Statutory Service Review
Electoral Area Community Parks and Greenways Service (Service 621)
June 2026

REPORT ON SERVICE REVIEW

This *Report on Service Review* provides an overview of the work undertaken over the course of the statutory service review for the Comox Valley Regional District's Electoral Area Community Parks and Greenways Service (Service 621). The set of points on which representatives of the parties reached agreement is presented in the final section of the document as outcomes of the service review.

STATUTORY REVIEW:

On December 9, 2025, Electoral Area Director Daniel Arbour, Electoral Area A of the Comox Valley Regional District (Comox Valley RD), issued formal notice, pursuant to section 357(1) of the *Local Government Act*, to initiate a statutory service review of the Electoral Area Community Parks and Greenways Service (Service 621). In accordance with section 355(1) of the *Act*, the parties to the review were Electoral Area A (the initiating participant), Electoral Area B and Electoral Area C (the other service participants) and the Comox Valley RD Board. The representatives of the parties, identified pursuant to section 355(2) of the *Act*, were:

- Director Daniel Arbour (Electoral Area A)
- Director Richard Hardy (Electoral Area B)
- Director Edwin Grieve (Electoral Area C)
- Chair Will Cole-Hamilton (Chair, Regional District Board)

Local Government Consultant, Allan Neilson (Neilson Strategies Inc.) was the facilitator appointed by the Comox Valley RD to guide the review.

The representatives agreed to conduct the service review over a three-month period that began with the Preliminary Meeting on March 30, 2026. The representatives agreed, as well, to a scope of review that included consideration of issues identified and discussed at the Preliminary Meeting, including:

- cost allocation, which has resulted in annual contributions that are perceived by the Electoral Area A Director to be inequitable to Area A
- cost limit, discussions on which revealed differences among participants in

the level of taxation desired to expand and support the service

- service definition, which the Electoral Area A Director wished to see focused on local parks and trails, designed to benefit local areas, along with trails designed for active transportation
- service governance, with a focus on the setting of investment and expenditure priorities

Finally, at the Preliminary Meeting the representatives agreed to a review process proposed by the facilitator. The process featured virtual meetings in April 2026 between the facilitator and each of the representatives, followed by a half-day service review meeting with all representatives on May 4, 2026, and an additional half-day meeting on June 8, 2026. Regular meetings for the facilitator and Regional District staff occurred over the course of the review to gather and assess information, and to explore implications of potential paths forward.

INITIAL OPTIONS: The first half-day session on May 4, 2026, focused on the consideration of service options designed by the facilitator to address, to varying degrees, key issues included in the scope of the review.

- Option 1 proposed to change the cost allocation basis from converted assessment to an approach, perceived as more equitable, based on a combination of converted assessment and service expenditures. The option, if endorsed, would result initially in Electoral Area A paying less than at present, and Electoral Areas B and C paying more. This initial shift in the tax burden from Area A to Areas B and C would reflect the lower service expenditures directed towards Area A compared to the other jurisdictions. Over time, as new parks and trails were acquired and developed in Area A, and the percentage of service expenditures directed to Area A increased, some of the burden would shift back to Area A.

  Changes anticipated under Option 1 would also, at least initially, create tax room for Area A to pursue priorities that may be difficult to achieve under the revised Service 621.

- Option 2 would leave the existing Service 621 cost allocation formula unchanged, but would introduce a mechanism to shift investment and expenditures to Electoral Area A priorities. Over a defined period of time, the shift would balance total service expenditures over the three Electoral Areas, and in so doing create greater equity. Option 2 would focus the parties on new acquisition and expenditure opportunities in Area A, the result of which would be higher overall service costs for all participants.

Both options were presented at a conceptual level to assess potential support. Representatives expressed interest in additional detail on the Option 1 financial implications associated with the change in the cost allocation formula. The representatives did not agree to pursue Option 2 further. Electoral Area A Director, in particular, expressed concerns about the potential mechanisms that could be put in place under Option 2 to hold the parties accountable to an increase in investment and service expenditures on new parks and trails in Area A. Mechanisms that were considered included a new strategic plan for the service, and an MOU. The idea to simply prolong the service review (as permitted under the *Act*) past the development of the 2027 service budget was also considered. None of the mechanisms was deemed acceptable.

The representatives agreed at the end of the May 4 meeting to focus the June 8 meeting on the consideration of two potential paths forward:

- Path I would feature an amended Service 621 with a new focus on local parks and trails (including active transportation trails), protection for existing parks and trails (including those characterized as "regional" in nature), and a cost allocation formal that recognizes, in part, the differences in service expenditures by electoral area. Path I would capture the essence of the initial Option 1 presented on May 4.

