

Scotch Creek Governance Review – Phase 1 Background Research



ENGINEERING ■ PLANNING ■ URBAN DESIGN

September 2016

Project No: 1220-011

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Operational Guidelines for the North Shuwsap Incorporation Feasibility Study Group

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1.0 Introduction

Project Objective:

To assemble background research that will support informed discussion on future governance options for Scotch Creek. Future dialogue should engage community members and regional and provincial governments.

1.1 Context

The community of Scotch Creek is located on the shores of Shuswap Lake in Area “F” of the Columbia Shuswap Regional District. Scotch Creek is a popular tourist destination. During the summer, the population swells to well over 2,500 persons. In the winter, Scotch Creek is home to a smaller, but growing, full time population of approximately 400 to 800 persons (CSRD, Electoral Area “F” (North Shuswap) Official Community Plan (OCP) Bylaw No. 830, 2013, p. 52). Many of the winter residents initially came to the area as tourists and later become full-time residents as they come to appreciate the qualities of the area.

The Electoral Area “F” (North Shuswap) Official Community Plan (OCP) Bylaw No. 830, (2013) contains policies for the Scotch Creek neighbourhood area shown in Figure 1.1. OCP policies recognize the unique challenges of a two-season community and strive to ensure a growing, viable, sustainable year-round economy. The Scotch Creek community is keen to implement the principles and policies of the OCP, including opportunities for managed growth. This report has evolved as a result of community interest in developing a better understanding of alternative governance structure options that support community planning objectives and could potentially move planning objectives forward.

FIGURE 1.1 - SCOTCH CREEK NEIGHBOURHOOD PLANNING AREA AND STUDY AREA



The research on governance contained in this report includes both an overview of existing conditions and a detailed comparison of Scotch Creek to similar sized BC municipalities. While incorporation is only one governance option, residents are interested in this structure because of perceived local benefits associated with incorporation. Topics of interest include:

- Local elected representation
- Service establishment and delivery
- Financial and capital planning
- Environmental management
- Economic development
- Affordable Housing
- Grant eligibility
- Liability risk

Typically, incorporation studies are initiated in collaboration with a Regional District and the Ministry of Community, Sport and Cultural Development (MCSCD). Table 1.1 presents a three phase framework for a typical incorporation study process. The Columbia Shuswap Regional District (CSRD) has had very preliminary discussions regarding incorporation options for a broad geographic area on the North Shuswap but at this time has not identified a geographic study area or launched any specific incorporation studies (e.g. Phase 1 research). Despite the lack of local government involvement, members of the Scotch Creek community have independently funded this project and began the process of collecting some of the Phase 1 background information. The objective is to assemble detailed research to support and stimulate informed discussion on future governance options with the Scotch Creek community and regional and provincial governments.

TABLE 1.1 - TYPICAL INCORPORATION STUDY PROCESS

Phase	Outcome	Research and Analysis
1	Preliminary Background Research Report	<ul style="list-style-type: none"> Establish initial Incorporation Committee Community overview Current state of governance Level of servicing and asset management Community context and well-being Planning and growth Incorporation issue summary Next steps
2	Public Engagement	<ul style="list-style-type: none"> Community review of Phase 1 document Confirm identified issues Identify support for full incorporation study (Phase 3), Community, CSRD, Ministry of Community, Sport and Cultural Development Formalize Incorporation Committee structure and selection Establish Terms of Reference for Final Report
3	Final Governance Report	<ul style="list-style-type: none"> Synopsis of Phase 1 findings Summarize public consultation results Additional research addressing public interests Completion of Incorporation Study as per provincial requirements including detailed technical and financial information on the impact of municipal incorporation. Community consultation

1.2 Study Group

The Scotch Creek Governance Review report was conducted under the direction of The North Shuswap Incorporation Feasibility Study Group (NSIFSG). NSIFSG is a grass roots committee assembled to research information necessary to better understand opportunities for local governance, including considerations associated with incorporation.

The NSIFSG is not formally endorsed by either the Columbia Shuswap Regional District (CSRD) or the Ministry of Community, Sport and Cultural Development (MCSCD). The NSIFSG however, developed Operational Guidelines consistent with the guidelines set for municipal incorporation studies as set by MCSCD to ensure an open and transparent process. Operational Guidelines are included in Appendix A.

Membership in the NSIFSG is voluntary. CSRD staff and the Electoral Area F Director were invited to participate as ex-officio members. While the CSRD declined the opportunity to participate as ex-official members, the CSRD has been engaged in meeting with the consultants and providing background information.

NSIFSG members represent diverse community interests and bring comprehensive knowledge of the community. Members include:

- Jeff Tarry , Chair(Sold@JeffTarry.com)
- Dean Acton (Dean@CaptainsVillage.com)
- Jay Simpson (Jay@TheLake.ca)
- Dave Cunliffe (DaveCunliffe@airspeedwireless.ca)
- Craig Spooner (Craig@SpoonerElectric.com)
- Sherry Taylor (lakerapture@gmail.com)
- Don Tansem (dontansem@shaw.ca)
- Bill Long (iblong@shaw.ca)

1.3 Project Process

Project research and engagement was conducted during the summer and fall of 2016 as shown in Figure 1.2.

FIGURE 1.2 – PROJECT PROCESS



2.0 Scotch Creek Profile

2.1 Overview

This section provides basic information about population, housing, property assessment, economy and labour force, agriculture, environmental protection and green space, publicly owned assets, sense of community, relationship to other settlement areas and existing planning policy. This information provides useful context for governance discussions, and it is presented for background only. While some comparisons are drawn to other communities, there has been no attempt to correlate any growth or economic trends to the current governance system or to suggest that a change in governance structure would affect any identified trends.

2.2 Population and Housing

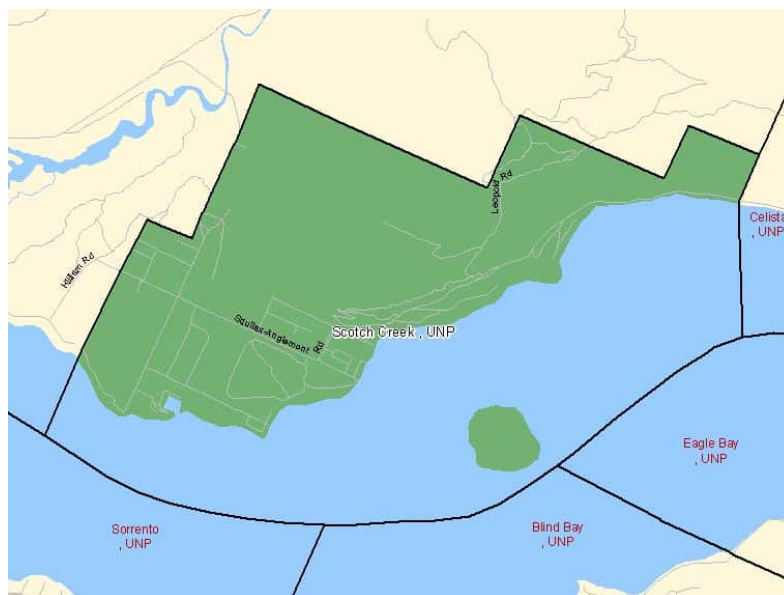
2.2.1 Population

Scotch Creek (Designated Place) as shown in Figure 2.1 has a permanent population of 669 persons (2011 Census). These residents occupy 325 private dwellings which represent 31% of the 1040 total private dwellings reported in the census. In the summer, when all dwellings are occupied, the area's population swells to over 2500 persons.

In addition, the seasonal population will also include a large population of visitors, particularly campers at the Scotch Creek Provincial Campground (274 campsites) and other seasonally available accommodation.



FIGURE 2.1 - SCOTCH CREEK DESIGNATED PLACE, CENSUS, 2011



There are 161 municipalities in British Columbia and 27 have populations under 1000 persons. These communities include Silverton with the smallest population of 185 persons and Queen Charlotte with the largest population of 948 persons as shown in Figure 2.2.

FIGURE 2.2 - POPULATION OF COMPARISON COMMUNITIES (<1000 PERSONS)

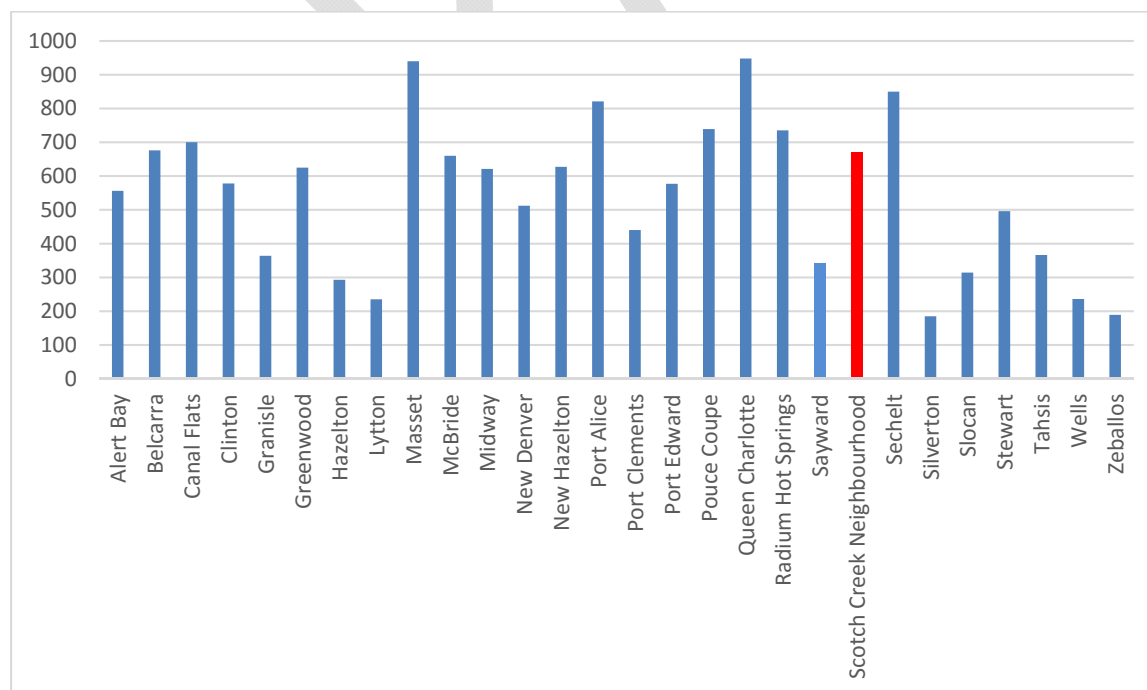
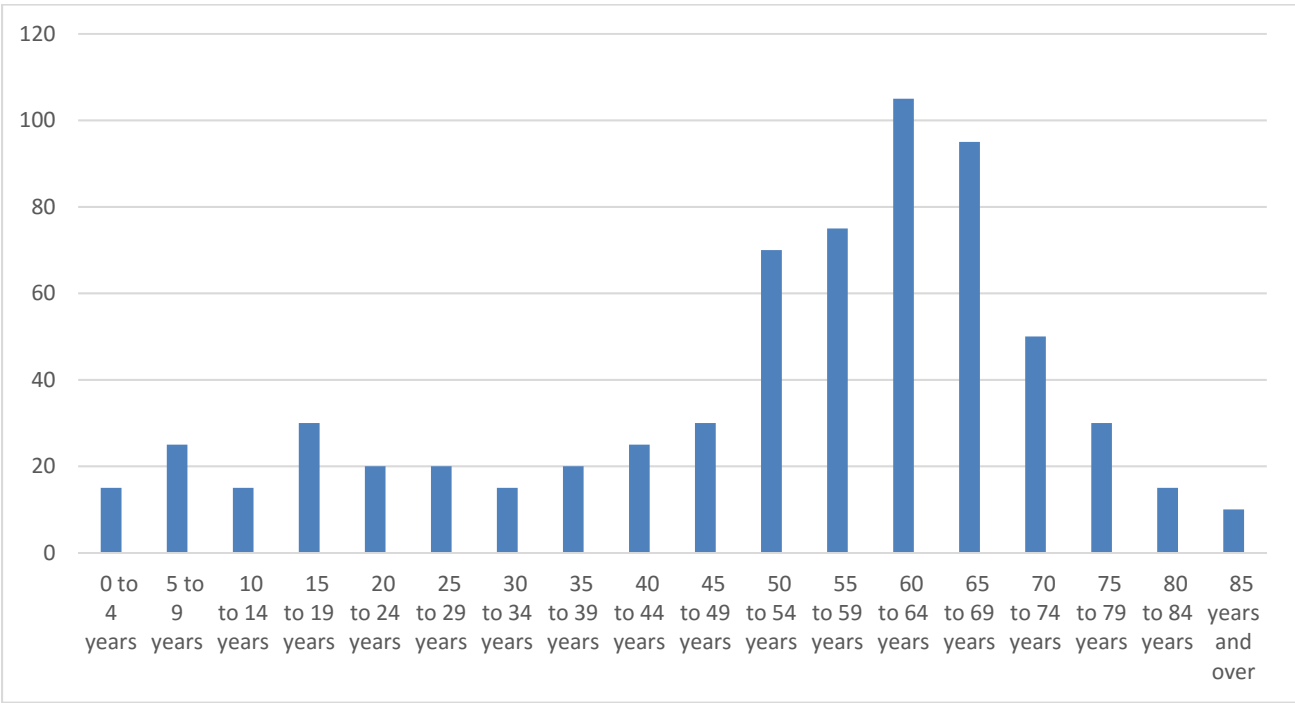


