the purpose of illustration — the in-kind revenues are not factored into the revenue numbers.

Cash contributions (as opposed to in-kind contributions) from the Provincial Offer of Restructure Assistance are shown in 2023 only. In-kind road improvement costs are identified solely for the purpose of illustration (they are not factored into the total numbers).

At its June 2021, meeting, the Incorporation Study Advisory Committee considered two alternatives for applying the cash contributions:

- *Reserves* — The first alternative called for the new Municipality to add the cash contributions to reserves for future needs and priorities. The reserves would be general in nature and not restricted to specific uses or services. Under this option, tax payers in the new Municipality would be expected to provide the full amount of taxes required in each year, beginning in 2023, to allow the new Municipality to meet its expenses. The payment of this full amount in 2023 — \$3,534,542, as noted earlier — would translate into a significant tax increase immediately following, and as a result of,



incorporation. Taxes would increase again in 2027 when the new Municipality assumed responsibility for policing.

- *Tax Increase Phase-In* — The second alternative called for the new Municipality to use the cash contributions to offset a declining portion of the higher local property taxes over the full seven-year transition phase. This alternative would provide for a gradual phase-in of the higher taxes that would be required to raise sufficient revenues to pay the expenses incurred in the years following incorporation, including in 2027 when policing transferred to the Municipality.

The Committee selected the second alternative. The Committee recognizes that the final decision on use of the transition assistance would fall to the new Municipal Council. The Committee also recognizes, however, that the assumption to use the funds to provide for a phase-in of tax increases is not uncommon in restructure exercises.

RESERVES

The *Multi-Year Budget* establishes seven dedicated capital reserves:

- Fire
- Water
- Parks
- Parkland
- Roads
- Municipal Hall
- Community Works Fund

In all cases except Roads and the Municipal Hall reserves, monies exist in reserves today with the CSR. In some cases all, and in other cases a portion, of these monies would be transferred to the Municipality's reserves. The Roads reserve would be built and grown using property tax funds collected by Municipality during the first five years post-incorporation for the roads service. The continued provision of local roads by MOTI during these years would allow the Municipality to place the funds into reserve for future road needs and priorities.

The Municipal Hall reserve would be built using property tax revenues. By year six, post-incorporation, sufficient revenues would be in place to debt-finance the construction of a municipal hall and small works yard. A decision on the need for a local police detachment in conjunction with the hall could be made at that time.

CHAPTER 5 PROPERTY TAX IMPACTS

Property owners in Blind Bay and Sorrento are — understandably — interested in knowing what a decision to incorporate would mean in terms of local property taxes. To provide this understanding, the Committee produced six different sample property tax notices for hypothetical residential and business properties at different assessment values. These notices, all of which are presented in *Appendix X*, are explained in this chapter of the report.

RESIDENTIAL PROPERTIES

Figure 5.1 identifies the hypothetical residential properties for which the Committee produced sample property tax notices.

**Figure 5.1
Residential Properties**

Neighbourhood	2020 Assessed Value	Water System
Blind Bay	\$400,000 (land & improvements)	Cedar Heights Water
Blind Bay	\$600,000 (land & improvements)	Cedar Heights Water
Blind Bay	\$400,000 (land & improvements)	Shuswap Lake Estates (private)
Sorrento	\$400,000 (land & improvements)	Sorrento Water

All sample tax notices projected the property taxes owing under the Incorporation Option and the default Two Electoral Areas Option. The tax amounts identified under the default option reflect the costs incurred by the CSR D and Province today to provide local services to Sorrento and Blind Bay. *Appendix X* provides the detailed sample property tax notices for the four sample residential properties. Figure 5.2 provides a summarized version that was presented to residents in the *Understanding the Options* mail-out, delivered to every residence in January 2022.

For the Incorporation Option, the taxes identified take into account:

- the costs, outlined in the various *Service Sheets* and *Multi-Year Budget*, that would be incurred by the Municipality to provide all municipal services
- the costs of all staff and equipment required by the Municipality (also captured in the *Service Sheets* and *Multi-Year Budget*)
- the cost to lease space for a municipal hall facility (including space for a public works yard)



- the provincial Police Tax that would be charged at a higher rate than at present, from 2023 to the end of 2026
- higher policing costs that would begin in 2027 based on the Municipality exceeding a population of 5,000 in the 2026 Census
- payments made to the CSRD for services in which the Municipality participates
- the *Provincial Offer of Restructure Assistance*, including the transition assistance payments (i.e., cash contributions) and the in-kind contributions
- the funding necessary to create the capital reserves identified in the *Multi-Year Budget*

It is important to note, as well, that all of the tax figures, for both options, are in almost all cases based on the existing levels of service provided to the community.

