

**Municipality of North Cowichan
Special Council
AGENDA**

Monday, January 8, 2018, 5:00 p.m.
Municipal Hall - Council Chambers

Pages

1. CALL TO ORDER

2. APPROVAL OF AGENDA

Recommendation:

That Council approve the agenda as circulated [or as amended].

3. CLOSED SESSION

That Council close the meeting to the public on the basis of section 90 (1) (i) [*legal advice*] of the *Community Charter*.

4. BUSINESS

4.1 Amalgamation

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Purpose: To consider a proposed response to the Minister of Municipal Affairs and Housing.

Recommendation:

That Council authorize the Mayor to sign the joint City of Duncan, Municipality of North Cowichan response to the December 19, 2017 letter from Minister Robinson as attached to the January 2, 2018 report by the Director of Finance.

5. NEW BUSINESS

6. QUESTION PERIOD

Public opportunity to ask brief questions regarding the business of this meeting.

7. CLOSED SESSION

That Council close the meeting to the public on the basis of section 90 (1) (c) [*labour relations*] of the *Community Charter*.

8. ADJOURNMENT

APPENDICES:

A – Response to Minister’s Letter

B – Dec 19, 2017 Letter from Minister Robinson



January 18, 2018

Via email: mah.minister@gov.bc.ca

Minister Selina Robinson
Minister of Municipal Affairs and Housing
P.O. Box 9056 Stn. Prov. Govt.
Victoria, BC V8W 9E2

Dear Minister Robinson:

Thank you for your letter of December 19, 2017. We appreciate the work of Ministry staff and yourself in helping us achieve our goal of a spring referendum on amalgamation.

Your letter asked for some specific information in order to help the voters make an informed decision. This is also very important to the current Councils and the municipalities have already hired a communications consulting firm to create a plan and materials to ensure that citizens have the opportunity to gain as much information and knowledge as possible to make a decision on this important topic. Attached is a copy of the current communications workplan.

It was a commitment of both Councils - through the Citizens' Assembly process - that the information to the Assembly would be presented in an unbiased manner so that it could make its own determination. The Citizens' Assembly has produced a report recommending amalgamation. However both Councils are still intent, through the hiring of an external consultant, to continue the unbiased presentation of the pros and cons of amalgamation, including the technical report that estimates the costs and benefits to the different tax paying areas and classes of taxpayers. There is still work left to do here, but the consultant has already started and much has already been covered in the Assembly and technical reports that must simply be pulled from those reports.

There will also be many questions that will not be able to be answered as they are decisions for a future amalgamated Council: how and when will certain service levels be equalized? Will there still be a municipal office in downtown Duncan? What effect will any potential amalgamation have on administrative staffing levels? The communications consultant will be building FAQs to acknowledge these questions and others, and also to acknowledge the fact that some of the answers simply can't be known at this time.

Should the referendum vote be positive, the Councils request that the Minister appoint a transition manager who would be directly responsible to the Minister rather than to the municipal Councils. The

transition manager would serve as the interim corporate officer under section 35 of the *Local Government Act* and have the job of reviewing staffing needs to formulate a report to the new Council with respect to any positions which may be eliminated or any new positions that may be needed and making recommendations for hiring or appointing key staff (like the chief administrative officer, financial officer and corporate officer).

The transition manager would:

- Prepare the procedure bylaw and financial plan bylaw and other critical matters such as a purchasing policy to be considered by the first Council.
- Research and draft recommendations for the new Council on topics such as where the municipal hall will be located and what might be done with any surplus local government property.
- Organize the inaugural election for October
- Organize an orientation for the new Council

The municipalities suggest that each Council be permitted to nominate up to 3 people to act as the transition manager to the Minister, with the Minister appointing one of the recommendations or another person of the Minister's choosing.

The Councils are committed to continue operations in the best interests of the citizens while trying to ensure the discretion of the future new Council is not fettered. To help ensure this, the municipalities commit that:

- No amendments to existing financial plan bylaws would be permitted following the referendum.
- No new debt would be undertaken during the transition period without including the citizens of both existing municipalities in any approval process which may be undertaken.
- The Councils would refrain from making any Official Community Plan amendments during the transition period and any zoning amendment approvals would have to be consistent with the existing Official Community and Neighbourhood Plans as they are currently written for the neighbourhoods or communities affected by those zoning amendments.
- No new permanent employees would be hired during this time.

Additionally, the Councils anticipate holding special joint meetings on a bi-monthly or monthly basis as needed in order to ensure that the Councils and staff of both municipalities are informed and aware of the business of the other.

