

Information Only Report



To: Mayor and Council
Meeting Date: February 4, 2019
From: Peter de Verteuil, CAO
Subject: History of discussions regarding boundary realignment with North Cowichan

File No:
Submission Date: January 31, 2019

RECOMMENDATION:

That Council receive the February 4, 2019 report of the Chief Administrative Officer on the history of discussions regarding boundary realignment, for information only.

BACKGROUND:

The first time Duncan and North Cowichan voted on the question of amalgamation was in 1978. Residents of both jurisdictions voted against amalgamation (a breakdown of the results is included below).

After the November 2011 municipal elections, both North Cowichan and Duncan Councils again discussed the prospects of studying amalgamation.

In early 2014, Duncan conducted a Citizen Satisfaction Survey, which included questions to gauge if Duncan voters supported studying amalgamation and boundary realignment. The results of the survey were released in June 2014:

1. Are you in favour of studying the options, costs, and benefits for the amalgamation of the municipalities of North Cowichan and Duncan?
Yes – 67%
No – 33%
2. Are you in favour of studying the options, costs, and benefits of realignment of the existing boundaries of the City of Duncan?
Yes – 57%
No – 43%

As a result, Duncan Council expressed to North Cowichan Council that they would be interested in including opinion questions for the voters in both jurisdictions at the 2014 election, to confirm moving forward with a study on amalgamation or realignment of the existing boundaries.

After much debate between the Council's, the municipalities were unable to agree on the exact wording of the questions, and so Duncan asked two questions, one on amalgamation and one on boundary realignment, whereas North Cowichan only asked one on amalgamation (see below under analysis).

The results of the 2014 opinion questions resulted in a mandate to study amalgamation, and for Duncan to also study boundary realignment:

North Cowichan November 2014 – Amalgamation Opinion Question: Yes – 68% - 4446 votes

Duncan November 2014 - Amalgamation Opinion Question: **Yes – 52% - 554 votes**

Duncan November 2014 Boundary Realignment Opinion Question: **Yes – 54% - 567 votes;**

The two Councils then met several times to determine the format and scope of the study on amalgamation, ultimately agreeing in 2016 on a Citizens' Assembly process, to be informed by a separate Technical study on the costs and tax implications.

Separate RFPs were issued for both the Citizens' Assembly consultant, and the Technical Study consultant. MASS LBP was the consultant that was chosen to assist the Citizens' Assembly, and Urban Systems was chosen to conduct the Technical Study.

In early 2017, the 36 randomly selected members of the Citizens' Assembly met on approximately 6 Saturdays over 3 months, assisted by MASS LBP, learning about the various roles of different levels of government and about the operations, taxes, and user fees of the City and North Cowichan. Mid way through the process, the Citizens' Assembly reviewed the Technical Study produced by Urban Systems.

Because North Cowichan Council explicitly required that the Citizens' Assembly not consider boundary realignment, they were not tasked with considering alternate options such as boundary realignment or improved integration, although the Citizens' Assembly indicates those questions did arise to some degree.

In January of 2017, Duncan Council directed staff to obtain a price from Urban Systems to also conduct a Boundary Realignment Study in conjunction with the Amalgamation Technical Study. Urban System provided a quote of \$30,000, but recommended that this work be completed after the Amalgamation Technical Study was completed. In March of 2017, Duncan Council tabled the discussion regarding boundary realignment until after the Amalgamation Technical Study and the final report from the Citizens Assembly was received.

On May 23, 2017, the Citizens' Assembly provided its recommendation to proceed with a referendum on the amalgamation of the two municipalities.

Since the Citizens' Assembly overwhelmingly supported amalgamation, a referendum was held in the late spring of 2018.

The results of the June 2018 referendum were:

Duncan Amalgamation Vote

Yes - 395 votes – 32%

No - 835 votes – 68%

North Cowichan Amalgamation Vote (more details below on the breakdown of the results by polling station)

Yes - 3,058 votes – 59%

No - 2,147 votes – 41%

ANALYSIS:

June 1978 – Amalgamation Vote

1978 was the previous time that amalgamation was put to referendum by the residents of Duncan and North Cowichan. The results were as follows:

June 1978 - Duncan Vote

Yes – 235 votes -33%

No – 471 votes - 67%

June 1978 – North Cowichan Vote

Yes – 945 votes - 26%

No – 2,749 votes - 74%

Further delving into the 1978 North Cowichan results reveals the following.

Municipal Hall – Yes – 168 votes – 39% - No – 260 votes – 61%

Westholme – Yes – 5 votes – 5% - No - 96 votes – 95%

South End Fire Hall – Yes – 433 votes – 51% - No - 406 votes – 48%

Mt. Prevoist – Yes – 104 votes – 47% - No - 115 votes – 52%

Crofton – Yes – 30 votes – 7% - No - 416 votes – 93%

Chemainus – Yes – 31 votes – 2% - No - 1,331 votes – 98%

November 2014 - Duncan Opinion Questions

1. Are you in favour of spending time and resources to study the costs and benefits of the amalgamation of the municipalities of North Cowichan and the City of Duncan?

