



THE CORPORATION OF THE
DISTRICT OF SUMMERLAND
REQUEST FOR DECISION

DATE: November 5, 2024 FILE: 4200-30
TO: Graham Statt, Chief Administrative Officer
FROM: Kendra Kinsley, Corporate Officer
SUBJECT: Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035

STAFF RECOMMENDATION:

That Council pass the following resolution(s):

THAT Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035 be read a first, second and third time and forwarded to the Inspector of Municipalities for approval;

AND THAT Council authorizes that an alternative approval process in accordance with section 86 of the Community Charter be used for the purpose of seeking approval of the electors in relation to Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035;

AND THAT Council approves the determination of the total number of electors of the area to which the alternative approval process applies for Loan Authorization Bylaw (Victoria Road S. Upgrades) No. 2024-035 as 1002 electors, on the basis described in the report from the Corporate Officer, titled "Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035", dated November 5, 2024;

AND THAT Council approves the Elector Response Form as attached to the report from the Corporate Officer, titled "Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035", dated November 5, 2024 and establishes a deadline of Tuesday, February 25, 2025 for receiving Elector Response Forms for the alternative approval process for Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035;

AND FURTHER THAT Council directs the Corporate Officer to report the results of the alternative approval process for Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035 at a Council Meeting on Tuesday, March 4, 2025 and if approval of the electors has been obtained, to return Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035 for Council's consideration of adoption.

STRATEGIC PRIORITY:

To Protect and Enhance Core Infrastructure and Essential Services
To Provide Good Governance

CULTURAL IMPACT STATEMENT:

N/A

PURPOSE:

To consider the first three readings of Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035 and to obtain Council's approval for using an alternative approval process to obtain approval of the electors for the Bylaw.

DISCUSSION:

Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035

Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035, will authorize the debt financing to provide the necessary funds to complete the Victoria Road S. Upgrades, including watermain installation, road reconstruction, drainage infrastructure and a multi-use pathway between Dunham Crescent and Prairie Valley Road.

The full construction project includes road reconstruction of approximately 600m of road between Dunham Crescent and Prairie Valley Road along Victoria Road and 150m of road between Victoria Road and Walton Street along Dale Meadows Road. The construction will include two full travel lanes and a 3m wide separated multi-use pathway along Victoria Road. Underground infrastructure upgrades include the installation of a watermain and associated service upgrades along Dale Meadows Road, as well as water service upgrades along Victoria Road.

Overview of Approval of Electors:

Long-term borrowing by local governments cannot be undertaken without the loan authorization bylaw being approved by the Inspector of Municipalities after the bylaw is given first three readings by the local government. In addition, approval of the electors is then required before Council may consider adopting the long-term loan authorization bylaw.

The Province has provided a legislative framework for local governments to seek approval of the electors for long-term loan authorization bylaws in one of two ways:

1. by holding a referendum to obtain assent of the electors; and
2. by holding an alternative approval process.

Assent of the Electors through the Referendum Process:

Under this option, assent of the electors is obtained through a referendum. A referendum is a voting process that is governed by the *Local Government Act* and is similar to the process for conducting a general local election.

In order to conduct a referendum, Council must appoint a Chief Election Officer and Deputy Chief Election Officer who are responsible for the administration and conduct of the referendum. The Chief Election Officer then sets the general voting day for the referendum which must be a Saturday within 80 days of the loan authorization bylaw receiving third reading and receiving approval of the Inspector of Municipalities. Additionally, 2 advance voting opportunities must be held as well potential special voting opportunities and mail ballot voting processes.

The ballot for the referendum must be in the form of a question put to the electors that is phrased in a manner such that it may be answered by marking either yes or no. Council must approve of the wording of the question to be printed on the ballot.

A loan authorization bylaw is deemed to have received the assent of the electors if a majority of the votes counted are in favour of the question. If a majority of the votes counted are opposed to the question, then a bylaw for the same purposes may not be submitted to the electors for approval within a period of 6 months, except with the Province's approval.

Approval of the Electors through the Alternative Approval Process:

The alternative to holding a referendum is the alternative approval process (AAP), which is governed by the *Community Charter*. The process for conducting an AAP involves publication of a notice in a local newspaper once a week for two consecutive weeks. The notice will also be posted in the Public Notice Posting Places, as identified in the Council Procedures Bylaw.

Council must make a fair determination of the total number of electors within the District. Typically, the calculation of the number of electors within the District is based on information provided by Elections BC. More information of this determination is included in subsequent section of this report.

