



March 24, 2021

Ref: 265397

Karla Kozakevich, Chair  
Regional District of Okanagan-Similkameen  
101 Martin St  
Penticton BC V2A 5J9

Dear Chair Kozakevich:

Thank you for your letter regarding funding for an incorporation study in Electoral Area 'D' to look at assessing costs and benefits, combining a boundary analysis report for Area 'D' and community engagement initiative. Further to my letter of January 22, I am now ready to share my decision on the funding request.

A municipal incorporation study process is a major endeavor. Before embarking on an incorporation study, it is preferable to have concluded analysis and public engagement that:

1. identifies the most pressing service and governance issues,
2. explores community interests in incorporation, and
3. proposes a boundary for incorporation that optimizes for service delivery, representation, tax equity, and community vision.

After this groundwork it is reasonable for a typical study to require more than a year for process establishment, preliminary analysis, public examination and engagement. At the conclusion of an incorporation study, time is also needed to consider whether to proceed to a vote and then plan and administer a vote. If voters support the incorporation, at least six months is needed to secure Cabinet approval, establish a municipal administration, and plan and conduct an election for the inaugural council before an inaugural council meeting can be held on the incorporation date. The optimal timing for an incorporation vote either supports election of an inaugural council concurrently with the general local election or in the third year of the local election cycle.

In light of all this, there is not enough time to complete an incorporation study process before the general local election in October 2022. If Okanagan Falls is to proceed with exploring municipal incorporation, it is my view that it should not be rushed, and we should have a clear expectation that if the community pursues a full incorporation process, it would not reach a conclusion until well into the next local term of office.

.../2

The governance and services study conducted in 2016-17 touched on issues across a much broader area, while interests in incorporation and boundary analysis were out of scope and therefore unaddressed. At this time, I am prepared to provide the Regional District of Okanagan-Similkameen (RDOS) with funding to undertake an analysis of services, with public engagement in Area 'D' communities on services and opinions on incorporation, as well as discussing potential boundary configurations in Electoral Area 'D'.

I am pleased to make a commitment of \$80,000 to the RDOS for this work, which would be a first phase in the restructure study process. The outcome of this work would be a recommended municipal boundary and inform a potential request to proceed with an incorporation study after the next general election. A decision on proceeding to a study that examines the detailed implications of incorporation would need to be made at that time.

The Ministry of Municipal Affairs will follow up with the RDOS regarding the terms and conditions of this grant and the transfer of funds. David Van Ommen, Senior Planning Analyst, Governance and Structure Branch, Local Government Division, is the lead for this project and can be reached by telephone at: 778 698-3214, or by email at: [David.VanOmmen@gov.bc.ca](mailto:David.VanOmmen@gov.bc.ca).

Thank you again for writing.

Sincerely,



Josie Osborne  
Minister

pc: Marijke Edmondson, Director, Governance Structures, Governance and Structure Branch  
David Van Ommen, Senior Planning Analyst, Governance and Structure Branch