

## Elk Valley Services Committee Agenda

November 7, 2024

2:45 pm

**Members:** *Director Wilks (Chair), Director Fairbairn (Vice Chair), Director Doehle, Director McDonald and Director Milligan*

**Voting Rules:** *Unless otherwise indicated on this agenda, all Directors have one vote and a simple majority is required for a motion to pass.*

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	Pages
1. Call to Order	
2. Addition of Late Items <i>All Directors, 2/3</i>	
3. Adoption of the Agenda	
4. Adoption of the Minutes	
4.1 September 5, 2024 Meeting	2
5. Invited Presentations & Delegations	
6. Correspondence	
7. Unfinished Business	
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8. New Business	
9. Bylaws	
10. Late Agenda Items	
11. Reports from Directors	
12. Adjournment	



## MINUTES OF THE ELK VALLEY SERVICES COMMITTEE MEETING

**September 5, 2024**  
**Regional District Office, Cranbrook, BC**

PRESENT:	Committee Chair D. Wilks	District of Sparwood
	Director T. McDonald	Electoral Area A
	Director S. Doehle	Electoral Area B
	Board Chair R. Gay	Electoral Area C
	Director N. Milligan	City of Fernie
	Director S. Fairbairn	District of Elkford
STAFF:	S. Tomlin	Chief Administrative Officer
	T. Hlushak	Corporate Officer
	C. Thom	Executive Assistant (Recording Secretary)

### Call to Order

Committee Chair David Wilks called the meeting to order at 2:21pm.

### Adoption of the Agenda

MOVED by Director Fairbairn  
SECONDED by Director Milligan

THAT the agenda for the Elk Valley Services Committee meeting be adopted.

CARRIED

### Adoption of the Minutes

#### August 8, 2024 Meeting

MOVED by Director Milligan  
SECONDED by Director Doehle

THAT the Minutes of the Elk Valley Services Committee meeting held on August 8, 2024 be adopted as circulated.

CARRIED

### Adjourn to Closed

MOVED by Director Fairbairn  
SECONDED by Director Milligan

THAT the meeting adjourn to a Closed Elk Valley Services Committee meeting to consider the following matter:

Elk Valley Refuse Hauling Contract – Section 90(1)(j) of the *Community Charter* – information that is prohibited, or information that if it were presented in a document would be prohibited, from disclosure under section 21 of the *Freedom of Information and Protection of Privacy Act*.

CARRIED

The meeting adjourned to closed at 2:22pm.

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Committee Chair David Wilks

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Tina Hlushak, Corporate Officer

**Date** October 25, 2024  
**Author** Shawn Tomlin, CAO  
**Subject** Elk Valley Economic Development Service Establishment Consideration

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## REQUEST

Determine whether to proceed with an Elk Valley Economic Development service establishment bylaw.

## OPTIONS

1. THAT a service establishment bylaw for an Elk Valley Economic Development service be prepared based on the following terms:  
Tax Rate Limit: \_\_\_\_\_;  
Voting Strength: \_\_\_\_\_;  
Bylaw Expiry: \_\_\_\_\_;  
and with the remaining terms based on the recommendations in the July 2024 report from the CAO.
2. THAT a service establishment bylaw for an Elk Valley Economic Development service be prepared based on the recommendation in the July 2024 report from the CAO.
3. THAT Economic Development initiatives in the Elk Valley be funded through grants requested individually from each of the jurisdictions.

## BACKGROUND/ANALYSIS

Attached is a Request for Decision report considered by the Board in August. As per the Board resolution (Option 1) the report was forwarded to the municipal councils to consider the recommended bylaw parameters and confirm continued interest in the service. Informal responses based on discussions at council meetings indicated a need for further discussion prior to drafting a bylaw for consideration.

### Comments Received

Fernie Council was supportive of advancing the service area, but with a lower taxation limit to fund the position only, and not the additional overhead or project costs. The delivery model would be based on the EVEI formalizing as an organization to receive the grant and oversee the position. They also expressed interest in putting an expiry on the bylaw with a 3 to 5-year duration to evaluate effectiveness.