Figure 2.3 shows the population of Scotch Creek by age group. With a median age of 58.7 years the population of Scotch Creek is older than in British Columbia as a whole - 41.9 years (Census, 2011) and generally defines Scotch Creek as a retirement area.

FIGURE 2.3 - SCOTCH CREEK POPULATION BY AGE GROUP CENSUS 2011



2.2.2 [Housing](#)

Figure 2.4 supports the observation that this is a seasonal area and Figure 2.5 shows that the residents are predominantly living in single family structures and movable dwellings. Other seasonal accommodation may include: suites, travel trailers and ancillary cottage structures.

FIGURE 2.4 - SEASONAL VS YEAR-ROUND OCCUPATION OF DWELLINGS, CENSUS, 2011

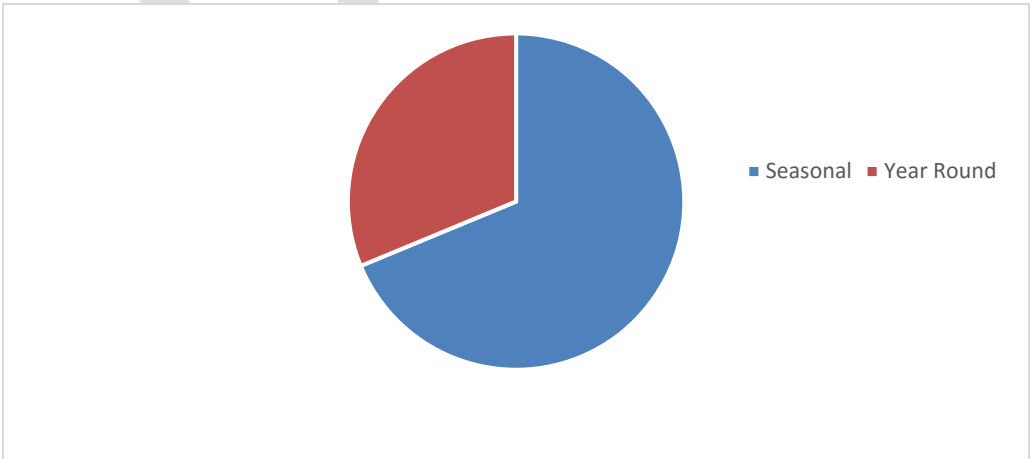
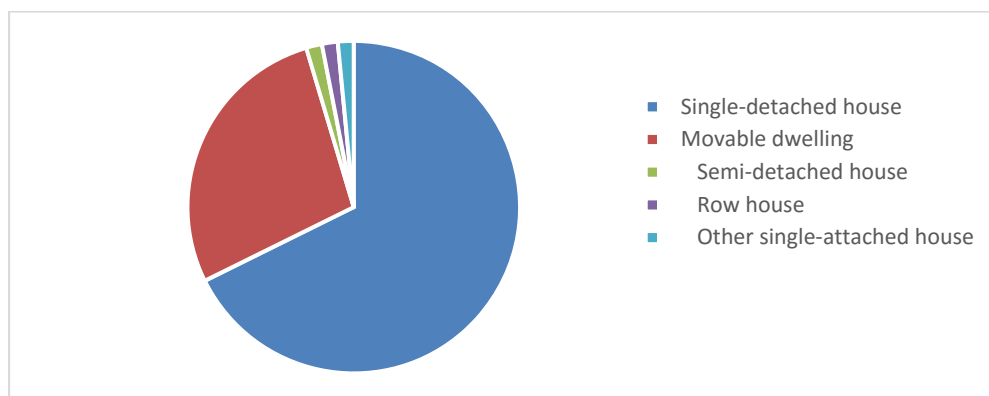


FIGURE 2.5 - DWELLING TYPE - PERMANENT RESIDENTS, CENSUS, 2011



2.2.3 Population and Housing Growth

The Electoral Area “F” (North Shuswap) Official Community Plan (OCP) (2013, p. 9) uses a projected annual growth rate of 4%, however, the Scotch Creek Census data from 2006 to 2011 reports a 12.2% population decline. It is difficult to access data to analyze this change, however, possibly explanations include a shift to smaller household sizes and an aging population that is reducing their pattern of year-round occupancy.

Field research for this study (June 2016) indicated limited new construction activity and we were advised that the number of properties for sale was consistent with other years.

2.3 Assessment Base

The BC Assessment Authority (BCAA) places property in one or more of nine classes, typically based on the property's type or use. Municipal zoning does not determine property class, though it may be a factor in some cases. Properties may have more than one classification (e.g. residential and business) however for the purposes of this summary (Table 2.1) we have used only the primary classification. Table 2.1 shows the residential nature of the area with 591 properties listed with a primary residential classification and no properties classified as industrial.

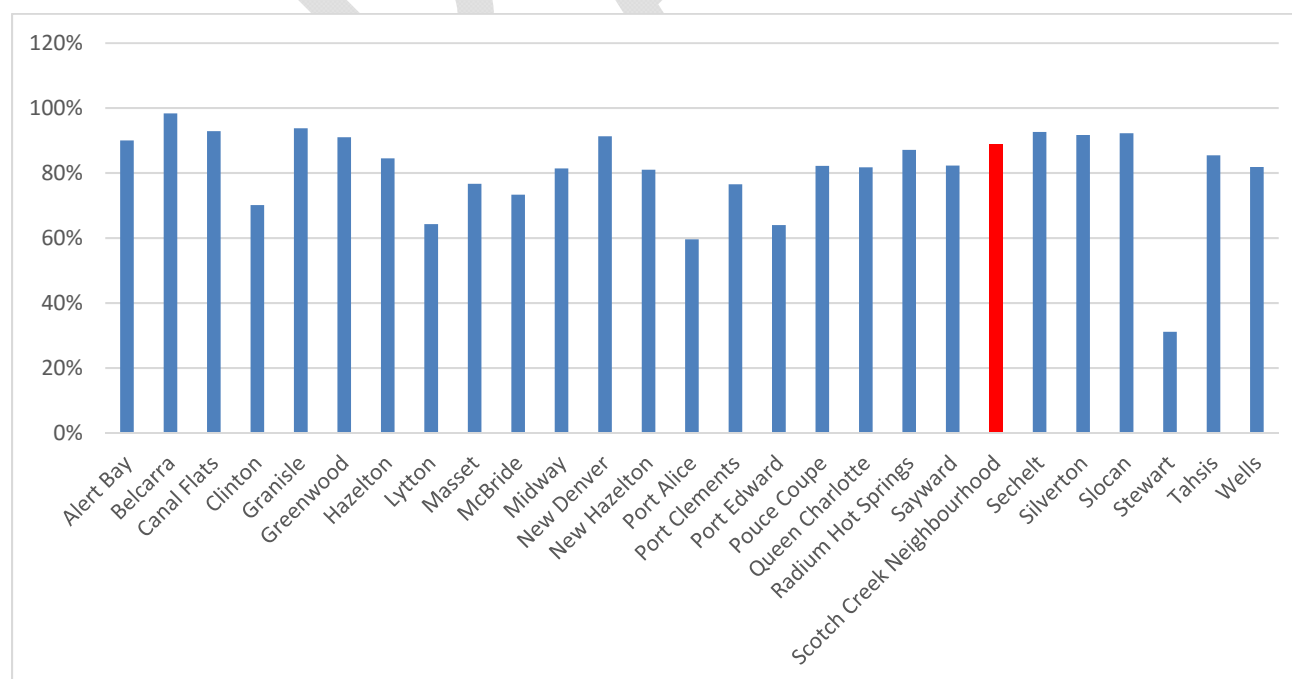
Figure 2.6 compares residential assessment values as a percentage of overall assessment in municipalities with populations under 1000 persons. In Scotch Creek, 89% of the reported assessment values are attributed to properties with a primary residential classification. In comparison, the average rate of assessment value from residential classifications is 81% in the BC municipalities with populations under 1000 persons. While Scotch Creek is above the average in terms of assessments from residential classifications, it is significant that 9 of 27 municipalities have more than 90% of their assessment classified as residential.

TABLE 2.1 - SCOTCH CREEK ASSESSMENT VALUES FOR PRIMARY PROPERTY CLASSIFICATIONS

BCAA Property Class	Occurrences	Total Assessment	Avg. Assessment
Residential (01)	591	\$275,038,978	\$465,379
Utilities (02)			
Supportive Housing (03)			
Major Industry (04)			
Light Industry (05)			
Business Other (06)	82	\$23,928,700	\$291,813
Managed Forest Land (07)			
Rec/Non Profit (08)	4	\$10,271,400	\$2,567,850
Farm (09)	1	\$15,353	\$15,353
Total	678	\$309,254,431	

In reviewing the assessment base of Scotch Creek it is also significant that 3.3% of the overall assessment is classified as recreation/non-profit (Class 8) which is exempt from municipal taxation. Although these properties do not generate property taxes, local governments can benefit indirectly from Class 8 lands through amenity values and economic spinoffs.

FIGURE 2.6 - RESIDENTIAL ASSESSMENT AS % OF TOTAL ASSESSMENT FOR BC MUNICIPALITIES UNDER 1000 POPULATION, 2016



2.4 Economy and Labour Force

The primary industry driving the economy of Scotch Creek is tourism. Tourism supports businesses in retail, accommodation, food, construction and general services. Many businesses gear up for a strong summer season but there are also services that are active throughout the year to support the small permanent resident population.

Within the study area there is only limited agricultural activity and no industrial activity. While logging and other forestry activities have diminished in recent years, they are still active at a smaller scale in the broader region.

Construction trades are well represented in the area and support an active seasonal home building and maintenance industry.

OCP objectives for Scotch Creek support developing a year-round destination with a focus on eco-tourism as well as supporting opportunities for residents to work from their homes.