The local roads service stands out as the exception to this general rule. The Committee has assumed that the basic level of rural road maintenance in place today in Blind Bay and Sorrento would increase slightly as a result of incorporation. This assumption is based on a review of several other small municipalities, including some recently-incorporated ones. All of these other places not only had higher local road costs, but also had slightly higher road service standards.

Figure 5.3 presents the same tax notice, adjusted to

Figure 5.2
Residential Property in Blind Bay (Cedar Heights Water)
2020 Assessed Value of \$600,000

SERVICES	MUNICIPALITY	AREA C1
Municipal Services		
Municipal Services	\$1,382.35	-
Blind Bay Street Lights	\$19.74	-
Cedar Heights Water (parcel tax)	\$114.00	-
CSRD Services		
Regional District Services	\$286.88	\$1,132.14
Blind Bay Street Lights	-	\$19.74
Cedar Heights Water (parcel tax)	-	\$114.00
Liquid Waste (parcel tax)	\$6.19	\$6.19
Provincial & Other Services		
Local Roads	-	\$282.00
Local Police	\$144.46	\$70.78
School, Hospital, Other	\$1,425.96	\$1,425.96
Sub-total	\$3,379.58	\$3,050.81
Less Home Owner Grant*	(\$770.00)	(\$770.00)
TOTAL	\$2,609.58	\$2,280.81
Difference	\$328.77	

* The Basic Home Owner Grant is shown in the figure. The Seniors Home Owner Grant of \$1,045.00 would be available to eligible homeowners under both options. The Cedar Heights Water user fee of \$344 would be billed separately under both options at the same amount.



show the impact of policing costs at a population of over 5,000. The figure shows local policing as a municipal service at a higher cost to taxpayers.

Tax Increase Phase-In

Figures 5.2 and 5.3 show that property taxes would increase as a result of incorporation. To soften the impact on taxpayers, the Committee has assumed that the new Municipality would use the transition assistance funds provided by the Province to phase in the projected tax increase. Figure 5.4 shows how the phase-in would change annual tax payments for the sample Blind Bay residence

(\$600,000 value) over seven years, beginning 2023. For each year in the figure, the amount of increase over the previous year's tax payment is also shown.

Assessed Values

All financial, assessment based and other data used for the *Sorrento-Blind Bay Incorporation Study* are from 2020. Over the course of the *Study*, homeowners received two property assessment notices from BC Assessment — one for 2021, and one for 2022. The 2022 notice in particular showed a sizeable increase in property assessment values for most properties in Blind Bay and Sorrento.

**Figure 5.3
Residential Property in Blind Bay (Cedar Heights Water)
2020 Assessed Value of \$600,000
Municipal Population Over 5,000**

SERVICES	MUNICIPALITY	AREA C1
Municipal Services		
Municipal Services	\$1,382.35	-
Blind Bay Street Lights	\$19.74	-
Cedar Heights Water (parcel tax)	\$114.00	-
Local Police	\$359.24	-
CSR D Services		
Regional District Services	\$286.88	\$1,132.14
Blind Bay Street Lights	-	\$19.74
Cedar Heights Water (parcel tax)	-	\$114.00
Liquid Waste (parcel tax)	\$6.19	\$6.19
Provincial & Other Services		
Local Roads	-	\$282.00
Local Police	-	\$64.02
School, Hospital, Other	\$1,425.96	\$1,425.96
Sub-total	\$3,576.36	\$3,050.81
Less Home Owner Grant*	(\$770.00)	(\$770.00)
TOTAL	\$2,806.36	\$2,280.81
Difference	\$525.55	

* The Basic Home Owner Grant is shown in the figure. The Seniors Home Owner Grant of \$1,045.00 would be available to eligible homeowners under both options. The Cedar Heights Water user fee of \$344 would be billed separately under both options at the same amount.