Sparwood Council expressed interest in further discussion of voting strength of each jurisdiction, development and oversight of the workplan, and supervision of the position. They also indicated a continued interest in contributing revenue from inter-community business licenses to the program.

Elkford Council indicated continued support for the initiative.

### Tax Rate Limit

As an update to the table in the attached report, if there is a desire to fund only the ED position and not operating costs, the tax rate limit would still need to be set at a level to cover inflationary increases, RDEK administration, and allow a buffer in case there is decrease in property assessments. Given that the \$75,000 figure is already a couple years old and will have been subject to inflation, a suggested minimum feasible tax rate limit has been suggested.

	Funding ED position only (\$85,000 grant)	Include operating costs, no project funding or RDEK oversight (\$140,000 grant)	Include operating costs, \$25K project funding, and \$20K RDEK oversight (\$165,000 grant)
Tax rate limit	\$0.013/\$1,000	\$0.021/\$1,000	\$0.027/\$1,000
City of Fernie	\$ 42,493	\$ 68,461	\$ 87,347
District of Sparwood	24,786	39,933	50,950
District of Elkford	15,340	24,714	31,531
Electoral Area A	25,381	40,891	52,172
Total	\$ 108,000	\$ 174,000	\$ 222,000

### Voting Structure

As noted in the original report, the default voting structure would be based on one vote for every 2,500 population. This and some other options are shown in the table below. There are of course many other variations possible.

	Default weighting (1 vote per 2,500 population)	One vote per jurisdiction	Assessment-based (one vote per \$1M assessed value)
City of Fernie	3	1	3
District of Sparwood	2	1	2
District of Elkford	2	1	1
Electoral Area A	1	1	2
Total	8	4	8

### Bylaw Expiry

Where there is a desire to establish a service on a trial basis or for a fixed term, establishment bylaws can include a limited time period. Without an expiration clause, it is otherwise possible to rescind a service establishment bylaw if it deemed no longer necessary or effective. The difference between the two options is that with an expiration clause, termination would be the default and approval of 2/3 of participants would be required to extend the service, and without it, continuation would be the default and approval of 2/3 of the participants would be required to terminate the service.

### **Inter-community Business License Revenue**

Business license revenue received from municipalities can serve to make up part of the grant and would thereby reduce the level of taxation required. As the service would not be able to require municipalities to contribute those funds, it is recommended that this not be factored into the limits established in the bylaw, however they would reduce the actual requisitions in practice.

## **SPECIFIC CONSIDERATIONS**

### **Process**

If direction for drafting a service establishment bylaw is given at the November Board meeting, the bylaw will be prepared and presented to the Board for three readings in December, and then forwarded to municipal councils and Area A Director for consent. Following consent, it would be sent to the Ministry of Municipal Affairs for approval, and then brought back to the Board for adoption. If this all happens quickly enough, it could be adopted at the March Board meeting which would allow for taxation in 2025.

Attachment

**Date** July 29, 2024  
**Author** Shawn Tomlin, CAO  
**Subject** Elk Valley Economic Development Service Establishment

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## REQUEST

Consider establishment of an Elk Valley Economic Development service.

## OPTIONS

1. THAT the July 2024 report from the CAO be forwarded to the councils of the City of Fernie and the Districts of Sparwood and Elkford and to the Electoral Area A Director to confirm continued interest in the proposed service; and further, that upon confirmation from all participants that they support establishment of an Elk Valley Economic Development Service with the recommended terms, a service establishment bylaw for an Elk Valley Economic Development service be prepared based on the recommendations in the July 2024 report from the CAO.
2. THAT a service establishment bylaw for an Elk Valley Economic Development service be prepared based on the recommendations in the July 2024 report from the CAO.
3. THAT a service establishment bylaw for an Elk Valley Economic Development service be prepared based on the recommendations in the July 2024 report from the CAO, with the following changes: \_\_\_\_\_
4. THAT Economic Development initiatives in the Elk Valley be funded through grants requested individually from each of the jurisdictions.