2.5 Agriculture

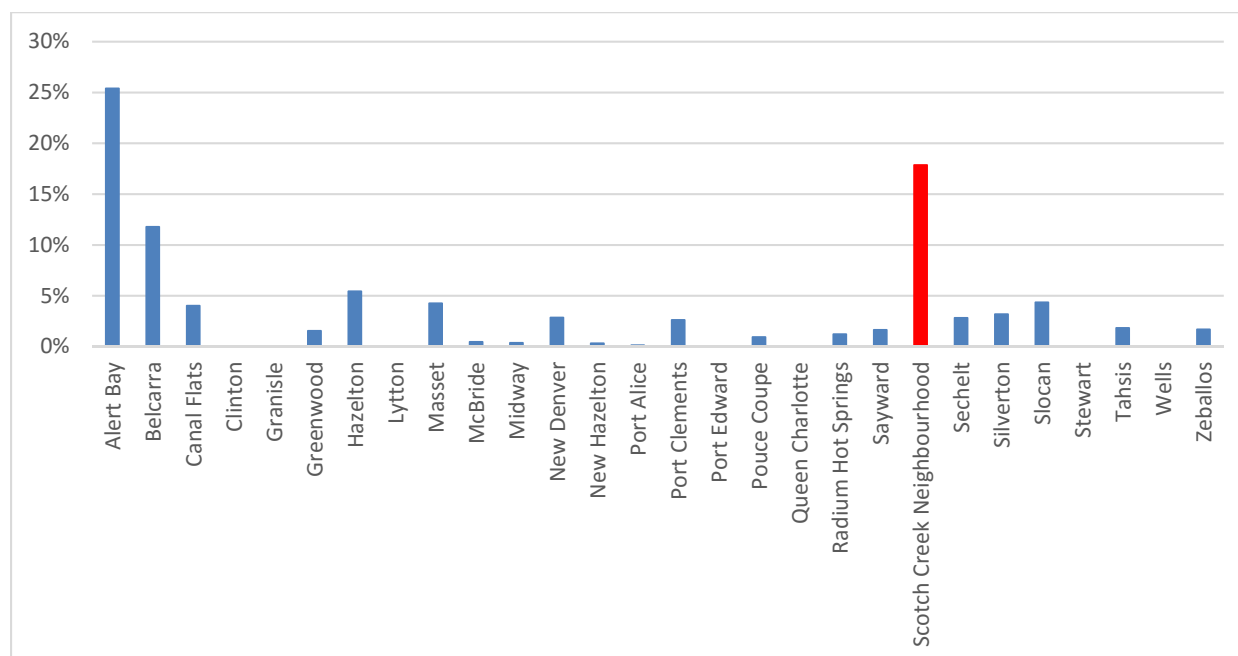
There are several properties in the study area that are located within the Agricultural Land Reserve (ALR). ALR lands are subject to the Agricultural Land Commission Act which protects agricultural activity by encouraging farming and controlling non-agricultural uses. Only one of the agricultural property folios is classified as a farm (Class 9), thereby indicating that it is supporting farm business activity as recognized by BCAA.

2.6 Environmental Protection and Green Space

The Electoral Area “F” (North Shuswap) Official Community Plan (OCP) (2013) contains many policies and objectives that recognize the environment as a treasured asset with sensitive ecosystems in need of protection. In the Scotch Creek area this translates into a particular focus on water quality (lake and aquifer) and the management of development in foreshore areas.

As shown in Figure 2.7, there is more parkland Scotch Creek neighbourhood than in most small municipalities. As well, the presence of land protected under the Agricultural Land Reserve designation contributes to an abundance of green space in the community.

FIGURE 2.7 - PARKLAND AS A % OF TOTAL AREA FOR BC MUNICIPALITIES UNDER 1000 POPULATION, 2016



2.7 Publicly-Owned Assets

2.7.1 Columbia Shuswap Regional District

Rose Clifford Park is a recreational heart of Scotch Creek and the North Shuswap. The 1.8 ha park contains a children's playground, baseball diamond and ball field, all court (tennis, basketball, ball hockey), swings, picnic area and flush toilet and is located at 4170 Butters Rd, Scotch Creek, BC.



The Fire Hall facility accommodates both fire protection services and an additional assembly/meeting area to serve the community.



Wharf Park provides a highly valued public access to the Shuswap Lake waterfront.



In addition to these lands and facilities, the CSRD also has financial reserves associated with various services and facilities in the Scotch Creek area. Regulations govern the application and use of these funds.

The CSRD also owns and operates the Saratoga Waterworks. Further discussion of this system is included in Section 5.

TABLE 2.2 - CSRD FINANCIAL RESERVES

Reserve Fund	Scotch Creek	Area F	Total
Saratoga Waterworks	\$136,259		
Scotch Creek/Lee Creek Fire Protection	\$74,342		
Area F sub-regional Fire Reserve		\$69,800	
Rose Clifford Park	\$44,820		
Area F Community Parks		\$104,360	
DCC in Lieu of Parkland	\$80,975		
Total	\$336,396	\$174,160	\$510,556

2.7.2 Provincial Government

The provincial government Ministry of Transportation and Infrastructure (MOTI) maintains all roads within the study area.

Scotch Creek Provincial Park is also a provincially owned asset, including the associated gravel pit lands.

2.7.3 Other

A private society also operates the IMAI Ball Park that is located next to Rose Clifford Park on crownland.

2.8 Sense of Community and Relationship to Other Settlement Areas

The Electoral Area “F” (North Shuswap) Official Community Plan Bylaw No. 830, recognizes Scotch Creek as the primary centre of the North Shuswap, with smaller centres in Lee Creek, Celista, Magna Bay, Anglemont, St. Ives, and Seymour Arm.

As the primary centre, planning goals encourage community services (health, emergency, affordable housing, seniors housing) and facilities to locate in Scotch Creek.

The Little Shuswap Indian Band is also an important adjacent landowner with long-standing stakeholder interests in the area. Planning and development in the area should include on-going dialogue with the Little Shuswap Indian Band.

2.9 Existing Planning Policy

The Electoral Area “F” (North Shuswap) Official Community Plan Bylaw No. 830, first adopted in 2010, contains policies for Scotch Creek that recognize the unique challenges of a two-season community and strive to ensure a viable, sustainable year-round economy. The following are key planning principles from the OCP that reflect the community vision.

Principle 1 - Encourage the development of a livable community that provides a high quality of life within its unique environmental setting.

Principle 2 - Strive for an economically and socially sustainable community.

Principle 3 - Identify community needs and develop strategies to provide a complete range of buildings, services, amenities and infrastructure.

Principle 4 - Respect the history and culture of the Scotch Creek area.

Principle 5 - Ensure that the community develops within the limits of its resources and maintains its rural lakeshore character.

Principle 6 - Develop infrastructure that is sustainable, environmentally responsible and appropriate to the needs of the community.

Principle 7 - Develop an open space system of trails, paths and parks.

Principle 8 - Preserve and enhance the environmental and visual quality of the area

Principle 9 - Continue to communicate with and involve the First Nations and BC Parks when considering development in Scotch Creek

The Scotch Creek OCP policies recognize the following land use types.

- Village Centre (VC)
- Tourist Commercial (TC)
- Waterfront Commercial (WC)
- Industrial (ID)
- Neighbourhood Residential (NR)
- Low Density Residential (LD)
- Medium Density (MD)
- Residential Resort (RT)
- Servicing policy highlights from the OCP are:

Water Policy 3 - Any new development within the Scotch Creek Primary Settlement Area or within the Secondary Settlement Areas, must connect to a community water system. For the purposes of this Plan, a community water system means a waterworks system serving 50 or more connections, parcels, dwelling units, or recreational vehicles. Facilities may include water

treatment plants and ancillary, works, reservoirs, impoundments (dams), groundwater development (wells), and pumping stations for the collection, treatment, storage, and distribution of domestic potable water. (Source: Electoral Area 'F' (North Shuswap) Official Community Plan Bylaw No. 830, p. 35)

Liquid Waste Planning Policy 1: Discharges of treated effluent to Shuswap Lake from private sources should be prohibited. Discharge of treated effluent from public facilities to Shuswap Lake will be considered only after all other disposal options have been exhausted and assent is gained through a referendum. (Source: Electoral Area 'F' (North Shuswap) Official Community Plan Bylaw No. 830, p. 35)

Liquid Waste Planning Policy 2: Any new development within the Scotch Creek Primary Settlement Area, or within the Secondary Settlement Areas, must connect to a community sewage system. For the purposes of this Plan, a community sewage system means a sewage collection, treatment and disposal system serving 50 or more connections, parcels, dwelling units, or recreational vehicles. Facilities may include wastewater treatment (disposal) plants and ancillary works, sanitary sewers and lift stations for the collection and treatment of wastewater, and the discharge and/or re-use of treated effluent wastewater and biosolids. (Source: Electoral Area 'F' (North Shuswap) Official Community Plan Bylaw No. 830, p. 35)

Liquid Waste Planning Policy 3: Scotch Creek is the Primary Settlement Area. The Regional District will encourage residential, commercial, and light industrial growth in Scotch Creek that is consistent with the policies of this plan. All new development must be connected to community water and sewer systems. (Source: Electoral Area 'F' (North Shuswap) Official Community Plan Bylaw No. 830, p. 38)

2.10 Community Organization and Associations

Scotch Creek has a well-established and organized social and cultural fabric. A variety of groups demonstrate leadership and help to define community identity. Existing community organizations and associations include:

- North Shuswap Christian Fellowship
- Scotch Creek Health Clinic and the North Shuswap Health Centre Society
- North Shuswap First Responders and the North Shuswap First Responders Society
- Scotch Creek Ratepayers Association
- IMAI Ball Park Foundation
- Historical Society
- North Shuswap Chamber of Commerce
- Others?

3.0 Overview of the Current Rural Governance System

In British Columbia, communities that are outside of municipal boundaries have what is generally referred to as rural governance. Under this system, a regional district (rather than a municipality), is the main provider of services. The regional district is not regulated to provide all of the services that a municipality is typically regulated to undertake (e.g. tax collection). As well, various other agencies (e.g. water utilities) may emerge to provide some of the needed services. This section is provided to illustrate the interplay between governments and agencies involved in the Scotch Creek area. Table 3.1 is provided to summarize discussion.

3.1 Federal Government

In Scotch Creek the government of Canada provides various federal services (e.g. RCMP, postal services). The Department of Fisheries and Oceans will also have some jurisdiction over the navigation of adjoining waterways. The costs for the delivery of these services is collected through taxes and fees but not through property taxation.

3.2 Province of British Columbia

The provincial government delivers many services that are funded through the collection of taxes and fees. The provincial government manages the rural property tax system, collecting taxes for the Regional District and for other services such as policing, hospitals and schools. Tax notices for Scotch Creek properties itemize the rates for each of these services. The provincial rural tax, is primarily applied to the cost of maintaining roads.

The province also collects application fees for such services as subdivision application processing.

3.3 Columbia Shuswap Regional District

Scotch Creek is located in the Columbia Shuswap Regional District (CSRD) within Electoral Area F. Electoral Area F is represented by one Area Director on the CSRD Board of Directors. The Area Director also sits on numerous CSRD committees at both the regional and the local level.

3.3.1 Area-wide Services

The CSRD delivers many area-wide services, the cost of which are divided up between all of the Electoral areas. Examples of these services include: general government and administration; electoral area administration; GIS mapping; Development Services; Emergency preparedness; and Economic Development.

3.3.2 Electoral Area and Local Services

The CSRD also provides services specific to Area F as well as services for local areas within Area F. Examples of unique services for Area F include the Area F Fireworks/Firecrackers service. Examples of CSRD taxes that are collected for specified areas with Area F are: North Shuswap First Responders; Dangerous Dog control; Fire Protection; Building Inspection; Mosquito control; and Rose Clifford Park.

The CSRD also collects taxes through specific parcel taxes, where a dollar value for servicing is assigned to each parcel. Examples of services that are funded through parcel taxes include: street lighting (St Ives); Saratoga Waterworks; and the North Shuswap Liquid Waste Management Plan.