During the transition period, staff would begin identifying bylaws that could be easily harmonized and prepare recommendations for the new Council. For instance, the municipalities have different pet licence fees. Harmonizing these fees should be complete before the end of the year so that the same fee is charged to all citizens regardless of their address when renewal notices are sent. Staff would also work on creating a new purchasing policy so that there is no confusion when a new local government begins operation.

Your letter discusses potential restructure assistance. Currently, the City of Duncan receives an annual Small Community Grant of just over \$500,000 per year which would not be provided to an amalgamated municipality. A technical analysis of the costs of amalgamation was performed by Urban Systems. It indicates a number of one-time implementation expenses ranging from \$1.5 to \$3 million. The Councils

request that, at a minimum, the Ministry consider providing a grant equal to the City's Small Community Grant for at least five years. This would help offset the majority of the one-time costs, which include things such as rebranding and legal costs related to the harmonization of bylaws. In addition, as the Province will also save in policing costs, some portion of those should be provided for a period of time if the amalgamated municipality would be required to immediately begin paying for officers currently paid for by the Province.

While your letter did not specifically mention the name of the new municipality, the municipalities are aware that choosing a name can be a very controversial topic. In order to ensure that opinions about the new name do not cloud the issue at the referendum, we would ask that letters patent include a temporary name like North Cowichan/Duncan on the understanding that the new Council would initiate a public consultation and subsequent approval process within six months of incorporation to determine a new name.

The Councils are committed to taking action based on the will of the citizens and ensuring that the best interests of those citizens are protected throughout this process. If there are any questions that we have not addressed or any further information you need to assist with your decision, please let us know as soon as possible.

In previous discussions with Ministry staff, a date of April 7 was suggested for the referendum. This date allows for open houses to be held after spring break, while still allowing enough time for the appointment of a transition manager and for letters patent to be drafted should the need arise.

The Councils carefully considered the pros and cons of a spring referendum versus a referendum in conjunction with the next municipal election. It was decided that an earlier vote was more advantageous, minimizing periods of uncertainty and depoliticizing the referendum. The Councils anxiously await your response.

Sincerely

Phil Kent, Mayor
City of Duncan
PO Box 820
Duncan, BC V9L 3Y2
T 250.746.6126

Jon Lefebure, Mayor
Municipality of North Cowichan
7030 Trans-Canada Highway | Box 278
Duncan, BC V9L 3X4
T 250.746.3100

Enclosure

Work Plan

Phase 1: Discovery and Communications Plan Development: Dec 15 - Jan 20, 2018

DELIVERABLE	TASKS	RESOURCES	ESTIMATED TIMELINE
Campaign Kick-off and Discovery	<ol style="list-style-type: none"> 1. Meet with the project working group to kick-off the project 2. During kick-off meeting determine the project reporting structure and any specific requirements your team has with project management 3. Review work plan 	Brandon Amanda Jeff Emily	December 15
Research	<ol style="list-style-type: none"> 1. Conduct primary and secondary research as required 2. Determine additional meeting required to discuss online system "Place Speak" 	Brandon Amanda Jeff Emily Andrew	December 27-30
Draft Communications Strategy & Implementation Plan	<ol style="list-style-type: none"> 1. Munro/Thompson to develop draft strategy and implementation plan 2. Steering committee to review strategy 3. Final strategy and plan developed 	Brandon Amanda Jeff Emily Joel	January 3 - 20

Phase 2: Brand Assets and Content Creation: Preparing to Educate: Jan 23 - Feb 14, 2018

DELIVERABLE	TASKS	RESOURCES	ESTIMATED TIMELINE
Draft Campaign Platform	<ol style="list-style-type: none"> 1. Joel to lead the development of the draft campaign platform 2. Amanda and Emily leading messaging component 3. Client presentation included during this phase 	Brandon Amanda Jeff Emily Joel Andrew	January 23 - Feb 2
Revisions to Platform	<ol style="list-style-type: none"> 1. After draft platform is presented, we are allocating time and budget to refinements 2. During this time period, creative presented to steering committee and to Council 3. Refinements made to creative based on client feedback 	Brandon Amanda Jeff Emily Joel	February 3 - 7
Final Platform	<ol style="list-style-type: none"> 1. Final platform sent to steering committee for approval 	Jeff	February 8 - 14