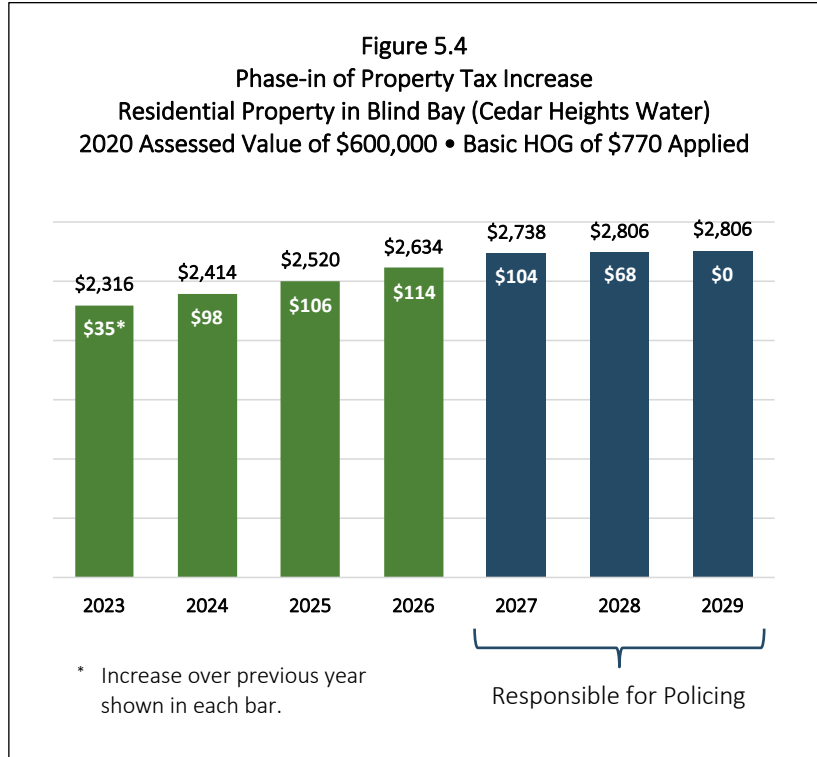
To address concerns over the impact of increased assessments on projected taxes owing, the Committee used part of the *Understanding the Options* mail-out to explain the relationship between assessed values and property taxes. The Committee noted that every year, local governments requisition only

what is required in property tax revenue to fund the costs incurred by the local government to function and provide services. To ensure that revenues do not exceed budgeted needs, local governments automatically adjust tax rates downward to offset increases in assessed values.

The Committee explained that the dollar amount of taxes charged to property owners each year will go up in most communities to cover cost-of-living and other possible increases to the cost of providing local services. In high-growth areas such as the South Shuswap, however, the annual percentage increase in tax payments will be much smaller than the percentage increase in property assessments.

BUSINESS PROPERTIES

The Committee produced sample property tax notices for two Sorrento-based business properties, both connected to Sorrento Water. One property had an assumed 2020 assessed value of \$600,000; the other a value of \$1,000,000.⁹ The projected taxes owing on both properties take into account the same input identified for residential properties. Both notices are included in *Appendix X*.



⁹ The Sorrento Village Centre is the commercial centre for the broader community.

CHAPTER 6 COMMUNITY ENGAGEMENT

The Committee was responsible for providing opportunities for residents of Sorrento and Blind Bay to review, scrutinize, and understand the Committee's analysis of the Incorporation Option. Robust community engagement would ensure that local electors were able to make an informed decision on incorporation.

This chapter of the report summarizes the Committee's engagement approach. The Committee's strategy is outlined first, followed by methods and materials.

IMPACT OF COVID-19

The Committee's efforts to engage with residents were significantly impacted by the COVID-19 pandemic and the related public health orders that restricted in-person gatherings. The public health order from Interior Health's Chief Medical Officer on September 13, 2021, prompted the Committee to cancel two in-person Open Houses that had been planned for late September and early October 2021. This cancellation resulted in a three-month hiatus — the second significant interruption in the overall timeline of the *Incorporation Study*. The Committee's plan to reschedule the in-person Open Houses to January 2022, was upset by the fourth (Omicron) wave which hit in December 2021.

As a consequence of the COVID-19 waves, community engagement relied on web-based materials, mail-outs and online events.

COMMUNITY ENGAGEMENT STRATEGY

The Committee endorsed its *Community Engagement Strategy* (see Appendix XI) in June 2021. The *Strategy* set out a three-month engagement effort — mid-July 2021, to mid-October 2021 — that would feature several different engagement methods intended to reach a range of segments of the community. The full of methods is set out in Figure 6.1.