To fund its services, the CSRD requisitions funds from the Province and charges user fees where applicable. Requisitions are used because Regional Districts do not have jurisdiction for collecting taxes.

3.4 Improvement Districts

Improvement districts provide specific services to a defined area of users. There are no improvement districts in Scotch Creek and the province no longer allows the establishment of new improvement districts.

3.5 Private Utility Operators

Scotch Creek contains a number of private properties with multiple owners (strata or divided interest) with on-site water and sewer systems. The CSRD has also recently approved plans for a new development that could make their excess servicing capacity available to neighbouring properties (off-site).

TABLE 3.1 - SUMMARY OF CURRENT SERVICE DELIVERY AND DECISION-MAKING

	Main Services	Local Representation
Federal Government	Canada Post RCMP Fisheries and Oceans	One Federal MP
Province of BC	Policing Schools, Health and hospitals Subdivision Approval Septic requirements & water quality regulations Roads Provincial parks Wildlife issues Property tax collection	One Member of the Legislation Assembly
CSRD Area F Services	General government & administration Electoral area administration Feasibility studies 911 emergency communications Solid waste -recycling By-law enforcement GIS Mapping House numbering Development services Planning Special Projects Electoral Area Grants in Aid Shuswap SPCA Shuswap search and Rescue Emergency preparedness Fireworks/Firecrackers Milfoil control Program Weed control and Enforcement Tourism Shuswap Economic Development Film Commission Area F Community Parks	One Electoral Area Director (CSRD Board has 11 Directors in Total)
Specified Areas within Area F	North Shuswap First responders Dangerous Dog Control Fire Protection Building Inspection Mosquito control Rose Clifford Park	
Parcel Taxes within Area F	Street Lighting St. Ives Saratoga Waterworks Anglemont Waterworks Shuswap Watershed council North Shuswap LWMP Seymour Arm LWMP	

4.0 Overview of Municipal Governance Structure

Why a municipality?

4.1 Municipal Incorporation

The Local Government Department of the MCSCD has a multifaceted role in any incorporation process as outlined on their website <http://www.cscd.gov.bc.ca/lgd/pathfinder-restructure.htm>. MCSCD recognizes that communities change as a result of local circumstances such as population growth and urban development, demands for new or improved services and resident desires for more effective political representation. As communities change the citizens may feel that one type of local government may be better suited than another type to meet the needs of the community. Municipal incorporation and restructure are ways for citizens to get the local government that they want. Table 4.1 outlines the restructure process and summarizes MCSCD involvement in this process. This report fits into the context of Phase 1 of this process with members of the Scotch Creek community initiating this study to support an informed discussion with the CSRD and MCSCD on the topic.

MCSCD recognizes municipalities are the cornerstone of the local government system in British Columbia with the most autonomy to provide local services to citizens. MCSCD deals with communities in many areas of the province where people have settled into communities and want services that will make the community more attractive to live in such as a water distribution system, fire protection, recreation facilities and control over land use development. While incorporation is not the only option for addressing these issues, it does offer the highest level of local control with a corporate public body authorized to represent the community and make decisions through an elected mayor and council.

A community is incorporated by the province as a municipality when Cabinet approves a legal document called Letters Patent. The Letters Patent establish the municipality's name and boundary, provide for the first election of the mayor and council, and contain a number of transitional issues.

If a community incorporates, the municipality becomes a member of the regional district and is represented on the regional board by one or more members appointed by and from that municipality's council.

Municipalities are divided into four classifications: village; town; district; and city. The distinction is based upon population and area but regardless of the classification, every municipality generally has the same powers and responsibilities.

TABLE 4.1 - THE RESTRUCTURE PROCESS

Phase	Process	Ministry Role
1. Preliminary	<ul style="list-style-type: none"> Initial contact from community to Ministry general information provided 	<ul style="list-style-type: none"> Evaluation of the local context for Minister Explanation of process for public - potential public meeting attendance
2. Restructure Committee	<ul style="list-style-type: none"> Creation of broadly representative local restructure committee Committee's main task is to oversee preparation of restructure study, and manage public consultation 	<ul style="list-style-type: none"> Minister sanctions study process - 'approval in principle' staff provide advice on the formation of committee and design of local discussion process
3. Restructure Study	<ul style="list-style-type: none"> Terms of reference, proposal call, selection of consultant Purpose of study is to obtain objective information on fiscal impact of restructure, implications for local services and political representation, etc. 	<ul style="list-style-type: none"> Minister approves restructure planning grant Staff act as resource as necessary
4. Decision	<ul style="list-style-type: none"> study findings presented to community committee makes recommendation to Minister whether or not hold a vote 	<ul style="list-style-type: none"> Minister provides offer of restructuring assistance Minister Orders a restructure vote
5. Implementation	<ul style="list-style-type: none"> Vote held If vote passes, implementation process 	<ul style="list-style-type: none"> Staff prepare Letters Patent Minister takes Letters Patent to Cabinet staff coordinate Ministry post implementation assistance

Source: www.cscd.gov.bc.ca/lqd/gov_structure/boundary_restructure/restructure_process.htm

4.2 Local Interest in Incorporation

The NSIFSG hosted several study group meetings that were open to the public as part of this process. Approximately #? persons attended these meetings and contributed to the discussion on incorporation. While this process engaged only a small sector of the population, it is significant that the topics of interest are consistent with topics recognized by MCSCD as common reasons for seeking incorporation.

Local control and decision making

- Local municipal government is viewed as a more effective way to ensure local issues are addressed as a priority.
- Mayor and Council may have opportunities to increase local area representation (e.g. UBCM, other agency engagement and representation)
- Local council meetings improve public accessibility to decision making process.
- Incorporation is seen as an opportunity for more effective engagement with neighbouring communities, particularly First Nations.

A strong local economy

- The local area has a strong economy in the tourism sector and there is interest in furthering these developments and developing a more diversified economy based on local amenities and resources.

Land use planning.

- The OCP identifies planning directions to enhance “village developments”. There is interest in more direct local management of new development, design controls, growth and amenities.

Advancement of Servicing Infrastructure

- Future development in Scotch Creek is dependant on the construction of community water and sewer infrastructure. Municipal governance could see systems constructed sooner with potential for:
 - more “financing” flexibility such as direct access to more grant opportunities
 - local government could revisit phasing options or site area requirements
 - ownership of local roads could accelerate approval process and increase design options
 - direct discussion with neighbours and potential system partners

Reasons for Restructuring Local Governments, include...

an urban community which has the full range of local services provided by the regional district and where the combination of the relatively high population and residents' demands for new services is difficult to manage through the regional district form of local government. In such a case, restructuring would focus on the potential incorporation of the community as a municipality, to achieve the consolidation of service delivery and level of local political representation required to manage a complex urban area.

Source: Local Structure Branch (2000) *"Managing Changes to Local Government Structure in British Columbia: A Review and Program Guide"*. P.3.

4.3 Voting Eligibility

Since Scotch Creek is a seasonal community, with a smaller number of winter than summer residents, it is important to understand who would be eligible to vote if an incorporation study proceeded to referendum. As shown in Table 4.1, the potential for a referendum occurs after the conclusion of an Incorporation Study. If a referendum occurs, an independent chief election officer would conduct the incorporation vote. To be eligible to vote in an incorporation referendum, one must be:

- 18 of years of age or older;
- Canadian citizen;
- Resident of British Columbia for at least six months before registering to vote;
- Lived or are the registered owner of property within the incorporation area for at least 30 days before registering to vote; and,
- Not disqualified under the *Local Government Act*, or any other enactment, or by law from voting in a local election.

The above conditions provide for both renters and owners to vote in the incorporation process. It is difficult to estimate the number of renters in the study area however the BCAA data provides postal code data for registered owners. As shown in Table 4.2, BCAA data recognizes 1022 registered owners in the study area. This includes properties such as Caravan's West with multiple owners. Of these owners, 760 (74%) are residents of British Columbia and are likely to be eligible to vote. This data also indicates that 24% of the registered property owners have a Scotch Creek postal code and are likely to be permanent or semi-permanent residents.

TABLE 4.2 - POSTAL CODE LOCATION OF REGISTERED OWNERS

Postal Code Location	Registered Owners	%
British Columbia	760	74%
- Scotch Creek (V0E3L0, V0E1M5)	(250)	
Other Canadian Province	245	24%
Other Country	17	2%
Total	1022	100%

Source: BCAA Data, CSRD, 2016.

5.0 Water and Sewer Service Delivery

5.1 Introduction

One of the key motivators for municipalities seeking incorporation is the desire to assume local management of utility services. This is particularly evident in municipalities where future growth requires updated or expanded servicing. As noted in Section 2.9, the existing OCP places a heavy emphasis on servicing requirements therefore, servicing is explored in detail in this section.

5.2 Water Services

Section to be added

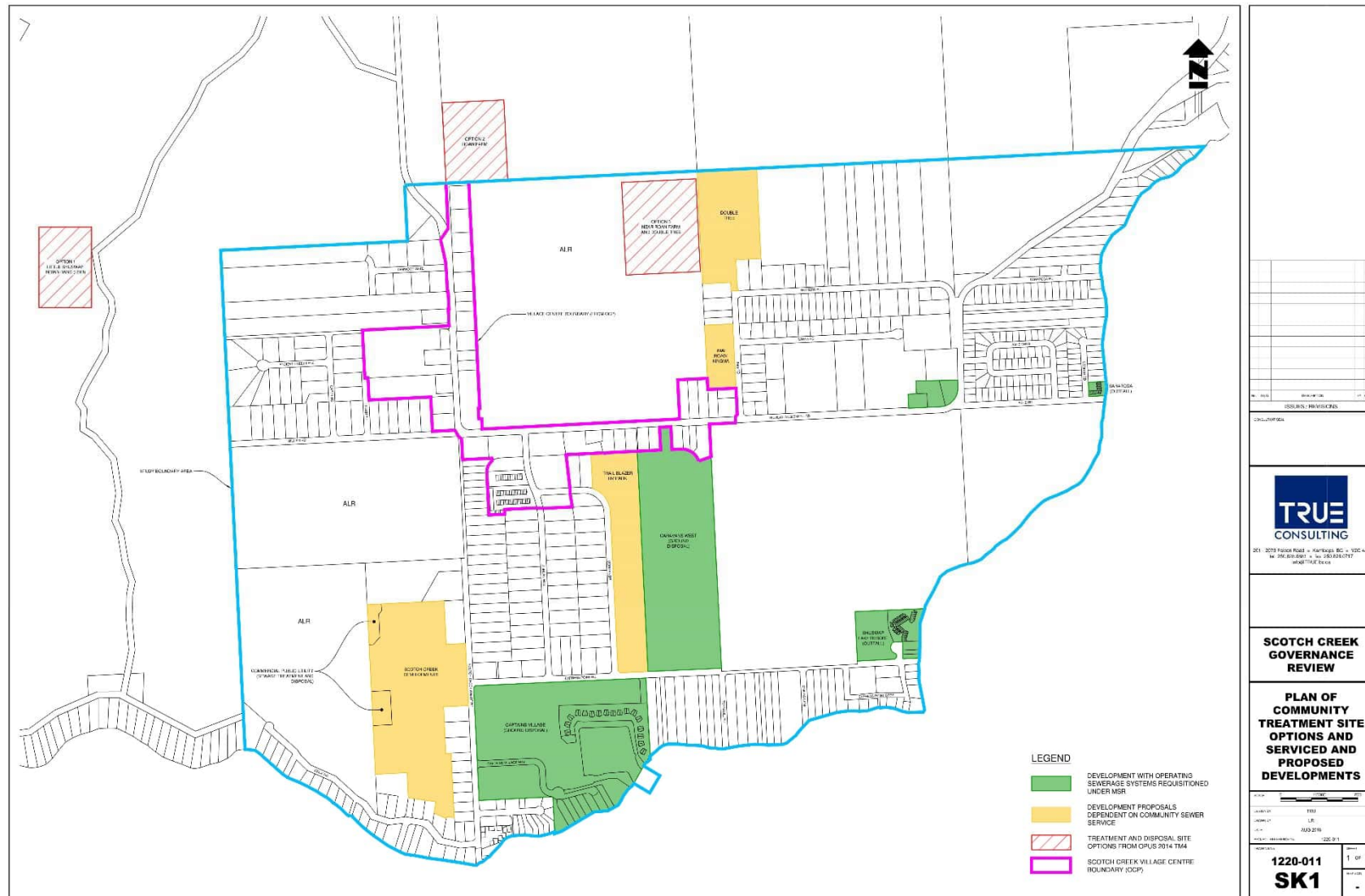
5.3 Sewer Services

5.3.1 Context

The CSRD completed a Liquid Waste Management Plan (LWMP) in 2009. At that time the LWMP concluded that a community sewer system was needed in the Scotch Creek area to:

- reduce the impact of poorly performing septic tank systems on Shuswap Lakeshore area and the local aquifer
- permit additional development
- permit densification for commercial and social benefit

The LWMP concluded with the identification of two options: treatment and ground disposal on a site owned by the Little Shuswap Indian Band and treatment and disposal on the Roan Farm site. Both sites are shown on Figure 5.1.