## RECOMMENDATION

### Option 1

As the parameters of the proposed service are quite different from what was reviewed by councils at the time of their initial request letters, it is recommended to confirm continued support prior to advancing the formal bylaw process.

## BACKGROUND/ANALYSIS

In 2022, requests were received from the Councils of the City of Fernie and the Districts of Sparwood and Elkford for the RDEK to consider establishing an Economic Development service to provide annual funding to the Elk Valley Economic Initiative (EVEI). A presentation was also made to the RDEK Board. The project was added to the priority project list for consideration in 2024.

When the proposal was originally presented to the Board and each Council, the request was for annual funding of \$75,000 to fund an Executive Director position to plan for and undertake projects and apply for grant funding. From follow-up meetings, the EVEI determined that the initiative would also require base operating funding and potentially project funding to provide

the local contribution when applying for grants and has submitted a five-year operating budget ranging from \$125,000 to \$140,000 (see attached). Funds for projects or to match grant funds would also be required, although some of that could come from the existing inter-community business license revenues currently allocated to the program. The tax rate limit established in the service establishment bylaw (if a limit is established) would also need to include an allowance for RDEK costs to manage the service. The amount required would depend heavily on the amount of oversight and management intended. If the intent of the service is simply to provide a grant to the EVEI (EVEI would need to be established as its own entity, such as a registered non-profit, or be sponsored by one), then the staff time requirement would be fairly low. If RDEK oversight of the service is required, including recruitment of an Executive Director or procurement of a contractor, and provision of guidance and evaluation of performance, the time commitment would be much greater, and would likely require an addition to RDEK staffing.

### **Service Establishment Process**

Economic Development is one of the few services that does not require elector assent. As such, it can be established with each of the municipal councils and the Electoral Area A Director approving the Service Establishment (SE) bylaw. If any of the jurisdictions preferred an elector assent option for the establishment of the service, it would need to be via assent vote or alternative approval process, and it would need to be determined whether that would be for some or all of the jurisdictions, and if votes were to be counted independently or collectively.

**Recommendation:** Consent by Councils and Area Director.

### **Provisions to Include in the Service Establishment Bylaw.**

There are certain items that are required to be included in a service establishment bylaw, including naming of the participants and outlining the means of collecting funds. There are also optional provisions that the Board may wish to include.

### **Tax Rate Limit**

While most service establishment bylaws are required to set tax rate limits, Economic Development is one of the few exceptions where a limit is not required. Leaving the bylaw without a tax rate limit allows for more flexibility of the RDEK Board to increase the amount collected as projects or other economic development initiatives arise. If there is a limit established, increasing it in the future to allow for increased funding would require an amendment to the bylaw, which would require approval of two thirds of the participants (effectively three out of four of the municipal councils and Electoral Area A Director).

When the operation of the proposed service was discussed last year, the consensus was that as a start, it would work to simply provide a grant to the EVEI, but that there may be an appetite to increase oversight and management of the service in the future. If that is the thought, it would be good to include an allowance for the increased resourcing at the time of service establishment. In any of the options, we would generally add a 20% contingency to the limit to allow for fluctuations in assessment values.

Following is a table outlining the costs of each option and the apportionment among the jurisdictions, based on the default apportionment method:

	Funding ED position only (\$75,000 grant)	Include operating costs, no project funding or RDEK oversight (\$140,000 grant)	Include operating costs, \$25K project funding, and \$20K RDEK oversight (\$165,000 grant)
Tax rate limit	\$0.012/\$1,000	\$0.021/\$1,000	\$0.027/\$1,000
City of Fernie	\$ 37,772	\$ 68,461	\$ 87,347
District of Sparwood	22,032	39,933	50,950
District of Elkford	13,635	24,714	31,531
Electoral Area A	22,561	40,891	52,172
Total	\$ 96,000	\$ 174,000	\$ 222,000

**Recommendation:** Tax Rate Limit of \$0.027/\$1,000 (works out to \$222,000 based on 2024 assessed values).

**Method of Apportionment**

Under the *Local Government Act*, the default method of apportionment of the costs of a service among the participants is the taxable assessed value of land and improvements. This can, however, be changed to any number of other methods if stipulated in the SE bylaw. For example, costs of the Columbia Valley Economic Development service are apportioned based on the number of Class 6 (Business and other) properties in each jurisdiction, which was intended to focus the taxation on jurisdictions with the most businesses on the premise that those jurisdictions would be the larger beneficiaries of economic development initiatives. For comparison, the following table shows what the apportionment would look like in the Elk Valley under that method, based on the \$222,000 requisition.