- Path II would focus on the effective departure of Electoral Area A from Service 621, and the establishment of a new Electoral Area A local parks and trails service. Service 621 would remain in place (without Area A) with Areas B and C as participants. Some mitigation would be included in this path to address impacts on Areas B and C.

The representatives acknowledged that time spent exploring Path II would expand the service review from an exercise focused solely on the consideration of changes to terms and conditions necessary to keep the parties together in the service, to one that could allow for the departure of one participant from the service through a voluntary change to the Service 621 establishing bylaw by all participants. This pragmatic approach to exiting the service would avoid the need for Area A to initiate a statutory service withdrawal.

POTENTIAL PATHS FORWARD:

At the June 8, 2026, meeting, the facilitator presented the two potential paths forward (see Attachment I), along with the anticipated cost impacts of the paths on each of the Electoral Areas. Cost impacts were determined based on the 2026 Service 621 Budget (shared and direct costs), 2026 converted assessment figures, and current service levels.

The cost allocation formula used for Path I was based on a combination of converted assessment (50%) and total direct service expenditures (50%). Direct service expenditures are the specific line-item costs in the 2026 service budget that are attributable to parks and trail in the individual Electoral Areas. In 2026, Electoral Area A accounted for 10.1% of total direct costs, and 26.1% of total converted assessment. For Area B, the corresponding figures in 2026 were 52.9% (direct costs) and 33.2% (converted assessment); for Area C, 37% (direct costs) and 40.7% (converted assessment).

Under Path II, Service 621 would be changed to remove Electoral Area A as a participating jurisdiction. The total costs to provide the service would be reduced to reflect the smaller service area with parks and trails limited to Areas B and C. Direct costs attributable to Electoral Area A would be accounted for under a new Electoral Area A community parks and trails service; Area A's portion of shared costs in Service 621 would be transferred to the new service. Areas B and C would see a 6% increase in their respective contributions, given 2026 service costs, service levels and converted assessment figures. Electoral Area A's costs under its new community parks and trails service would be determined by Area A, with advice from Comox Valley RD administration, during service establishment.

Figure 1 presents the cost impacts of Path I and Path II on the jurisdictions, compared to the *status quo*. After considerable discussion on the paths and their impacts, the representatives agreed to focus on Path II as the preferred path forward.

Figure 1
Projected Cost Impacts

Cost Impacts (2026):	**Status Quo**	**Path I**	**Path II**
Area A (Baynes Sound)			
Converted Assessment:	470,366	235,200	n/a
Total Direct Expenditures:	-	90,700	n/a
Requisition:	470,366	325,900	387,800
Area B (Lazo North)			
Converted Assessment:	597,807	299,000	635,000
Total Direct Expenditures:	-	476,200	n/a
Requisition:	597,807	775,200	635,000
Area C (Puntledge Black Creek)			
Converted Assessment:	731,827	366,000	777,300
Total Direct Expenditures:	-	333,300	n/a
Requisition:	731,827	699,300	777,300

SERVICE REVIEW OUTCOMES:

At the June 8, 2026, meeting the representatives endorsed Path II. The representatives agreed to amend the Service 621 establishing bylaw — *Electoral Areas A, B and C Parks and Greenways Service Bylaw No. 2925, 2006* — to allow Electoral Area A to exit the service without initiating a statutory service withdrawal. Representatives agreed that Electoral Area A would pay mitigation to partially offset, over a set year transition period, the projected cost impact on Electoral Areas B and C of Area A's departure. Representatives also agreed that existing reserve funds in Service 621, valued at their 2025 closing balance amounts, would be allocated to the Areas A, B and C on the same bases on which they were collected.

Following the June 8 meeting, Comox Valley RD staff discussed implementation of the service review outcomes with staff from the Ministry of Housing and Municipal Affairs. Ministry staff identified legislative constraints on the transfer of reserve funds between services. Ministry staff also provided guidance on the preferred way to structure mitigation payments from Electoral Area A to Areas B and C.

Based on the input from Ministry it is necessary for the Comox Valley RD to implement the service review outcomes in a way that keeps Electoral Area A in Service 621 during a transition period, but substantially changes the terms and conditions of Area A's participation to limit its role during a transition period to that of a contributor of mitigation costs, and recipient of reserve fund expenditures. The changes, it is important to emphasize, will honour entirely the intention of the representatives to enable Electoral Area A to pursue its own community parks and trails priorities through its own service, require Area A to provide mitigation during a transition period to Service 621 participants, and enable Area A to take control of its assigned portion of Service 621 reserves.

The following points outline the specific changes that will be made to implement, in a way that satisfies the Ministry's needs, the points on which the representatives reached agreement through the statutory service review:

- During a transition period, Electoral Area A will remain a participating jurisdiction in Service 621 along with Electoral Areas B and C.