Sewer servicing options were examined again by the CSRD in 2013 and 2014 when the primary objective was to investigate a more affordable Phase 1 system for the CSRD to implement. The Phase 1 area was defined as the Scotch Creek Neighbourhood Planning Area as outlined in the OCP (Figure 1). Reports assessed three options for treatment and disposal:

- the Little Shuswap Indian Band site
- the Roan Farm site, and
- a site in the vicinity of Roan Farm and Doubletree

The LWMP reports provided costs for all three options and discussed advantages and disadvantages but there was no firm recommendation on a preferred option. In the end, the Phase 1 costs were concluded to be prohibitive with an estimate of \$1807 - \$2207/unit.

In 2015 Scotch Creek Developments presented development plans to the CSRD that included a proposal to build a private utility sewer system in Scotch Creek. The rezoning was approved in January 2016, conditional on the construction of a private sewer utility. The sewer utility would have capacity at 400m³/day and would be able to service 280 units. Scotch Creek Developments planned for 165 units, leaving a reserve servicing capacity of approximately 150 units which could be “for sale” to other developments. At the time of the writing of this report this project had not advanced beyond the rezoning stage.

5.3.2 Comparable Communities

TRUE Consulting has been involved with many sewer systems in small communities. The following points summarize some of the conditions in these areas that raise topics for Scotch Creek to consider.

Community	System Description
District of Barriere	<ul style="list-style-type: none"> ▪ near completion, 2016 ▪ solar aquatics, RI basins and irrigation ▪ treatment plant is on fire hall site ▪ driver: essential infrastructure for community development ▪ 100% senior government funded
Village of Kaslo	<ul style="list-style-type: none"> ▪ constructed 1996 ▪ mechanical plant and lake outfall ▪ drivers: service downtown core; new lakeshore development; and community services (school, RCMP, etc.)
District of Clearwater	<ul style="list-style-type: none"> ▪ last upgraded 2010 ▪ aerated lagoons and RI basins ▪ total site area – 6 ha ▪ drivers: essential service for commercial core development; shopping centre; Tim Hortons; tourist commercial; schools; hospital; etc.

Community	System Description
Senkulmen Business Park (Oliver) – Osoyoos Indian Band	<ul style="list-style-type: none"> mechanical system – RI basins total site area – 4 ha driver: Band-owned utility to service: Vincor Winery; new prison; RDOS Gallagher Lake neighbourhood; and business park subdivision.

5.3.3 Potential Considerations for New Municipality

Discussion to be added on:

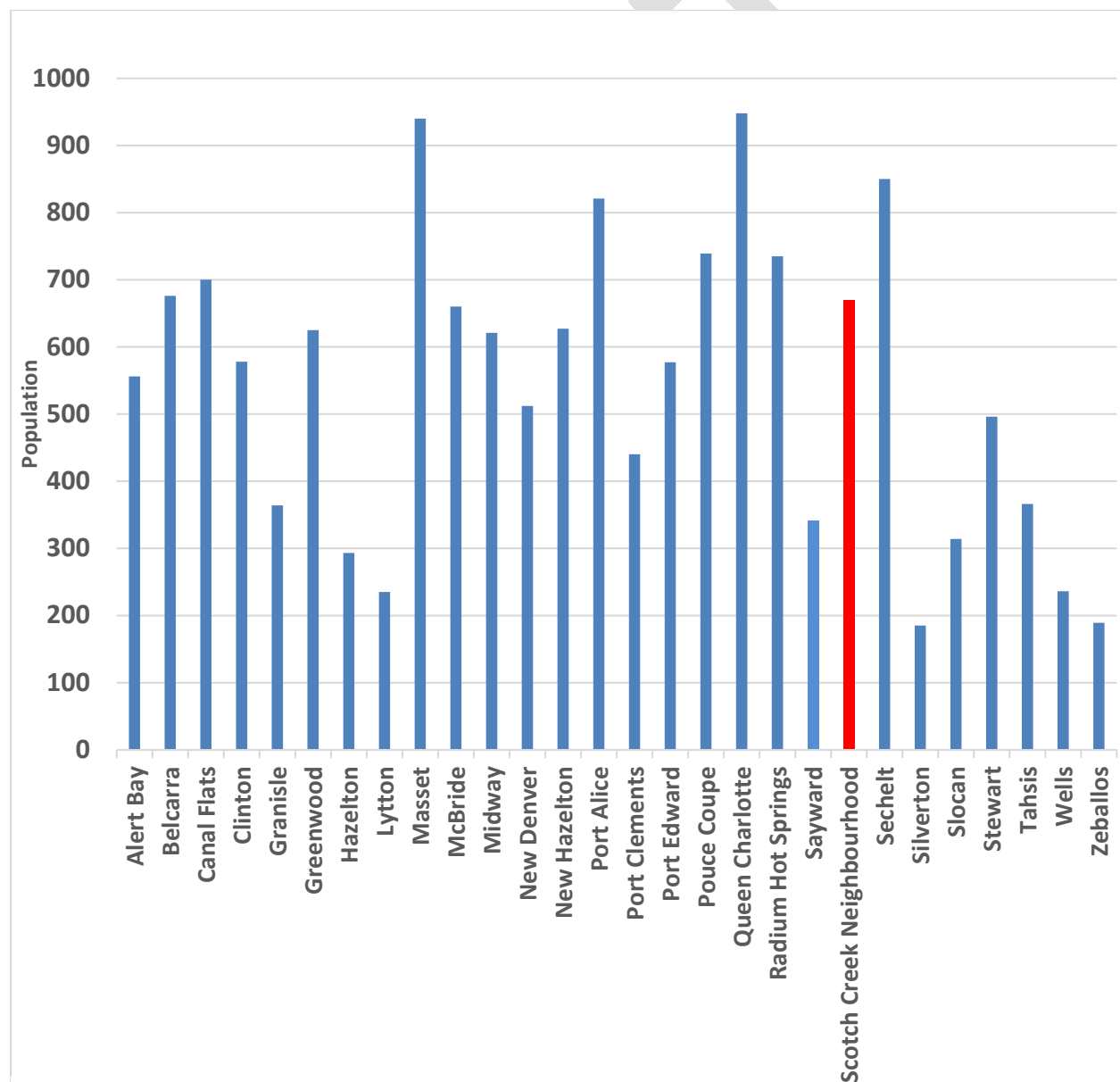
- Municipal governance might offer more “financing” flexibility
- Municipal governance could include local roads and thereby provide greater flexibility for system design
- Revisit Site Area requirements
- Revisit Concept – separate treatment and disposal sites?
- As per Opus, key is to get Phase 1 built

6.0 Municipal Comparisons

To better understand the potential viability of Scotch Creek as an independent municipality we have compared Scotch Creek to other similar sized municipalities (population under 1000). This data is collected from the relevant municipalities and published by CivicInfo BC (<http://www.civicinfo.bc.ca>).

The communities included in this analysis are identified in Figure 6.1. This section reviews: general municipal characteristics; service delivery and financing.

FIGURE 6.1 - BC MUNICIPALITIES WITH <1000 PERSONS



Note: Data includes the Sechelt Indian Government District

6.1 Timing of Incorporation

There are 161 municipalities in British Columbia and 27 of these communities have populations under 1000 persons. Table 6.1 shows that many of these municipalities have a long history, but there are also examples of newly incorporated communities. In addition, the province has also recently incorporated larger nearby communities such as Barriere, Clearwater and Sun Peaks that can provide some relevant experience for the Scotch Creek area.

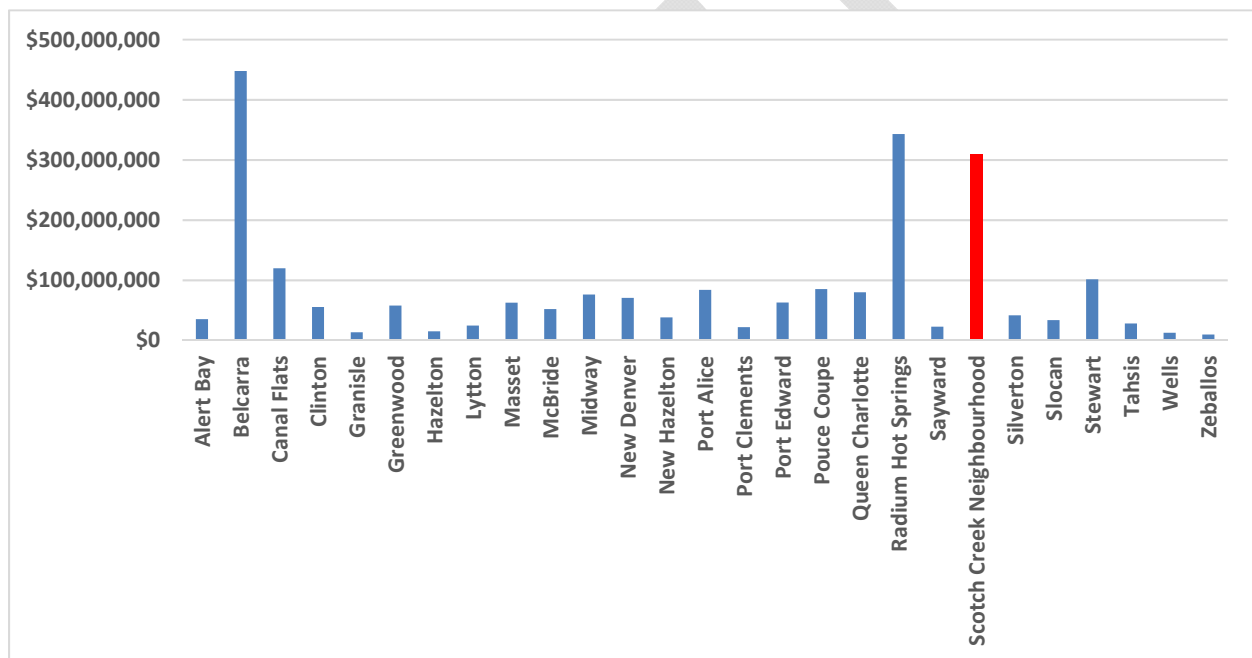
TABLE 6.1 - INCORPORATION DATE FOR BC MUNICIPALITIES WITH <1000 PERSONS

Name	Date of Incorporation	Population
Greenwood	1897	625
Slocan	1901	314
New Denver	1929	512
Silverton	1930	185
Stewart	1930	496
McBride	1932	660
Pouce Coupe	1932	739
Lytton	1945	235
Alert Bay	1946	556
Zeballos	1952	189
Hazelton	1956	293
Sechelt	1956	850
Masset	1961	940
Clinton	1963	578
Port Alice	1965	821
Port Edward	1966	577
Midway	1967	621
Sayward	1968	341
Tahsis	1970	366
Granisle	1971	364
Port Clements	1975	440
Belcarra	1979	676
New Hazelton	1980	627
Sechelt	1986	850
Radium Hot Springs	1990	735
Wells	1998	236
Canal Flats	2004	700
Queen Charlotte	2005	948

6.2 Assessment

Figure 6.2 illustrates total assessment values for BC municipalities with Population <1000. Scotch Creek has higher assessed values than the majority of these municipalities. Of the 27 existing municipalities, only Sechelt Indian Government District, Belcarra and Radium Hot Springs have higher assessed values than Scotch Creek. In 26 municipalities (excluding Sechelt Indian Government District), the average total assessment value is under \$80M while in Scotch Creek it is over \$300M. As noted in Section 2.3, Assessment Base, 89% of the assessed values are from residential assessments. While this is higher than the average for comparable BC municipalities, it is not the highest.