Figure 6.1
Engagement Methods

Engagement Methods	Details
Community Mail-Outs	<ul style="list-style-type: none"> ✓ one introductory mail-out at the beginning of the engagement period ✓ one comprehensive mail-out near the end of the period to summarize all information and findings from the <i>Study</i>



Engagement Methods	Details
Community Meetings	<ul style="list-style-type: none"> ✓ Incorporation Study Advisory Committee meetings, all of which would be open to the public (as all such meetings were over the course of the <i>Study</i>) ✓ one Committee meeting to feature Discussion Panel of elected officials from other jurisdictions that have experienced incorporation in the not-too-distant past ✓ two virtual Open Houses in the first half of the engagement period <ul style="list-style-type: none"> – recordings of Open Houses to be made available on line, along with presentation slides ✓ two in-person Open Houses at the end of the engagement period, <i>subject to public health orders</i> <ul style="list-style-type: none"> – attendees to be offered feedback form to complete ✓ small-group meetings, on request, featuring presentation of findings, followed by Q & A <ul style="list-style-type: none"> – in-person, <i>subject to public health orders</i>
Online Resources	<ul style="list-style-type: none"> ✓ <i>Incorporation Study</i> website (csrd.bc.ca/areas/sorrento-blind-bay-incorporation-study) continued from technical analysis phase of <i>Study</i> <ul style="list-style-type: none"> – entire site re-configured around engagement phase ✓ evolving <i>Frequently Asked Questions</i> document continued from earlier in <i>Study</i>
Local and Social Media	<ul style="list-style-type: none"> ✓ Committee Chair and consultants to make themselves available for in-depth media interviews ✓ all events advertised in local print media, ✓ weekly CSR D social media (Facebook, Twitter, Instagram) posts on <i>Study</i> and engagement opportunities

Implementation of the Strategy

All of the methods identified in the Committee's *Engagement Strategy* were delivered; however, the Open Houses, Committee meetings, Discussion Panel and Small-Group Meetings all took place online.

In the hope that public health orders in place to address COVID-19 would be sufficiently relaxed by January 2022, the decision was made in September 2021, to postpone the second half of the engagement period to early 2022. The advent of the



Omicron variant in December 2021, forced the Committee to complete the engagement events in January 2022, online only.

METHODS AND MATERIALS

Community Mail-Outs

The Committee published and distributed two mailouts:

- *Community Engagement Phase* in July 2021, at the beginning of the engagement phase
- *Understanding the Options* in January 2022, near the end of the phase

Both mail-outs, which are included in *Appendix XII*, were delivered by Canada Post to every residence throughout the Incorporation Study Area — over 3,500 deliveries for each mail-out. A small number of questions seeking clarification of line items on the sample tax notice in the second mail-out (*Understanding the Options*) were received and addressed by the Committee.

Open Houses

Four online Open House events were hosted by the Committee, including two in August 2021, and two in January 2022. All of the events featured a presentation on the *Study* and the results of the technical analysis, followed by an extended Q & A session (see *Appendix XIII*). Residents were invited in real time to ask questions of the Committee and its consultants. All events were recorded and made available on the *Study's* website.

The inability to host in-person Open House gatherings frustrated the Committee's efforts to connect with large numbers of residents. None of the Open Houses attracted more than 45 participants (over and above Committee members, CSR D staff and the consultants). By contrast, at least two of the in-person Committee meetings held in late 2019 and early 2020, prior to the COVID-19 pandemic and before any analysis had been completed, attracted close to 75 participants at community halls in the Study Area.

Feedback Form

The Committee made available a simple online Feedback Form to residents at the end of the two Open Houses and Discussion Panel in January 2022 (the Form appeared automatically on-screen). The Form was also available on the *Study* website so that residents who attended an online event could respond at their leisure, and that those who did not attend an event could also provide feedback. The Form sought to determine if local electors felt able to make an informed choice on incorporation in a referendum.

The Feedback Form was not a scientific survey; rather, it was a simple feedback mechanism designed to help the Committee gauge community sentiment and readiness. A total of 64 completed forms were submitted by residents. Figure 6.2 presents the five questions posed and the information received.