Yes - 554 votes – 52%

No - 502 votes – 48%

2. Are you in favour of spending time and resources to study the options, costs, and benefits of realignment of the existing boundaries of the City of Duncan, either separately, or together with an amalgamation study?

Yes - 567 votes – 54%

No - 480 votes – 46%

November 2014 - North Cowichan Opinion Question

Are you in favour of conducting a study to explore the costs and benefits of amalgamation of the municipalities of North Cowichan and the City of Duncan?

Yes – 4,446 votes – 68%

No – 2,065 votes – 32%

Further delving into the North Cowichan results reveals the following.

Advance polls – Yes – 480 votes – 66%

Municipal Hall – Yes – 296 votes – 69%

Quamichan – Yes – 985 votes – 78%

Mt. Prevoist – Yes – 913 votes – 74%

Maple Bay – Yes – 933 votes – 73%

Crofton – Yes – 313 votes – 60%

Chemainus – Yes – 526 votes – 50.2%

Because North Cowichan Council explicitly required that the Citizens' Assembly not consider boundary realignment, they were not given the mandate to explore this option.

June 2018 - Duncan Amalgamation Vote

Yes – 32% - 395 votes

No – 68% - 835 votes

June 2018 - North Cowichan Amalgamation Vote

Yes – 59% - 3,058 votes

No – 41% - 2,147 votes

Further delving into the 2018 North Cowichan results reveals the following.

Advance polls – Yes – 587 votes – 67% - No - 283 votes – 33%

Municipal Hall – Yes – 207 votes – 55% - No - 168 votes – 45%

Quamichan – Yes – 629 votes – 68% - No - 301 votes – 32%

Mt. Prevost – Yes – 531 votes – 60% - No - 353 votes – 40%

Maple Bay – Yes – 681 votes – 67% - No - 341 votes – 33%

Crofton – Yes – 150 votes – 42% - **No - 206 votes – 58%**

Chemainus – Yes – 273 votes – 36% - **No - 495 votes – 64%**

The 1978 amalgamation vote was rejected soundly in Chemainus, Crofton, and Duncan, yet the vote passed or was close in the south end voting locations. While much has changed since 1978, the opinion of the voters is still the same: Chemainus, Crofton and Duncan do not wish to be one large area, yet the south end of North Cowichan supports the idea of creating a larger community with a shared identity..

What is a Boundary Realignment Study?

1. Boundary realignment is the moving of the border between two municipalities. It is sometimes done in BC on a smaller scale when the boundaries no longer make sense, and the two municipalities agree to move the border. There was a recent example in Sidney where the border was moved so that Sidney could address storm drainage issues. As with amalgamation, boundary realignment can only occur with the agreement of both municipal councils, and the approval of the Province.
2. As it was not conducted with the benefit of input from the Citizens' Assembly, a study would only explore the costs and benefits of including the "South End" of North Cowichan within the boundaries of the City. In the past, it has been suggested that for ease of initial cost benefit analysis, the defined boundary for the "South End" used by BC Assessment and North Cowichan for some cost sharing functions (e.g. Island Saving Centre) would provide one potential boundary to simplify the exploration of shifts in revenues (e.g. taxes, business licences) and also the shifts in costs (e.g. road and infrastructure costs). The boundary of the "South End" is approximately Herd Road.
3. As the study would initially only be on costs and benefits to both municipalities, only if the numbers made sense for both municipalities would there be a potential desire from the community to further explore boundary realignment to address the community identity questions. Although some have suggested using the Duncan Junior Baseball boundary, just north of Mays Road, or the sewer service areas, using the "South End" for the financial calculations would give a reasonable basis for high level projections.

4. Boundary realignment would only be palatable if it was beneficial to the residents of Chemainus, Crofton, the South End, Duncan, and Maple Bay. If the costs and savings of realignment are the same for residents as they would have been for amalgamation, it is possible that realignment would be a favourable option for all residents, whereas Duncan and Chemainus residents were not in favour of amalgamation.
5. The cost of the study would likely now cost more than \$30,000.
6. The proposed Boundary Realignment Study does not include areas south of the City within the CVRD. That potential process has traditionally been called Boundary Restructure and would most likely be a different process altogether.

IMPLICATIONS:

Financial:	None. For information only. The City has \$30,000 allocated to the Boundary Realignment Study in the budget, subject to Council consideration at a future date. The budget was based on a 2017 quote from the Consultant that undertook the Amalgamation Technical Study.
Policy/Legislation:	N/A
Strategic Priority:	Reviewing amalgamation and boundary realignment are both on the 2014 strategic plan, subject to the upcoming review of the Strategic Plan by the new Council.
Sustainability:	N/A
Communication:	None at this time.
Staffing Implications:	None at this time; this report is for information only. Some level of effort would be required to work with the consultant to undertake the first stage of a Boundary Realignment Study; however, most of the early calculations could be performed with the data obtained during the Amalgamation Technical Study, particularly for the City data.