Electors are given the opportunity to indicate they are opposed to Council proceeding with the adoption of the loan authorization bylaw by signing and submitting an Elector Response Form, the wording of which must be approved by Council.

Council must set a deadline for Elector Response Forms to be submitted. The deadline must be at least 30 days after the second publication of the notice in a newspaper. If an elector is in favour of Council adopting the loan authorization bylaw, then they would not have to do anything. If an elector is opposed to the loan authorization bylaw, or they do not want Council to proceed to adopt the bylaw without a referendum being held, then they must express that opinion to the District by signing and submitting an Elector Response Form by the deadline.

The Corporate Officer is responsible for determining and certifying the results of the alternative approval process. If 10% of the total number of electors within the District submit valid Elector Response Forms by the deadline, then Council may not proceed with the adoption of the loan authorization bylaw unless approval of the electors is obtained through a referendum.

Staff recommends that an alternative approval process be used to obtain approval of the electors for the District of Summerland Loan Authorization Bylaw (Victoria Road S. Upgrades) No. 2024-035.

Determination of Total Number of Electors within the District:

The *Community Charter* requires that Council make a fair determination of the total number of electors in the District. It is recommended that the calculation of the numbers of electors in the District be based on information provided by Elections BC, a non-partisan independent public agency that maintains an up-to-date list of registered electors. According to Elections BC, the total number of registered electors within the District of Summerland as of October 7, 2024 is 10,029. This is the most recent provincial voters list extract count.

Approval of the electors for Bylaw No. 2024-035 would be obtained if the number of Elector Response Forms for Bylaw No. 2024-035 received by the deadline is less than 1,002 (10% of 10,029).

Alternative Approval Process Schedule:

The following schedule has been prepared regarding the alternative approval process for *Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035*:

Date	Activity
Thursday, January 16 th , 2025	Publication of First Notice in a Newspaper
Thursday, January 23 rd , 2025	Publication of Second Notice in a Newspaper
Tuesday, February 25 th , 2025 @ 5:00pm	Deadline for submitting Elector Response Forms
Tuesday, March 4 th , 2025	Corporate Officer reports Results on the Alternative Approval Process at a Special Council Meeting

BACKGROUND:

At the October 15, 2024 Committee of the Whole Meeting, Council directed staff to initiate the process of obtaining debt financing for the Victoria Road S. Upgrades including watermain installation, road reconstruction, drainage infrastructure and a multi-use pathway. Council passed the following resolution:

“THAT Staff initiate the process of debt financing for Option ‘C’ as outlined in the October 15, 2024 Victoria Road Upgrades (Dunham Crescent to Prairie Valley Road) – Financing Options Report to Council from the Director of Finance with annual general fund debt payments to be collected through a property tax increase and annual water fund debt payments to be collected through a water rate increase”.

LEGISLATION and POLICY:

- *Community Charter* s. 86, 179, 180 and 182

FINANCIAL IMPLICATIONS:

The overall project budget is \$3,850,000 and there are components within this project that cross into different funds. The watermain replacement has been budgeted at \$1,850,000 and is funded entirely with debt. The remaining \$2,000,000 in project costs are funded through various general fund accounts, with \$843,470 funded through debt. A grant will assist with funding \$500,000 of the multi-use pathway.



In total, \$2,693,470 needs to be funded through debt borrowing in order to complete the project. Estimated annual debt payments of \$186,320 have been calculated based on MFA’s 20-year indicative rate (as of October 2, 2024) of 4.35% and an amortization timeline of 25-years. Annual debt payments are proposed to be recovered through a 1.55% water rate increase and a 0.57% property tax increase which will cost the average home (assessed at \$892,562) \$25.20 annually.

This annual increase is further broken down to an annual water rate increase of \$15.11 and an annual property tax increase of \$10.09

SUPPORTING DOCUMENTS:

1. Loan Authorization (Victoria Road S. Upgrades) Bylaw No. 2024-035
2. Elector Response Form
3. [October 15, 2024 COTW Report](#)

CONCLUSION:

Staff recommend that Council pass the recommendations outlined above in this report if Council wishes to proceed with an alternative approval process to debt finance the Victoria Road S. Upgrades project.

OPTIONS:

1. Move the motion as recommended by staff.
2. Refer to staff for other options.

Respectfully submitted,



Kendra Kinsley
Corporate Officer

Endorsed by,



Graham Statt
Chief Administrative Officer

Presentation: Yes No