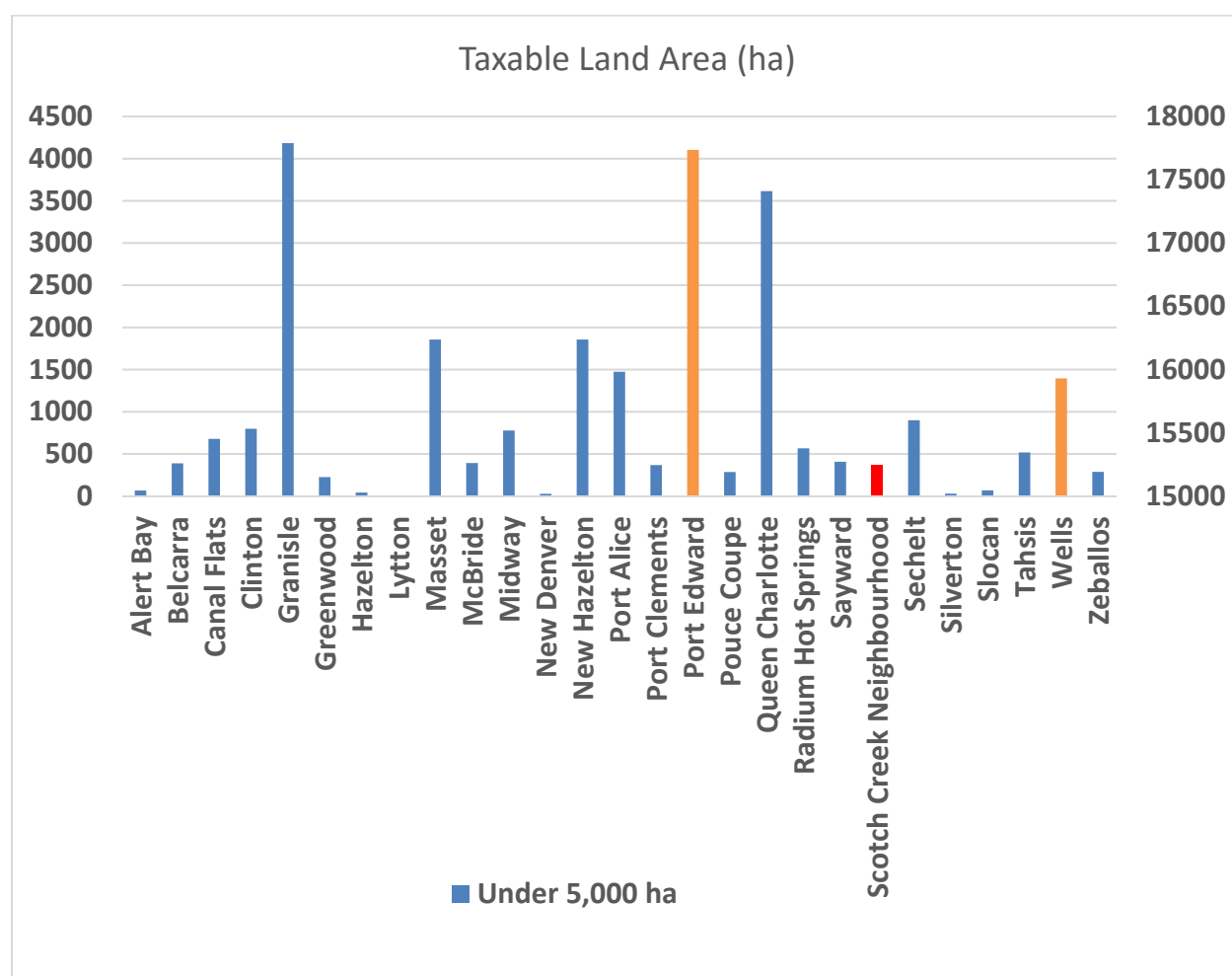
FIGURE 6.2 - TOTAL ASSESSMENT FOR BC MUNICIPALITIES WITH <1000 PERSONS



6.3 Size

Figure 6.3 compares the taxable land area for all municipalities with populations of less than 1000 persons. An analysis of this data indicates that there is a large variation in the size of these municipalities. While the physical size of municipality can have a significant impact on municipal budgets, particularly if large geographic areas require an extensive road network and water and sewer infrastructure, all of these municipalities are financing their services.

FIGURE 6.3 - TAXABLE LAND AREA FOR MUNICIPALITIES WITH <1000 PERSONS



6.4 Utilities

Table 6.2 compares utility infrastructure in the 27 municipalities with population <1000. It is significant that most small municipalities are operating utility systems that service relatively small geographic areas. Scotch Creek is consistent with this pattern with only 15 km of paved road to maintain and one water system.

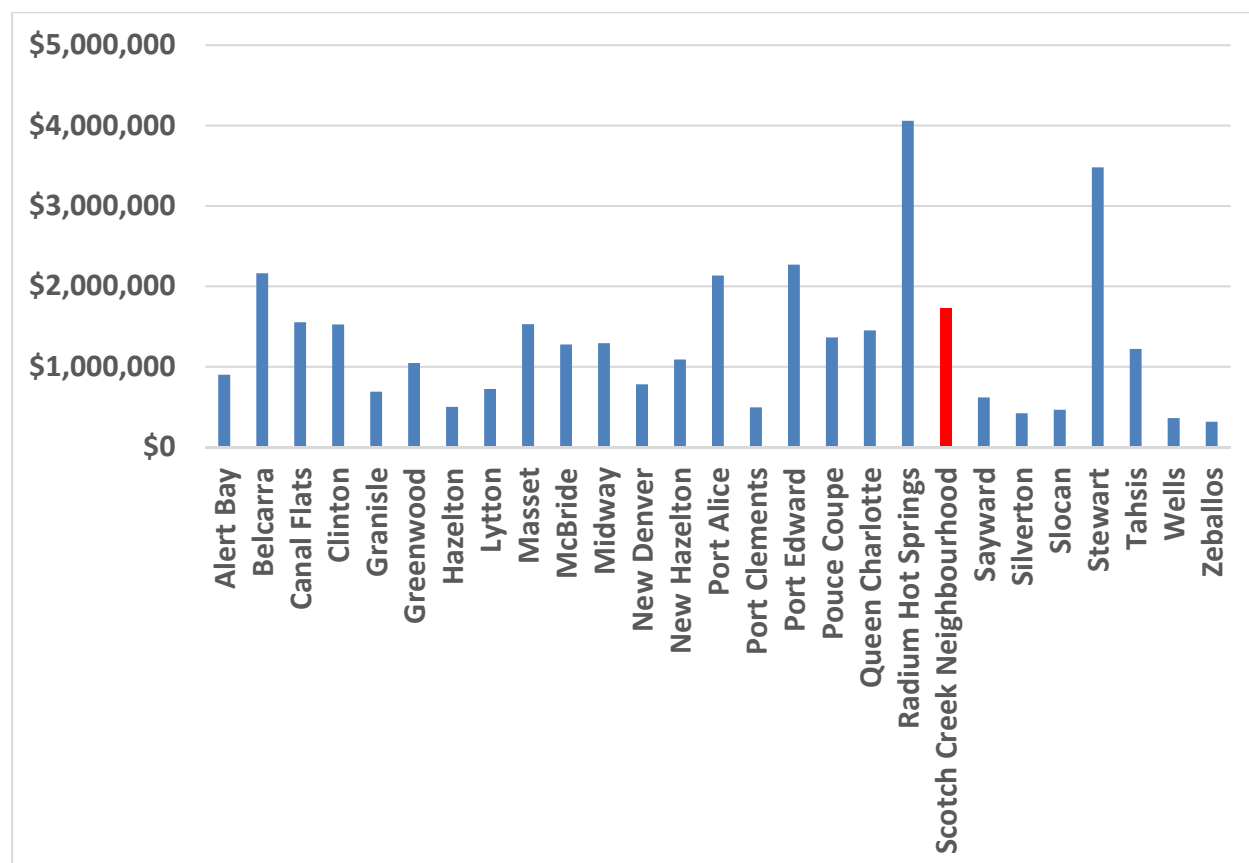
TABLE 6.2 - UTILITY SYSTEMS OPERATED BY MUNICIPALITIES WITH <1000 PERSONS

	Average Length	Scotch Creek
All 27 municipalities manage paved roads	12 km	15 km
24 municipalities manage water systems	13 km	Saratoga
20 municipalities manage sewer systems	11 km	0
14 municipalities manage storm water systems	3.5 km	0

6.5 Property Taxation

Figure 6.4 illustrates the total taxes and charges collected by municipalities with populations <1000. The data for Scotch Creek is directly comparable to this municipal information because these totals include all taxes, (combining provincial and local area taxes). While there are a few anomalies (Sechelt Indian Government District, Radium Hot Springs and Stewart), most of the municipalities are collecting close to the average of \$1.3 million.

