



## BOARD REPORT

**TO:** Chair and Directors

**FROM:** Charles Hamilton,  
Chief Administrative Officer

**SUBJECT:** Preliminary Study and Analysis of Community Governance Issues in Electoral Area 'C'

**File No:** 0112-05

**Date:** Aug. 20, 2015

**RECOMMENDATION:**

1. THAT the Board resolve to support a governance study for Electoral Area 'C';
2. AND THAT the Board request a meeting with the Hon. Peter Fassbender, Minister of Community, Sport, and Cultural Development during the 2015 UBCM Convention to explain the Regional District's intentions and to request a Planning Grant to help defray the cost of the study;
3. AND THAT the Board approve the proposed Terms of Reference for the Governance Study entitled: *Preliminary Study and Analysis of Community Governance Issues in Electoral Area 'C'*, subject to any amendments required or suggested by the Ministry;
4. AND THAT, subject to receiving support from the Ministry, staff be directed to develop a work plan for the study, including budget, timeline, and a request for proposal for the Board's consideration and approval.

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**SHORT SUMMARY:**

The question of governance in the Sorrento community has been important to area residents dating back to 1990. Over the past decade, several letters have been exchanged between the CSR D and the Ministry of Community, Sport, and Cultural Development on the topic of an incorporation feasibility study for the Sorrento community. Until recently, the scope of an incorporation study focused solely on Sorrento; however, the Area Director has indicated that it would be more appropriate to examine governance issues for a broader area, particularly in view of the fact that Sorrento has little or no industry or commercial operations. He also suggested that an area with a population of around 4500 people might be more viable.

The purpose of this report is to recommend that the CSR D undertake a governance study of the proposed area and draft terms of reference have been developed to guide the study process. The governance study is not to be confused with a full blown incorporation study. A governance study will provide a preliminary

analysis of governance systems and will not include detailed technical or financial information on the impact of municipal incorporation. A Local Governance Study Committee, after the conclusion of the governance analysis, will recommend whether a more comprehensive incorporation study is warranted or whether the Board might want to consider other governance reforms (i.e., dividing Electoral Area 'C' into two or more areas).

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**VOTING:**                      Unweighted                          Weighted                              Stakeholder      
    Corporate    Corporate    (*Weighted*)

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## **BACKGROUND:**

There is a long and complicated history surrounding the issue of incorporation for the community of Sorrento. The issue dates back to 1990. A chronology of the activities that took place between 1990 and 2004 is attached to this report as Appendix I. Our records indicate that no activity took place on this file from 2004 until 2010.

More recent activity relating to a Sorrento incorporation study and the emerging desire to study governance issues for both Sorrento and Blind Bay is summarized below for the Board's reference:

- In mid-2010 the Sorrento and Community Association (SACA) approached the Ministry of Sport and Cultural Development with a request for funding to examine the feasibility of incorporation for the community of Sorrento.
- In a letter dated January 11, 2011 the then Minister (Hon. Stephanie Cadieux) responded by notifying that funding for incorporation studies was fully subscribed and new requests would not be received until after the 2011 local government elections.
- On December 14, 2011, shortly after the local general election, the then Electoral Area Director (Ted Bacigalupo) sent a letter to the Minister indicating his support for an incorporation study and to request a Planning Study grant from the Ministry.
- On May 14, 2012 the CSRD received a letter from the Hon. Ida Chong, advising that the Ministry was reviewing its restructure program due to financial constraints.
- On October 30, 2012, the newly elected Area 'C' Director (Paul Demenok) sent a letter to the new Minister (Hon. Bill Bennett) confirming his support in principle to undertake a Sorrento incorporation study and to ask for an update on the status of the financial review of the program.
- At the inaugural meeting on December 7, 2012, the CSRD Board expressed its support once again for an incorporation study for the community of Sorrento. This resolution was conveyed to the Minister in a letter dated December 18, 2012.

- On April 10, 2013, the CSRD received a letter from the Deputy Minister (Don Fast) in reply to our letters of October 30<sup>th</sup> and December 18<sup>th</sup> wherein he indicated that he did not believe that it would be appropriate to fund a study at this time. The Deputy Minister goes on to state that:

*... there is almost a decade of correspondence exchange between representatives of Sorrento – whether elected officials or the Sorrento and Community Association – and present and former Ministers, on this same topic. In that time and still today, I believe that it remains unclear as to the reasons why residents and property owners feel that their community is ready to undertake an incorporation study and what issues the community is facing today that the regional district system of governance cannot address...*

- In a letter dated March 27, 2014 to the new Minister (Hon. Coralee Oakes) the Area 'C' Director outlined the potential benefits that a municipal structure could provide over the existing regional government. In his letter, the Area Director proposed that an incorporation feasibility study could include a larger area than just the Sorrento community.
- The Minister responded in a letter dated September 8, 2014 and offered advice on what steps the Regional District might want to take to be in a stronger position to request a restructure study in 2015.
- A meeting was held with the Minister and ministry staff during the 2014 UBCM Convention, wherein we indicated that the CSRD may be willing to fund a preliminary governance study or pre-feasibility study of incorporation. After the completion of the study and depending on the study findings, the Ministry would likely be in a better position to determine whether a full incorporation study is warranted. The idea of dividing Electoral area 'C' into two or more electoral areas was also discussed as a governance reform technique as this would help alleviate some of the concerns surrounding the issue of voter inequality within the Regional District.
- As a follow-up to our meeting at UBCM, the CSRD received a letter from Minister Oakes, wherein she stated:

*... I encourage you and your staff to continue to work with Ministry of Community, Sport, and Cultural Development staff in your considerations of local governance in the communities of Blind Bay and Sorrento. If the Regional District is contemplating a governance study for the area, there could be real value in considering matters such as: the economic and social issues facing the area; the current governance framework; the commonalities between communities; and the opportunities for different forms of change (whether service enhancements, electoral area boundary configurations, or municipal incorporation)...*

- A meeting was held in Blind Bay on June 15, 2015 with various community leaders. The purpose of the meeting was to initiate discussions at a preliminary level on the issue of electoral reform in Electoral Area 'C'. At the end of the meeting, the Electoral Area Director asked each community organization leader to report back to their respective organization and to determine whether

their organization is supportive of establishing a community committee to review governance in Electoral Area 'C'.

- The Area Director received strong support from the various community organizations that participated at the initial meeting and a follow-up meeting has been scheduled for August 17, 2015 to discuss next steps. One of the tasks for the Committee at this follow-up meeting will be to agree on the most logical boundaries for a governance study.

### **POLICY/LEGISLATION:**

There is no directly applicable Board policy; however, the Board has expressed support for a Sorrento/Blind Bay Governance Study on several previous occasions.

The legislative provisions relative to municipal incorporation are contained in Section 7 of the *Local Government Act*.

The Local Government Structure Branch in the Ministry of Community, Sport, and Cultural Development provides advice on the incorporation and restructure. The Branch has prepared generic terms of reference to guide the governance study process. Draft terms of reference for an Electoral Area 'C' Governance Study are attached to this report as Appendix II. These terms of reference are based on the generic version prepared by the Ministry.

### **FINANCIAL:**

The Governance Study process will involve retaining a qualified consultant to carry out the governance analysis and public engagement processes. Funding was approved and included in the 2015 special projects budget (266). It is recommended that the CSRD also request a Planning Study grant from the Ministry to help defray the direct cost to the Regional District.

### **KEY ISSUES/CONCEPTS:**

The reason for proposing a Governance Study is due in large part to the sizeable population density in the Sorrento/Blind Bay areas, along with the growing expectations for "urban type" services (i.e., sewer, water, parks, recreation centre, etc.) and public demands for more stringent land use controls. Keep in mind that the idea of incorporation for Sorrento/Blind Bay is not new but has been discussed on and off for the past several years. Other reasons often cited by area residents – both pro and con -- for looking at incorporation include:

#### **1. Local Control**

The idea of local control over the provision of public services, patterns of land use, and community character and identity is the basic reason that communities incorporate or attempt to do so. This may be a significant advantage of incorporation, assuming that there already exists a sense of community that includes some consensus as to community goals and some shared vision

of future development. The absence of such a consensus may make it difficult to successfully incorporate.

## 2. Local Accountability

Hand in hand with the idea of local control is the idea of local accountability of public officials and governmental bodies for their decisions. Where the residents of an unincorporated community may feel neglected or ignored by regional district officials, who serve a broader constituency, those of an incorporated municipality may believe they have more direct influence over their elected local officials.

## 3. Provision of Services

A newly incorporated municipality may be in a better position to provide its own municipal services and provide those services more efficiently.

## 4. Land Use and Development

As noted above, the issue of local control prominently involves the ability of a community to govern its land use and development based upon its own goals and visions of community character.

## 5. Cost to Taxpayers

The estimated cost to taxpayers of a proposed incorporation is often a deciding factor in an incorporation effort. The specter of raised taxes has proven to be an effective weapon against some incorporation efforts. However, the actual cost to taxpayers of incorporating is very difficult to accurately forecast in advance and is dependent upon the individual circumstances of the area being considered for incorporation.

## 6. Community Identity

Clearly, incorporation of an area will result in a change in and a heightening of community identity by more explicitly defining the community by the boundaries of the incorporated area. Incorporation may serve to create an autonomous community identity separate from the larger unincorporated area or from surrounding cities. By establishing or enhancing community identity and creating greater local control over future identity, incorporation may stimulate increased community involvement and concern.

The reasons noted above for looking at incorporation will surely reflect certain sentiments in the community. However, the governance study process is not intended to promote a particular course of action. The guiding principles for the restructure process as outlined by the Ministry are as follows:

- the process for examining municipal restructure should be locally initiated and focused;
- the decision to restructure must be made by the electorate through a referendum;
- the vote should be made by an informed electorate; and

- all sectors of the community need to be involved in the discussion.

At the end of the day, any decision on governance arrangements is one for the residents of the area to make.

### IMPLEMENTATION:

If the Board approves the recommendations contained in the report, staff will develop a work plan to carry out the Governance Study in accordance with the proposed terms of reference.

### LIST NAME OF REPORT(S) / DOCUMENT(S):

<ol style="list-style-type: none"> <li>1. Chronology of Sorrento Governance Study (Incorporation)</li> <li>2. Terms of Reference – Preliminary Study and Analysis of Community Governance Issues in Electoral Area 'C'</li> </ol>	Attached to Board Report: <input checked="" type="checkbox"/>	Available from Staff: <input type="checkbox"/>
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### COMMUNICATIONS:

A comprehensive communication and public engagement plan will be developed as part of the study process.