- Service 621's establishing bylaw will be amended to limit annual financial contributions from Area A to the amounts set out in the agreed mitigation schedule, as follows:

Budget Year	Percentage of 2026 Requisition (Areas B & C)	Contribution from Area A
2027	6.2	$82,666
2028	5.2	$68,888
2029	4.1	$55,110
2030	3.1	$41,333
2031	2.1	$27,555
2032	1.0	$13,778

- The mitigation schedule reflects the increase in the annual Service 621 requisition for Electoral Areas B and C that is expected to occur as a result of Electoral Area A's effective departure from the service.
  - > The increase is projected, based on 2026 service costs and converted assessment figures, to total approximately $83,000, or 6.2% of the combined Area B and C 2026 requisition (see Figure 1).
- The existing reserves associated with Service 621, valued at their 2025 closing balance amounts, will be allocated to the Electoral Areas on the same bases on which they were collected, as follows:

	Future Expenditures	Capital Works	Strategic Plan Capital	Land Acquisition	Total
Closing Balance (2025)	**441,801**	**1,166,450**	**850,333**	**924,398**	**3,382,982**
Basis of Contribution	Conv Assess	Conv Assess	Parcel Tax	Conv Assess	
Share of Funds					
Electoral Area A	115,449	304,810	226,137	241,558	**887,955**
Electoral Area B	146,729	387,396	248,072	307,007	**1,089,203**
Electoral Area C	179,623	474,244	376,123	375,833	**1,405,824**

  - > The reserves allocated to Electoral Area A will remain in Service 621, but will be spent by the Comox Valley RD on Area A community parks and trails priorities that will be operated and maintained through a new Electoral Area A community parks and trails service.
- Funds in Service 621 DCC Deferred Revenue Reserve (2025 Closing Balance of $211,066) will be used towards the specific acquisitions for which they were collected.
- Electoral Area A will secure Board approval, elector assent and approval from the Inspector of Municipalities for an Electoral Area A community parks and trails service establishing bylaw.
  - > All costs incurred by the Regional District in creating the new service, developing the new establishing bylaw, and obtaining elector assent and Inspector approval for the bylaw, will be the responsibility of Electoral Area A.
  - > All efforts will be made to seek elector assent in a referendum to be held simultaneously with the 2026 Local Government Election.

ATTACHMENT I

Comox Valley Regional District
Alternative Paths Forward

Path I: Amend Service 621 (Full Participation)

Participating Areas:	Areas A, B and C
Service Definition:	Permissive scope Focus on local (community) parks and trails, including active transport
Service Governance:	Electoral Areas Services Committee Board of Directors
Service Cost	
Costs Included:	2026 Service 621 Budget (all Shared and Direct Costs)
Cost Recovery:	Value taxes; Parcel Tax; User Fees (rentals)
Cost Limit:	None
Cost Allocation (tax burden):	Combination of Bases: Converted Assessment (50%) Total Direct Expenditures (50%) (3-year rolling average)
Service Delivery:	In-house with Comox Valley RD Parks Staff Contractors used for parks maintenance

Path II: Establish Area A (Baynes Sound) Service
(Areas B and C Remain in Service 621)

Participating Areas:	Area A
Service Definition:	Permissive scope Focus on local (community) parks and trails, including active transport
Service Governance:	Electoral Areas Services Committee Board of Directors
Service Cost	
Costs Included:	2026 Service 621 Budget (Portion of Shared Costs; Direct Costs for Area A)
Cost Recovery:	Value taxes; Parcel Tax; User Fees (rentals)
Cost Limit:	None
Cost Allocation (tax burden):	not applicable
Service Delivery:	In-house with Comox Valley RD Parks Staff Contractors used for parks maintenance

Cost Impacts (2026):	**Status Quo**	**Path I**	**Path II**
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Other Considerations

Mitigation

The parties will need to consider the topic of mitigation under both of the Paths.

> For Path I, mitigation could consist of a phase-in over a specific period of time (e.g., three years) in order to allow Areas B and C to adjust to new cost-sharing structure.
>
> For Path II, mitigation could consist of a phase-in, or the ongoing sharing of direct costs incurred for the support of parks that have regional park characteristics, and that were jointly acquired and developed by the parties. Arguably, such parks would have been acquired through a joint regional park service had one been in place at the time of acquisition.

Mitigation is ultimately a matter for negotiation involving the parties.

Reserves

Service 621 has four separate reserves in place, plus one deferred revenue reserves for DCC revenues. At the end of 2025, closing balances were as follows:

	Future Expenditures	**Capital Works**	**Strategic Plan Capital**	**Land Acquisition**	**Total**
Closing Balance (2025)	**441,801**	**1,166,450**	**850,333**	**924,398**	**3,382,982**
Basis of Contribution	Conv Assess	Conv Assess	Parcel Tax	Conv Assess	
Share of Funds					
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