	Assessed Value		# of Class 6 folios	
	Requisition	Tax on Avg property*	Requisition	Tax on Avg property*
City of Fernie	\$ 87,347	\$15	\$ 91,412	\$16
District of Sparwood	50,950	\$15	54,412	\$16
District of Elkford	31,531	\$15	26,843	\$13
Electoral Area A	52,172	\$15	49,333	\$14
Total	\$ 222,000		\$ 222,000	

\*Based on a residential property assessed at \$567,000

**Recommendation:** Taxable Assessed Value of Land and Improvements



### **Voting structure**

Under the default voting structure, decisions within the service would be made with a weighted vote of the participants based on one vote for every 2,500 population, as shown below. If there is a desire to change that, the SE bylaw can establish an alternate basis, such as one vote each, or weighting that would be based on the apportionment method.

**Recommendation:** Default vote weighting.

### **Amendment to the SE Bylaw**

As mentioned above, amendments to the SE Bylaw require approval of two thirds of the participants. This would include things like increasing the tax rate limit, or any participant opting out of the service, as well as amendment to any of the other provisions discussed above. If any one participant were to wish to withdraw from the service, they would require the approval of at least two of the other participants.

**Recommendation:** Default SE Bylaw approval requirements.

### **Proceeding without Establishment of a New Service**

As there already exists an Electoral Area A Economic Development service, and all municipalities have the ability to provide grants, funding of the proposed initiatives could take place without establishment of a new service. There would be pros and cons to this approach.

- Funding requests would need to be presented to the RDEK Board (for Area A funding) and to each municipal council separately. This would provide each the autonomy to evaluate projects or initiatives independently to determine appropriate funding. This would also complicate the funding approval process, as each could take a different perspective on funding levels or appropriate apportionment, which could result in disproportionate funding or shortfalls. With an established service, on the other hand, all decisions related to the service would be made by the RDEK Board.
- Each jurisdiction would have the ability to unilaterally opt out of the program by simply not approving funding.
- Changes to any of the provisions above could be done unilaterally by any party, providing autonomy to each, but at the cost of coordination with the others.

## **SPECIFIC CONSIDERATIONS**

### **Priority Projects**

Consideration of establishing an Elk Valley Economic Development service has been requested by the Councils of the City of Fernie and the Districts of Sparwood and Elkford, and it is included on the Board's adopted priority project list.

### **Resourcing Requirements**

With current staff resources, there would be capacity to budget for and make payment of an annual grant to an economic development organization. If greater oversight, including procurement of a contractor or establishment of an advisory commission, is required, the human resources requirements would need to be reviewed. While it would not require a full FTE, an additional position would be required, or a significant reallocation from other projects. Prior to moving forward with initiating service oversight, further analysis would be required to determine what those impacts may be.

### **Public Consultation**

The Board will need to determine what level of public consultation, if any, to undertake prior to adoption of the SE bylaw.

### **Financial - Budget**

Once the SE Bylaw is adopted, the service would be included in the upcoming Financial Plan to authorize taxation.

### **Process**

If the Board and Councils wish to proceed with establishment of the service, the SE bylaw would be drafted and brought back to the Board for three readings. It would then be forwarded to the Ministry of Municipal Affairs for approval by the Inspector of Municipalities, once approved it would be forwarded to the municipal councils and to the Electoral Area A Director for formal consent. If consent is received from all participants, it would come back to the Board for adoption. A grant funding agreement would then need to be prepared with the EVEI (if they have registered as a society) or another sponsoring organization.

If there is a desire to undertake elector approval, further discussion would be required to consider options and possible timelines, with consideration of other projects.

Attachment