



THE CORPORATION OF THE  
DISTRICT OF SUMMERLAND  
**REQUEST FOR DECISION**

DATE: January 10, 2022 FILE: 4200-30  
TO: Graham Statt, Chief Administrative Officer  
FROM: Kendra Kinsley, Corporate Officer  
SUBJECT: 2022 Giants Head Road Upgrades Financing Bylaw and Approval of the Electors  
Options

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STAFF RECOMMENDATION:

That Council pass the following resolution(s):

***THAT Loan Authorization (Giants Head Road Upgrades) Bylaw No. 2022-005 (Giants Head Road Upgrade)s be read a first, second and third time and forwarded to the Inspector of Municipalities for approval;***

***AND THAT Council authorizes 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 Bylaw – Giants Head Road Upgrades – No. 2022-005;***

***AND THAT Council approves the determination of the total number of electors of the area to which the alternative approval process apply for Loan Authorization Bylaw – Giants Head Road Upgrades – No. 2022-005 as 9,866 electors, on the basis described in the report from the Corporate Officer, dated January 10, 2022;***

***AND THAT Council approves the Elector Response Form as attached in the report from the Corporate Officer, dated January 10, 2022 and establishes a deadline of 4:00pm on April 19, 2022 for receiving Elector Response Forms for the alternative approval process for Loan Authorization Bylaw – Giants Head Road Upgrades – No. 2022-005;***

***AND FURTHER THAT Council directs the Corporate Officer to report the results of the alternative approval process for District of Summerland Loan Authorization Bylaw – Giants Head Road Upgrades – No. 2022-005 and if approval of the electors has been obtained, to return Loan Authorization Bylaw – Giants Head Road Upgrades – No. 2022-005 for Council’s consideration of final reading and adoption.***

STRATEGIC PRIORITY:

**Infrastructure Investment** – This project combines various infrastructure improvements into one full reconstruction project which is ultimately more cost effective in the long run. An optional item to only complete road upgrades is provided as a lower capital cost option, although there will be higher costs over time.

**Active Lifestyle** – Cycling Master Plan recommendations are included in the scope of this project to extend the active transportation network along Giants Head Road.

CULTURAL IMPACT STATEMENT:

Quality of Life – A well-founded cultural community is inclusive, accessible and affordable. This project will improve physical connections and flows around the community.

PURPOSE:

To consider the first three readings of *Loan Authorization Bylaw – Giants Head Road Upgrades – No. 2022-005* and to obtain Council’s approval for using an alternative approval process to obtain approval of the electors for the Bylaw.

BACKGROUND:

At the November 22, 2021 Council Meeting, Council directed staff to initiate the process of obtaining debt financing for the full Giants Head Road Upgrade project including watermains, active transportation and upstream works from Harris Road to Gartrell Road, including pulverize paving of Giants Head Road from Gartrell Road to Hillborn Street. Council passed the following resolution:

***THAT Council direct Staff to initiate the process of debt financing for Option ‘B’ as outlined in the November 22, 2021 Giants Head Road Upgrades – Project Options Report to Council from the Director of Works & Infrastructure;***

***AND THAT Council direct Staff to include pulverized paving of Giants Head Road from Gartrell Road to Hillborn Street as part of the Giant Head Road Upgrades Project.***

At the December 13, 2021 Council Meeting, Staff were further directed to collect the water debt payments through a water rate increase and the road debt payments through a property tax increase, with repayment over a 25 year amortization period. Council passed the following resolution:

***THAT Council direct Staff to initiate the process of debt financing for Option ‘B’ as outlined in the December 13, 2021 Giants Head Road Upgrades – Financing Options Report to Council from the Director Finance, with annual debt payments to be collected through the roads portion as a property tax increase and water portion as a rate increase.***

DISCUSSION:

**Loan Authorization Bylaw – Giants Head Road Upgrades – No. 2022-005:**

The *Loan Authorization Bylaw – Giants Head Road Upgrades, No. 2022-005*, will authorize the debt financing to provide the necessary funds to complete Giants Head Road Upgrades including roadway construction, pathway / shoulder bike lanes, drainage improvements, watermain replacement and water system separation along Giants Head Road and pulverized paving of Giants Head Road from Gartrell Road to Hillborn Street.

**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 on 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 – Giants Head Road Upgrades – No. 2022-005.

**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 November 17, 2021 is 9,866. This is the most recent provincial voters list extract.

Approval of the electors for Bylaw No. 2022-005 would be obtained if the number of Elector Response Forms for Bylaw No. 2022-005 received by the deadline is less than 986 (10% of 9,866).

**Alternative Approval Process Schedule:**

The following schedule has been prepared regarding to the alternative approval process for the *Loan Authorization Bylaw – Giants Head Road Upgrades – No. 2022-005*:

Date	Activity
Thursday, March 10 <sup>th</sup> , 2022	Publication of First Notice in a Newspaper
Thursday, March 17 <sup>th</sup> , 2022	Publication of Second Notice in a Newspaper
Tuesday, April 19 <sup>th</sup> , 2022 @ 4:00pm	Deadline for submitting Elector Response Forms
Monday, April 25 <sup>th</sup> , 2022	Corporate Officer reports Results on the Alternative Approval Process at Regular Council Meeting

LEGISLATION and POLICY:

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

FINANCIAL IMPLICATIONS:

All costs of the Giants Head Road Upgrade project are to be recovered from the actual users of the system over a 25-year amortization period. Until the Municipal Finance Authority goes to market, the actual interest rate

Reviewed by Financial Services:



can only be estimated. Based on the MFA 25-year loan rate of 2.58% and taking account inflationary pressures into consideration, since the debt will not be issued until the fall of 2022, a rate of 3.0% was utilized. Funds to cover the payments include a 4.77% water rate increase and a 2.05% property tax increase.

The estimated cost of roadway construction, pathway / shoulder bike lanes and drainage improvements portion of the project is \$3,181,860.00 and is to be recovered through a property tax rate increase. The estimated cost of watermain replacement and water system separation is \$3,282,640.00 and is to be recovered through a water rate increase.

The cost to property owners and rate payers will be approximately \$73.15 per year.

SUPPORTING DOCUMENTS:

1. Loan Authorization (Giants Head Road Upgrades) Bylaw No. 2022-005
2. Draft Elector Response Form
3. November 23, 2021 Report to Council
4. December 13, 2021 Report to Council

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 Giants Head Road Upgrades project.

OPTIONS:

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

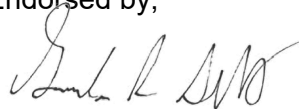
Respectfully submitted,



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*Kendra Kinsley*  
Corporate Officer

Endorsed by,



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*Graham Statt*  
Chief Administrative Officer

Presentation: Yes  No