FIGURE 6.4 - TOTAL PROPERTY TAXES AND CHARGES COLLECTED FOR MUNICIPALITIES WITH <1000 PERSONS



Note: Does not include Sechelt Indian Government District

Table 6.3 illustrates that the 27 small municipalities operate on funding that comes from a variety of sources. Trends that are evident in Table 6.3 include:

- On average, <32% of revenue is from property taxation
- Municipalities can have significant grant benefits from other levels of government (e.g. Clinton \$1.5M for water system upgrade)
- Ongoing senior government transfers often contribute significantly to annual municipal budgets (e.g. policing tax credit, gas tax credits)
- Municipalities are successfully generating income from the sale of services

**TABLE 6.3 - MUNICIPAL REVENUE SOURCES FOR MUNICIPALITIES WITH POPULATIONS
<1000 PERSONS**

Name	Total Own Purpose Taxation and Grants in Lieu	Sale of Services	Transfers from Federal Governments	Transfers from Provincial Governments	Transfers from Regional and Other Governments	Investment Income	Income from Government Business Enterprise	Developer Contributions	Disposition of Assets	Other Revenue	Total Revenue
Alert Bay	25%	53%	4%	14%	2%	2%	0%	0%	0%	0%	100%
Belcarra	56%	23%	0%	11%	9%	2%	0%	0%	0%	0%	100%
Canal Flats	44%	15%	0%	15%	25%	0%	0%	0%	0%	0%	100%
Clinton	18%	9%	44%	18%	12%	0%	0%	0%	0%	0%	100%
Granisle	31%	29%	8%	28%	0%	1%	0%	0%	3%	0%	100%
Greenwood	29%	20%	0%	24%	26%	1%	0%	0%	0%	0%	100%
Hazelton	31%	27%	0%	37%	4%	1%	0%	0%	0%	0%	100%
Lytton	34%	29%	0%	29%	8%	0%	0%	0%	0%	0%	100%
Masset	16%	66%	0%	10%	7%	1%	0%	0%	0%	0%	100%
McBride	19%	22%	0%	47%	4%	0%	8%	0%	0%	0%	100%
Midway	38%	26%	0%	12%	22%	2%	0%	0%	0%	0%	100%
New Denver	19%	33%	0%	19%	30%	1%	0%	0%	-3%	0%	100%
New Hazelton	36%	38%	0%	17%	7%	1%	0%	0%	1%	0%	100%
Port Alice	49%	16%	2%	8%	15%	2%	7%	0%	0%	0%	100%
Port Clements	27%	20%	0%	30%	17%	0%	0%	0%	0%	7%	100%
Port Edward	12%	18%	0%	4%	22%	2%	0%	0%	42%	0%	100%
Pouce Coupe	15%	20%	0%	40%	9%	2%	0%	0%	14%	0%	100%
Queen Charlotte	30%	23%	0%	17%	11%	3%	0%	0%	0%	15%	100%
Radium Hot Springs	51%	19%	3%	5%	11%	3%	0%	10%	-1%	0%	100%
Sayward	25%	16%	2%	49%	3%	1%	0%	4%	0%	0%	100%
Sechelt	47%	7%	0%	12%	15%	1%	0%	9%	0%	8%	100%
Silverton	23%	25%	0%	48%	0%	2%	0%	0%	0%	1%	100%
Slocan	21%	22%	0%	29%	26%	2%	0%	0%	0%	0%	100%
Stewart	52%	25%	4%	9%	6%	1%	0%	0%	0%	4%	100%
Tahsis	42%	19%	1%	16%	19%	2%	1%	0%	0%	0%	100%
Wells	28%	12%	0%	51%	8%	1%	0%	0%	0%	0%	100%
Zeballos	24%	22%	0%	38%	17%	2%	-1%	0%	-2%	1%	100%

Research on property taxation also included an assessment of the size of “total own purpose property taxation” that could be potentially available to a future Scotch Creek municipality. Typically, this information is researched as part of a detailed Incorporation Study process where government agencies and the community make collective designs around the future of service delivery. Accordingly, our calculations should be treated with caution and only considered a rough snapshot of “total own purpose property taxation.” Assumptions used to generate the budget estimate developed in Table 6.4 include:

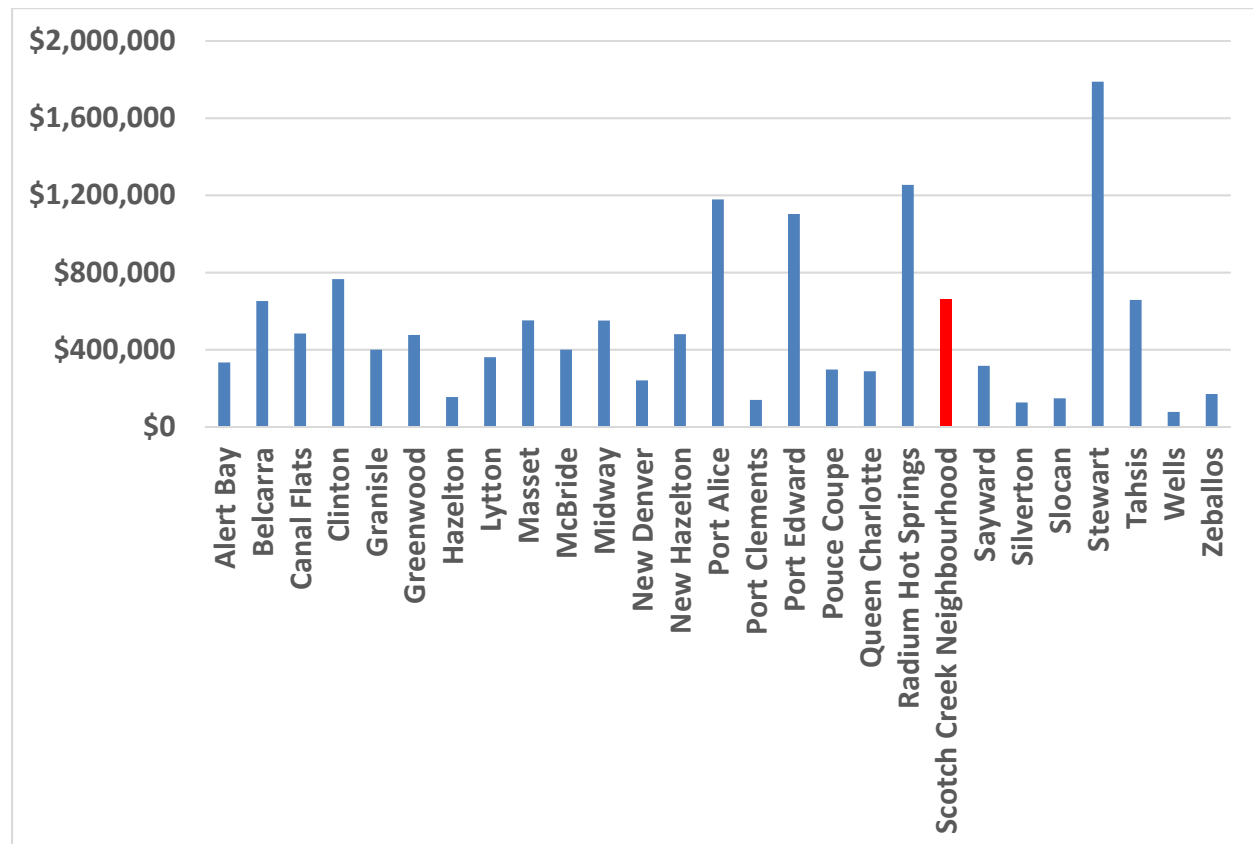
- Based on 2016 assessed values and tax rates
- Use existing tax revenues – no tax increase
- Some services would stay with the CSRD – other services could shift to a new municipality
- The Provincial Rural tax could shift to a new municipality

TABLE 6.4 - EXISTING PROPERTY TAX REVENUES POTENTIALLY AVAILABLE FOR A SCOTCH CREEK MUNICIPAL BUDGET

CSRD Area F 2016		Rate/\$1000 Assessed Value	
Local Service Taxes	Ongoing CSRD Service	Potential New Municipality Service	
General government and administration			0.1662
Electoral Area administration			0.1303
Feasibility studies			0.0027
911 Emergency communications	0.0213		
Solid waste Recycling	0.0806		
Bylaw enforcement	0.06		
GIS Mapping	0.0618		
House numbering			0.0036
Development Services			0.1789
Planning Special Projects			0.0128
Electoral Area Grants in Aid			0.1005
Shuswap SPCA	0.002		
Shuswap Search and Rescue			0.0128
Emergency preparedness			0.0328
Fireworks			0.0009
Milfoil Control Program	0.0311		
Weed control and Enforcement	0.0111		
Tourism Shuswap	0.0209		
Economic Development	0.0655		
Film Commission	0.0034		
Area F Community Parks	0.13675		0.13675
Total Cost /\$1000 Assessed Value	0.49445		0.77825
<u>Specified Areas within Area F</u>			
North Shuswap First Responders			0.0249
Dangerous Dog Control			0.0149
Fire Protection			0.6944
Building Inspection			0.0582
Mosquito Control			0.0699
Rose Clifford Park			0.0333
Total Specified Areas /\$1000 Assessed Value			0.8956
Total Potential Tax Shift from CSRD			1.67385
Total Rural Tax Shift from Province			0.57
		Total	2.24385
Total Taxable Assessment in Scotch Creek			\$295,049,215
Potentially Available -"Own Purpose /(Property) Taxation"			\$662,046

Figure 6.5 compares the potential “own purpose (property) taxation” budget of \$662,046 for Scotch Creek with the similar budget component in 26 municipalities with <1000 persons. The potential own purpose budget is higher than the average budget of \$520,000 found in the comparable small municipalities.

FIGURE 6.5 - TOTAL OWN PURPOSE BUDGET COMPARISON FOR MUNICIPALITIES WITH <1000 PERSONS



7.0 Incorporation Topic Areas

As part of the research conducted for this project we have examined the key issues raised in other communities as part of their local governance review process to better understand how local governance change addresses key topic areas. The Salt Spring Island Incorporation Study, Preliminary Report completed by Urban Systems, in 2015 provided some of the background for this discussion.

7.1 Elected Representation

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none">Area F has one CSRD director who represents Area F on the CSRD board which has 11 Directors and meets regularly in Salmon Arm	<ul style="list-style-type: none">A Mayor and Council would be elected to be responsible for decision-making in relation to all Provincial, CSRD and services transferred to a municipal jurisdiction.The Mayor and Council would meet regularly in Scotch CreekA member of the municipal council would be appointed to the CSRD Board

7.2 Service Establishment

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none">Most services are provided in response to a specific local need to a defined service area by bylaw.For new services the CSRD Board would typically adopt a service area bylaw for the benefiting area with the full cost of the service recovered from that area.The CSRD would have a variety of mechanisms to obtain approval from the benefiting area.	<ul style="list-style-type: none">Municipalities can choose to provide a variety of services.Service establishment area bylaws are not required.Municipalities must have a Council resolution to provide staff direction.Some long-term borrowing situations trigger public approval processes.

7.3 Coordination of Services

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none"> There are many different layers of service providers that need to be co-ordinated to achieve community objectives. 	<ul style="list-style-type: none"> The number of local service providers would be reduced with the municipality providing most local services. The municipality could have full responsibility for many of the services that currently require coordination (water management, economic development, land use approvals – subdivision, rezoning, Official Community Plans)

7.4 Strategic, Financial and Capital Planning

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none"> The CSRD undertakes strategic, financial and capital planning for the services it provides. 	<ul style="list-style-type: none"> Municipality could complete strategic, financial, and capital planning for the entire scope of services they provide. A Scotch Creek municipality would continue to work with the regional district on many initiatives of a regional nature.

7.5 Land Use Planning

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none"> The CSRD is responsible for local land use planning and regulation of development. 	<ul style="list-style-type: none"> A new municipality would become responsible for local land use planning. All current CSRD bylaws would become bylaws of the new Municipality. Land use decisions would be made by the municipal council, comprised of a mayor and six councillors. The new municipality would have the option of developing its own bylaws relating to land use and development.

7.6 Coordination of Water Protection and Use

to be added

7.7 Environmental Protection

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none"> On a regional-wide basis the CSRD can address environmental protection through its climate change programs. The Riparian Areas Regulation, Environmental Management Act and other Provincial laws rely on the CSRD and Ministry of Transportation and Infrastructure for monitoring and enforcement of protection measures. 	<ul style="list-style-type: none"> The municipality would take the lead role in many aspects of environmental protection (e.g. land use planning and regulation, coordination of initiatives related to sustainability planning) and it would continue to work with other bodies involved in environmental protection. Under the <i>Community Charter</i>, a municipality has fundamental powers to protect the natural environment, in that a municipality can, by bylaw, regulate, prohibit, and impose requirements in relation to the protection of the natural environment. The CSRD does not have this broad fundamental authority. A municipality would take the lead role in monitoring and enforcing protection measures outlined in Provincial laws and regulations such as the Riparian Areas Regulation and Environmental Management Act.

7.8 Economic Development

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none"> The CSRD provides an economic development program and promotes economic development and implements initiatives in collaboration with other public, private and not-for-profit organization. 	<ul style="list-style-type: none"> A municipality has broad powers to coordinate economic development initiatives (such as implementation of the economic strategy and action plan). A municipality could alternatively contract services through the CSRD.

