



# UNION BAY IMPROVEMENT DISTRICT CONVERSION STUDY

Virtual Public Information Session  
October 15<sup>th</sup>, 2020

## AGENDA

1. Welcome / Introductions
  - Dan Huang, Senior Planner, Urban Systems
  - Ian Munro, UBID Chair
  - Daniel Arbour, Electoral Area 'A' Director
2. Format of the Evening
3. Background Context & Project Overview
4. Key Issues
5. Comparison of Options / Summary Observations
6. Next Steps / Referendum
7. Question and Answer Period



## FORMAT OF THE EVENING

- Scheduled for 90 minutes – 7:00pm to 8:30pm
  - Welcome and Introductions (10 minutes)
  - Presentation (15-20 minutes)
  - Question and Answer (up to 60 minutes)
- Event is livestreamed on YouTube, recording will be made available afterwards
- Please type your questions into the Chat Box during the evening, alternatively you can e-mail your questions to [UBIDgovernance@urbansystems.ca](mailto:UBIDgovernance@urbansystems.ca)
- During Q+A period, we will read out each questions and provide appropriate response (UBID / CVRD staff will be on hand for additional support)
- A number of Frequently Asked Questions (FAQs) have been posted on the UBID and CVRD website in advance of this meeting and will be referenced tonight

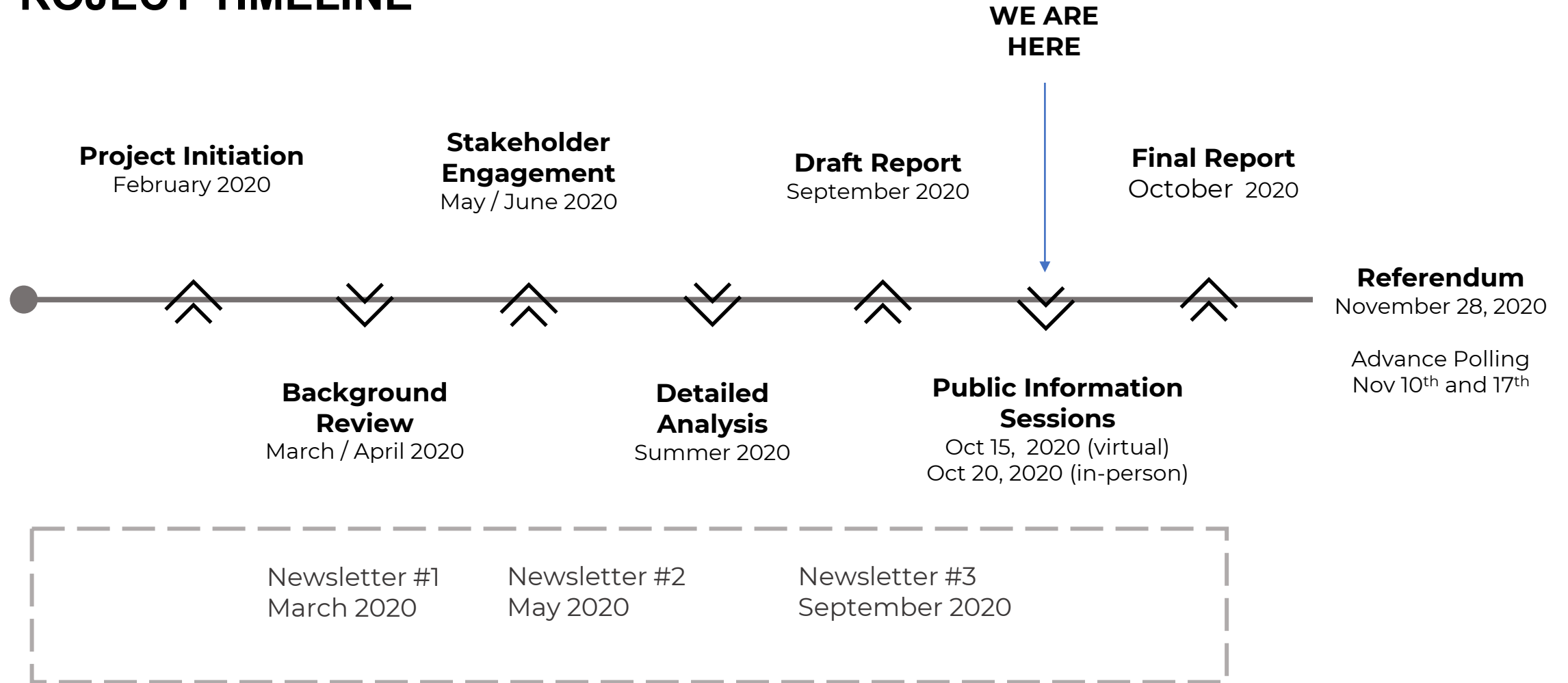
## BACKGROUND CONTEXT & PROJECT OVERVIEW

- Union Bay is an unincorporated community of approximately 1,200 within Electoral Area 'A' of the Comox Valley Regional District (CVRD).
- The Union Bay Improvement District (UBID) was formed over 60 years ago to provide water, fire protection and street lighting services to its residents (~800 ratepayers on 690 properties).
- Over the years, community concerns regarding service delivery and decision making led to interest from residents to consider other governance options (including a previous incorporation referendum).
- In 2020, the Province provided funding to examine the potential conversion of UBID services to the CVRD.