Figure 6.2
Feedback Received from Residents

Question	Feedback												
Where in the Community do you live?	Blind Bay 36 Sorrento 16 Reedman Point 2 Shuswap Lake Estates 3 Other 7												
Have you reviewed information on the <i>Incorporation Study</i> at csrd.bc.ca ?	Yes – more than once 47 Yes – once 12 No 4												
Did you attend either of the earlier online Open Houses in August, 2021?	Yes 29 No 35												
Do you feel ready to make an informed choice on incorporation in a referendum?	Yes 51 No 12												
If you voted "no" to the previous question, what <u>two</u> topics would you like to know more about?	<table border="1"> <thead> <tr> <th>Services</th> <th>Governance</th> <th>Governing Body</th> <th>Property Taxes</th> <th>Area C1</th> <th>Vote</th> </tr> </thead> <tbody> <tr> <td>8</td> <td>4</td> <td>2</td> <td>7</td> <td>8</td> <td>7</td> </tr> </tbody> </table>	Services	Governance	Governing Body	Property Taxes	Area C1	Vote	8	4	2	7	8	7
Services	Governance	Governing Body	Property Taxes	Area C1	Vote								
8	4	2	7	8	7								

The Feedback Form invited respondents to add any comments they wished to make on the *Study*. Figure 6.3 identifies the themes and number of corresponding comments made.

Figure 6.3
Themes of Comments Made

Themes Raised	Number of Comments
No comment.	35
Not interested in incorporation — like things the way they are.	13
Not able to access online events.	3
Concerned that process not as honest and impartial as should be.	3
Would like to better understand link between service levels and taxes — what should residents expect?	2



Themes Raised	Number of Comments
Concerned about cost of policing.	2
Looking forward to Panel Discussion to help with decision.	2
Need to have in-person engagement events before going to referendum.	1
Interested in learning more about policing service levels and effectiveness under each option.	1
Thank you to Committee members for volunteering their time.	1
Would parks, water access and bike lanes be improved?	1

Small Group Meetings

The Committee reached out by email, newsletter and advertisements to several local community associations, societies and other groups to make the consultants available for tailored small-group presentations. A total of four (4) groups requested presentations.

Frequently Asked Questions

At its first meeting (November 2019), the Committee invited residents to submit questions, all of which would be responded to under a Frequently Asked Questions (FAQ) section of the *Study* website. Over the course of the *Study*, a total of 76 questions were posed; a detailed response to each was posted online. *Appendix XIII* includes a copy of the full *Frequently Asked Questions* document.

Discussion Panel

On January 29, 2022, the Committee hosted a moderated Discussion Panel featuring elected officials from five relatively recently-incorporated municipalities, including:

- City of West Kelowna
- District of Lake Country
- District of Clearwater
- District of Barriere
- District of Sicamous

The five panelists spoke of their communities' experiences with incorporation, and their own personal perspectives on the pros and cons of incorporation. The panelists spent most of the event answering questions posed by residents. Questions focused on:

- property tax impacts
- the ability of municipal councils to influence policing
- local road service levels
- costs associated with municipal halls
- the impact of incorporation on community identity and sense of place



- the ability of a council to obtain infrastructure grants, relative to the ability of a regional district board
- local decision-making

The event was recorded and made available on the *Study's* website (csrd.bc.ca/areas/sorrento-blind-bay-incorporation-study).

Social Media

CSR communications' staff worked with Committee's consultants to put out in excess of 20 social media posts using the CSR's Facebook, Twitter and Instagram accounts. Posts highlighted individual FAQ's and announced upcoming events (or changes to events).

During the *Study*, some residents produced their own information on governance options, tax impacts, the Committee's composition, the motives of individuals involved, and other points. Concerns with some of the information prompted the Committee to discuss whether the Committee should respond to and/or attempt to correct incidents of perceived or actual misinformation. The Committee decided to not engage in such debates. The Committee chose, instead, to reinforce its role as the sole official source of information on the *Study* and its analysis of the Incorporation Option.

Registration for Updates

A total of 45 residents registered with the Committee to receive updates on the *Study* by email.



CHAPTER 7 COMMITTEE RECOMMENDATION

The Sorrento-Blind Bay Incorporation Study Advisory Committee held its final meeting on Wednesday, March 2, 2022, in Sorrento. At that meeting, the Committee received a DRAFT version of the *Sorrento-Blind Bay Incorporation Study: Report*, and considered the matter of an incorporation referendum.

Based on the discussion at the meeting, the Committee makes the following recommendation to the CSR Board of Directors:

THAT the Columbia Shuswap Regional District Board of Directors ask the Minister of Municipal Affairs to order a referendum on the incorporation of the Sorrento-Blind Bay Incorporation Study Area, as defined by the Study Area map endorsed by the Minister in a letter to the Chair of the Incorporation Study Advisory Committee on June 21, 2021.



APPENDICES

SORRENTO-BLIND BAY
INCORPORATION
STUDY

REPORT

NEILSON
STRATEGIES

leftside partners inc.

FEBRUARY 2022