**Phase 3: Creative Execution & Public Engagement: The Road to the Referendum Vote:
February 15 - April 1, 2018**

DELIVERABLE	TASKS	RESOURCES	ESTIMATED TIMELINE
Develop Draft Materials • Website • Newspaper ads • Radio ads • Video(s) • Social media content • Direct mailers • Any additional creative as per final strategy • FAQ - infograph	<ol style="list-style-type: none"> 1. Developing draft creative, incorporating existing brand 2. Presenting draft creative to team 3. Executing specific creative and provide proofs to client for review 4. Final approvals, final creative produced 5. Launch of creative within specific media mix 6. Social Media engagement, updating and integration 7. Press releases developed, proofed and sent 	Brandon Amanda Jeff Emily Joel Andrew Chris	February 15 - 24 *Once date for Referendum is determined, Munro/Thompson will begin production on radio and newspaper ads.
Open Houses & Direct Mailers	<ol style="list-style-type: none"> 1. Execute on open house plan that was developed as part of implementation plan 2. Ensure space is booked, materials developed, ads placed and catering is ordered 3. Hold 5 open houses 4. Organize mail drops with Mailhouse for direct mail 5. Mailhouse to liaise with Canada Post directly 	Brandon Amanda Jeff Emily Joel Andrew	To occur within the last 6 weeks prior to the Referendum, once it is called.
Radio & Newspaper Advertising	<ol style="list-style-type: none"> 1. Media space purchased 2. Ads developed from final content approved by client 3. Final creative approvals from client 4. Ads places on radio and newspaper 	Brandon Amanda Jeff Emily Joel	To occur within the last 6 weeks prior to the Referendum, once it is called.

Phase 4: Post - Referendum and Project Completion

DELIVERABLE	TASKS	RESOURCES	ESTIMATED TIMELINE
Project Wrap and Final Meeting	<ol style="list-style-type: none"> 1. Munro/Thompson to develop wrap-up report, including coverage 2. Meeting with project working group to review the overall success of the project 3. Determine next steps if applicable 4. Complete any project billing 	Brandon Amanda	Post referendum and once campaign is complete.



December 19, 2017

Ref: 231961

His Worship Mayor Phil Kent
and Members of Council
City of Duncan
200 Craig St
Duncan BC V9L 1W3

His Worship Mayor Jon Lefebure
and Members of Council
Municipality of North Cowichan
PO Box 278
North Cowichan BC V9L 3X4

Dear Mayor Kent, Mayor Lefebure and Councillors:

I am writing to acknowledge the work that has been accomplished by staff from the City of Duncan, the Municipality of North Cowichan and the Ministry of Municipal Affairs and Housing to map out the path to an amalgamation vote and to outline the next steps to keep the Ministry and both municipalities on that path.

As you may be aware, there are a number of steps the Ministry needs to complete before I am in a position to consider ordering a vote of electors on the question of amalgamation. I would like to take this opportunity to lay out those steps. These include:

- identifying what transitional costs and savings might result for the Province of British Columbia from an amalgamated municipality;
- understanding any provincial interests in the timing of a vote or transition to an amalgamated municipality, if supported by a vote; and
- undertaking work on other policy and legal obligations.

While the Ministry leads that work, there is important work to be further accomplished by your municipalities. In particular, there is a role for the municipal councils in reaching agreement on the answers to key questions that electors will likely have to face if asked to consider a change in municipal structure. I understand that Ministry and municipal staff have begun to discuss some of these questions and their possible answers.

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If a vote occurs, voters will need full information before they make a decision. The topics I anticipate at issue regarding such information include:

- a better sense of costs and resources available during a transition to a single municipality;
- a commitment from the existing councils as to how they would operate and administer the current municipal structures between an affirmative vote and implementation of an amalgamated municipality; and
- a framework for how advice to the inaugural council will be developed during the transition period.

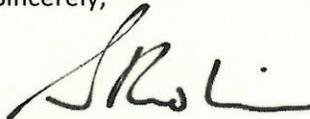
A Provincial offer of restructure assistance would contribute to answering questions regarding costs; and if I were to order a vote, I would expect to outline an offer on behalf of the Province at that time. Ministry staff are working across government to identify the components of a potential offer of restructuring assistance, which would address matters such as per capita transition funding and transition of police forces.

While I appreciate that thinking about the transition after a vote in favour of incorporation may seem premature, it is actually vital for the electors to understand at the time they vote how the municipalities would engage with one another during a potential transition period. This is a question that can only be answered by the current municipalities.

As the leaders of the municipalities seeking an amalgamation vote, I am looking to you to address which functions would be performed by whom in the transition to an amalgamated municipality. In order to provide transparency for electors regarding how the local governments would operate during a transition period, your councils will need to articulate what policies the municipalities would institute during that time. For example, are there measures you would take to minimize the risk of extraordinary costs associated with the transition to a new municipal structure and to address assumptions that voters may have regarding the interim management of costs, delivery of services and process for major policy decisions.

When both councils have considered and agreed on such matters and shared them with me, I will be in a better position to consider your request for a vote and to follow up on the timing of such a vote. I appreciate your interest in moving quite quickly to a vote and I look forward to hearing from you soon on these matters. I hope to be in touch early in the New Year regarding potential restructuring assistance.

Sincerely,



Selina Robinson
Minister

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