## BACKGROUND CONTEXT & PROJECT OVERVIEW

- The Study is a joint initiative between UBID and CVRD to review the existing governance, administration and services provided by the Union Bay Improvement District, namely water, fire protection and street lighting.
- The study seeks to address the following:
  - Compile detailed information on how the current services are being provided and funded
  - Examine two governance options:
    - Option A.** Convert UBID's services to CVRD services, or
    - Option B.** Improve governance and service delivery in Union Bay while maintaining UBID's structure as an improvement district; and
  - Consider the opinion of local residents, as well as all interests in the community to assist in determining the future of governance within UBID.

# PROJECT TIMELINE



## KEY ISSUES - GOVERNANCE

- Board turnover in recent years has led to challenges in retaining quorum.
- Other challenges have led to erosion of public trust and participation in UBID governance.
- That said, there is a strong sense of place and community pride associated to local asset ownership and the provision of local services through UBID.



## KEY ISSUES – SERVICE DELIVERY

- Capacity of UBID staff to address increasing demands due to growth and development.
- Increasing regulations and service level requirements for water and fire service delivery.
- Staff transitions in recent years, including the UBID Chief Administrative Officer recently retiring.



## KEY ISSUES - FINANCE

- As an improvement district UBID was not able to access senior government grant funding for its most recent water treatment plant project estimated at a capital cost of \$4.2 million.
- The entire amount is therefore being funded and financed by the ratepayers.
- As a small community there is concern over the potential burden of infrastructure debt for both new and aging assets.
- That said, UBID is managing its fiscal responsibilities reasonably well, with annual transfers to capital reserves for both the water system and fire system improvements.



## COMPARISON OF OPTIONS

**Option A.** Convert UBID's services to CVRD services.

**Option B.** Improve governance and service delivery in Union Bay while maintaining UBID's structure as an improvement district.



## COMPARISON OF OPTIONS

### Governance Structure:

- **Option A** - CVRD board determines policies and procedures related to services. Currently, the CVRD Regional Board uses Electoral Areas Services Committee (EASC) to consider policy matters for other existing local service areas.
- **Option B** – maintain the elected UBID Board of Trustees (3-year term staggered, elections every year).

### Service Delivery:

- **Option A** - Service provision would be converted to the CVRD through a transfer of Letters Patent and the creation of three separate Local Service Areas.
- **Option B** - Union Bay Improvement District (UBID) continues to provide services to the local area through its existing Letters Patent.

# COMPARISON OF OPTIONS

## Finance:

- Impacts of conversion is estimated to be cost neutral, with a potential cost savings depending on overall labour costs.
- Cost savings include:
  - Deleting the expenditures for UBID Trustees,
  - Leasing and operations costs of the UBID Administration office, and
  - Salary and benefits for the UBID Administrator.
- This is offset by additional CVRD support services costs of approximately 4-5% of total expenditures for each service category (water, fire protection, and street lighting).
- Differences in levels of service at the CVRD may require additional capital reserve contributions, thus potentially impacting tolls and taxes.

## KEY SUMMARY OBSERVATIONS

- Regardless of the option the assets and liabilities will remain with the local community ratepayers, either as an improvement district or regional district local service.
- Based on the available information and assumptions in the study, conversion to a Regional District local service is estimated to be cost neutral, with a potential small cost savings depending on labour costs.
- Conversion to a Regional District local service would mean the dissolution of the UBID Board of Trustees, but local representation would still be through the Electoral Area Director for Area “A”.

## KEY SUMMARY OBSERVATIONS

- Conversion to a Regional District would provide access to a larger pool of expertise (e.g. engineering, planning, finance and administration), access to senior government grants, and financing through Municipal Finance Authority (MFA).
- Conversion of the Fire Service would involve the provision of an annual operating grant from the CVRD to the Union Bay Volunteer Firefighters Association, who would then operate the fire services contract with the Regional District. The Union Bay Fire Chief and Deputy Fire Chief would become employees of the CVRD.

## KEY SUMMARY OBSERVATIONS

- There will be additional costs under either option including additional operating costs for the new water treatment plant (commissioned in May 2020) and additional labour costs due to the new union collective agreement (recently ratified).
- Costs for watermain replacement could increase under the conversion option, due to the CVRD's higher level of service standards for watermain repair. However, with either option it is recommended that additional asset management practices be incorporated into the organization, in order to support sustainable service delivery.

## REFERENDUM

- Scheduled for **Saturday, November 28th, 2020** with advance polling on November 10th and 17th, 2020 (no mail-in voting).
- Referendum Question:  
***Are you in favour of dissolving the Union Bay Improvement District and converting to Comox Valley Regional District local service areas?***
- Eligible voter requirements:
  - Property owners within UBID boundaries
  - Spouse of a landowners who has a substantial interest or right to possession of the land
  - Additional voter requirements (e.g. Canadian Citizen, BC resident for months, etc.), see UBID website for further details



# QUESTION AND

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# ANSWER SESSION

*Post your questions to the YouTube chat or send  
an e-mail to [UBIDgovernance@urbansystems.ca](mailto:UBIDgovernance@urbansystems.ca)*



## For more information:

1. UBID Website – [www.union-bay.ca](http://www.union-bay.ca) (*Union Bay Improvement District Conversion Study*)
2. CVRD Website – [www.comoxvalleyrd.ca](http://www.comoxvalleyrd.ca) (*search for UBID*)
3. In-Person Session – Tuesday, October 15<sup>th</sup>, 2020 4:00pm-7:45pm (45 minute time slots).  
Pre-registration is required on CVRD Website.

# THANK YOU!