7.9 Affordable Housing

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none">▪ The CSRD has limited application of Affordable Housing policies in its OCP.	<ul style="list-style-type: none">▪ A municipality has broad powers to undertake a range of activities related to the provision of affordable housing. It could enact various policies and regulations to encourage the development of affordable housing, and undertake housing studies.▪ A municipality could maintain an affordable housing committee or collaborate with community groups.▪ A municipality could administer housing agreements.

7.10 Volunteering

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none">▪ In the current governance structure, many people participate in community groups.▪ There are numerous volunteers in the not-for-profit sector, including community service agencies, advocacy groups, and charity groups.	<ul style="list-style-type: none">▪ A municipality can create advisory committees and commissions for public participation in decision making.▪ The not-for-profit sector would have a direct point of contact with an elected municipal council.

7.11 Grant Eligibility

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none">▪ Scotch Creek is eligible for senior government infrastructure grants primarily in relation to services that are provided by the CSRD.▪ In contrast to regional districts and municipalities, improvement districts generally do not have access to senior government grants.	<ul style="list-style-type: none">▪ A municipality would be eligible for senior government grants.

7.12 Liability Risk

Rural Area/Unincorporated	Municipality
<ul style="list-style-type: none">Each organization involved in governance and service delivery in Scotch Creek holds the liability risk related to their roles and responsibilities.	<ul style="list-style-type: none">Liability risk would shift from the current applicable organizations to the municipality upon the transfer of service delivery responsibilities. The timing of service delivery transfers (which can follow the incorporation date) will be articulated by the Ministry of Community, Sport and Cultural Development in the Letters Patent for Scotch Creek, should the community incorporate as a municipality.Any existing legal claims in relation to local services would transfer to a municipality upon the transfer of service delivery responsibilities.

8.0 Summary and Next Steps

8.1 Summary

The information contained in this report includes a detailed overview of the Scotch Creek neighbourhood planning area. The profile is of a vibrant community with significant capital assets in a lakefront destination resort area. The Official Community Plan vision and policies for the Scotch Creek Neighbourhood Planning Area direct continued growth and development in Scotch Creek, however, the community overview shows that recently there has been limited new development in the area.

OCP policies, while supportive of future development, require connections to community servicing infrastructure (specifically community water and sewer systems). The CSRD has studied options and costs for constructing new community systems and has concluded that the community is not supportive of financing expensive projects through property taxation. Alternatively, the CSRD has supported planning initiatives that would provide limited access to new privately constructed and operated servicing systems. The private projects, while supported by the CSRD, have not advanced and new development continues to be constrained by a number of factors, including limited access to servicing infrastructure. Access to new servicing options is one of the topics of interest to group interested in further study of local governance. In addition, the discussion on incorporation has also evolved because the community is interested in the following topics:

- Elected representation
- Coordination of services
- Strategic, financial and capital planning
- Land use planning
- Environmental protection
- Economic development
- Affordable housing
- Volunteering
- Grant eligibility
- Liability risk

This report has collected data for the Scotch Creek study area and compared this information to the municipal data for similar sized municipalities (populations <1000 persons). This comparison is provided to better understand the potential viability of a future Scotch Creek municipality. Findings of these comparisons include:

- While some of the comparable municipalities have been incorporated for many years, there are also examples of recently incorporated municipalities of comparable size.

- The average total assessment values for comparable communities is less than \$80 M. The average total assessment value in Scotch Creek is almost 4 times this amount at over \$300M.
- Scotch Creek has a high rate of assessment generated by residential properties but there are other small municipalities with an even higher rate of residential assessment.
- A Scotch Creek municipality would cover a comparatively small geographic area, thereby improving the potential operational efficiencies of servicing infrastructure (roads, sewer, water).
- The property taxes currently collected in Scotch Creek are higher than the average collected in comparable municipalities.
- Comparable municipalities have access to a variety of revenue sources in addition to property taxation. On average less than 32% of revenue is from property taxation.
- The potential budget available to Scotch Creek from property taxation, using existing 2016 tax rates, is \$662,046. This amount is higher than the average amount of revenue from own purpose property taxation (\$520,000) in comparable sized municipalities.
- The Scotch Creek area has a strong economic, social and cultural fabric, with citizens who are engaged and interested in the future of their community.

8.2 Next Steps

On the basis of these findings it is recommended that the next steps for this project are to:

- Provide the Background Report to the CSRD and MCSCD.
- Provide community access to the Background Report.
- Meet with the Ministry of Community, Sport and Cultural Development to discuss the potential of launching a formal incorporation study, and
- Continue to engage in informed discussions on incorporation in the North Shuswap.

APPENDIX A

Operational Guidelines for the North Shuwsap Incorporation Feasibility Study Group

Appendix A

Scotch Creek Governance Review Study – Phase 1 Background Research

Operational Guidelines for The North Shuswap Incorporation Feasibility Study Group

1. Introduction:

The North Shuswap Incorporation Feasibility Study Group (NSIFSG) is a grass roots committee assembled to research the feasibility of local government incorporation. The NSIFSG is not formally endorsed by either the Columbia Shuswap Regional District (CSRD) or the Ministry of Community, Sport and Cultural Development (MCSCD), however, their work will follow the guidelines set out by MCSCD. The NSIFSG operational guidelines set out in this document have been adapted from incorporation study committee guidelines prepared by MCSCD.

2. Membership:

Membership is voluntary. Members represent diverse community interests and bring comprehensive knowledge of the community. Members include:

- Jeff Tarry , Chair(Sold@JeffTarry.com)
- Dean Acton (Dean@CaptainsVillage.com)
- Jay Simpson (Jay@TheLake.ca)
- Dave Cunliffe (DaveCunliffe@airspeedwireless.ca)
- Craig Spooner (Craig@SpoonerElectric.com)
- Sherry Taylor (lakerapture@gmail.com)
- Don Tansem (dontansem@shaw.ca)
- Bill Long (iblong@shaw.ca)

Ex-Officio Members:

- | | | |
|---|---|------------------------|
| <ul style="list-style-type: none">• CSRD staff• Electoral Area F Director (or alternate) | } | Participation declined |
|---|---|------------------------|

3. Purpose and Scope of the NSIFSG:

The NSIFSG is responsible for *guiding* and *managing* the feasibility research. The NSIFSG is an objective fact-finding body; individual members of the NSIFSG should ensure that any expression of their personal opinions do not detract from the ability of the NSIFSG to function as a neutral and credible conduit for the collection and presentation of information.

This includes the following tasks:

- Oversight of the preparation of the Phase 1 Background Research Report as outlined in the proposal for professional services prepared by TRUE Consulting.
- Maintenance of objectivity and a perspective that is unbiased with respect to a preferred outcome while overseeing the Phase 1 research process.
- Liaison with the CSRD and MCSCD to communicate research outcomes.
- Communication of research outcomes to the community as information is available and in a format acceptable to the NSIFSG.

4. NSIFSG Structure:

As a general principle, meetings should be open to the public, to ensure a high level of transparency and to encourage public input. Decision making (e.g. selection of consultants, election of chair, appointment of members to particular roles) will be by NSIFSG members only.

4.1 Chair

Election of a NSIFSG Chair by the full NSIFSG membership is recommended as the first step in the development of an open and transparent NSIFSG and study process. The Chair's role is to ensure that order is maintained throughout NSIFSG meetings, that all items on a meeting agenda are addressed, and that the study process as a whole transpires in a timely and orderly manner. A vice-chair may also be elected to act in the absence of the chair.

4.2 Secretary

The NSIFSG should consider electing a secretary. The availability of NSIFSG meeting minutes for examination by interested members of the public increases the transparency of the study process. The NSIFSG should decide if/how it will make minutes available.

4.3 Treasurer

The NSIFSG has raised funds for the hiring of a consultant. The NSIFSG may require a treasurer to handle these funds.

4.4 Spokesperson

The NSIFSG may want to designate a primary contact and spokesperson. This person can prepare and sign correspondence on behalf of the NSIFSG and be the primary media contact, or these two functions could be delegated to separate NSIFSG members. The chair or the secretary could hold this position. Despite this designation, all members of the NSIFSG should be able to address questions from the public about the process and the purpose of the NSIFSG.

4.5 Subcommittees

Subcommittees may be created to handle additional research tasks. The NSIFSG as a whole should appoint members to a subcommittee. However, decisions must be made by the NSIFSG as a whole; subcommittees should perform an advisory function only. Furthermore, everyone on the NSIFSG as a whole should have a clear understanding of the role and functions of the subcommittees. Because subcommittees have a purely advisory role, the NSIFSG should consider carefully whether a need for such subcommittee structures exist and should be wary of forming subcommittees to research specific areas of the study (roads, police, etc.), as both the consultant and the entire NSIFSG should be aware of specific information.

4.6 Decision-making

The NSIFSG is primarily a fact finding and research group and as such plans to operate using a consensus decision making process. If the NSIFSG is unable to reach a consensus on a major issue, decision-making will be by a simple majority (50%+1). A quorum is 4 persons..

4.7 Ex-Officio members

Ex-officio members can provide an important link between the NSIFSG and agencies or government that may be affected should incorporation be considered as a future option. Ex-officio members participate at “arms-length” from the study process (to avoid actual or perceived bias) and participate in an advisory capacity rather than in a decision-making capacity. Ex-officio members are stewards of the process, ensuring that it is carried out in an open and transparent manner. The NSIFSG will invited CSRD staff and the Electoral Area F director to participate as ex-officio members, however they declined the opportunity.

5. NSIFSG Structure

5.1 All meetings should be open to the public

Open meetings contribute to an inclusive study process. An open process ensures that the community can focus on the results of the study rather than on the study process. This will enable the community to make informed decisions about based on sound and factual

information. The NSIFSG should announce the date and place of the next meeting at the end of each meeting. Developing a regular meeting schedule at specific days and times can also facilitate public involvement in the process.

5.2 Opportunity for public involvement and questions

The NSIFSG may wish to consider routinely providing an opportunity at the end of each meeting for questions/comments from the members of the public who are in attendance.

5.3 Build an Agenda

An agenda should be prepared by the secretary and distributed along with relevant documentation to each NSIFSG member prior to each meeting. The agenda should be posted at the entrances to the meeting room or on a board in clear sight for members of the community who are in attendance. The NSIFSG must also ensure that it is able to address committee business and not get side-tracked by seemingly endless debate. The Chair can play a positive role by maintaining order and ensuring that the NSIFSG is able to complete its tasks, but at the same time being sensitive to the need for public participation. The Chair should introduce the agenda at the beginning of each meeting and communicate clearly to the members of the community who are in attendance the time at which there will be opportunities for questions and feedback.

5.4 Develop “Basic Rules”

The NSIFSG will follow basic meeting rules of order for its meetings. These rules include: following the agenda; letting each member speak fully and finish their statements; respecting all members of the NSIFSG and the members of the public who are in attendance; and understanding that the NSIFSG is not the forum for taking positions about the outcome of the study process.

6. Open and Inclusive Communications

The NSIFSG should decide early in the process how it will keep the members of the community informed about the study.

7. Committee Tasks

The following is a rough guideline of the sequence at which tasks should be completed:

1. Accept consultant proposal for Phase 1 research.
2. Refer proposal to CSRD and MCSCD.
3. Receive comments from the CSRD and the MCSCD.
4. Meet with consultant for launch of Phase 1 project. The meeting will include review and acceptance of NSIFSG operational guideline package to set the NSIFSG structure. Set the agenda for the next meeting.

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5. Monitor operational budget for NSIFSG including costs for meetings and consultant fees.
 6. Meet regularly with consultant to review findings and discuss progress.
 7. Provide additional local context information as required.
 8. Approve research findings (final Phase 1 report document) and develop an effective communication strategy for report distribution.
 9. Refer final report to CSRD and MCSCD and consider whether the referral should include recommendations for next steps.
 10. Facilitate next steps as required.

APPENDIX B

Incorporation Committee Structure