

BOUNDARY STUDY FOR ELECTORAL AREA F – FINAL REPORT

RECOMMENDATIONS

1. That the Board receive the Electoral Area F Boundary Study Final Report by Neilson Strategies and Leftside Partners Inc., dated July 2025, and forward it to the Ministry of Housing and Municipal Affairs.
2. That the Board direct that engagement be undertaken with residents of the adjacent Electoral Area G properties in “Area 1a” (identified on Figure 6.2 of the Electoral Area F Boundary Study Final Report, dated July 2025, in the brown hatched area on the map) as soon as practicable.
3. That the Board send a letter to the Minister of Housing and Municipal Affairs requesting approval and funding of an Incorporation Study as the next phase in this multi-phased restructure study and indicating that Boundary Option B, as outlined in the Electoral Area F Boundary Study Final Report, be used as the basis for the area to be studied in an Incorporation Study, with a view to including “Area 1a” as well, pending Regional District of Nanaimo engagement with affected Electoral Area G residential property owners.

BACKGROUND

History of the Study Process

In October 2020, the RDN requested approval and funding from the Ministry of Municipal Affairs (Ministry) for a Governance and Services Study for Electoral Area F, to gather and analyze facts about the current state of governance and service delivery, obtain feedback from the community, identify opportunities for improvement, and provide a final report to the RDN Board with recommendations.

In January 2022, then-Minister of Municipal Affairs Josie Osborne approved the Governance and Services Study as the first phase in a potentially longer study process, with a grant of \$60,000. The study was led by an external consulting team and a study committee of nine Electoral Area F residents. Five committee meetings were held between May 2022 and April 2023. Committee meetings were open to the public and were attended by a Ministry representative.

Public engagement took place between November 2022 and February 2023, including five open houses, an online and printed survey, and other opportunities for the public to learn more and share their views. The study committee worked closely with the consultants, advising on education materials, participating in public engagement and developing a recommendation for the final report. On May 9, 2023, study committee Chair, David Karras, and the RDN’s consultant team, Allan Neilson and Sherry Hurst, presented the final report to the Board. The Board approved the Electoral Area F study committee’s recommendation to proceed with an Incorporation Study as the next stage in the study process.

On May 30, 2023, the RDN wrote to Minister Anne Kang, requesting approval and funding for an Electoral Area F Incorporation Study (Attachment 1). On October 19, 2023, Minister Kang visited Nanaimo and met with Chair Craig and CAO Holmes. The RDN requests for both the Electoral Area F and G restructure studies were discussed with the Minister during this visit. RDN staff met with Ministry staff several times in 2023 and 2024 to provide additional information in support of an Incorporation Study for Electoral Area F.

On February 23, 2024, Assistant Deputy Minister Tara Faganello and Ministry staff met with Chair Craig, Director Salter, CAO Holmes, and Elizabeth Hughes to review the RDN's request for an Incorporation Study. Ministry staff indicated that the interim step of conducting a Boundary Study, as a precursor to any subsequent Incorporation Study, should be explored. The Ministry's reasons for why proceeding directly to an Incorporation Study was premature included:

- The findings from the Governance and Services Study included residents' desire to have land use and planning bylaws in place to protect the rural environment. Many of these issues can be addressed through the Official Community Plan, which is being updated.
- Public participation rates for community outreach events held during the governance study were low.
- Incorporation of the entire Electoral Area is not viable
- There is not a strong sense of shared identity across the communities in Electoral Area F.
- The Governance and Services Study did not specify which portion of the Electoral Area is most suitable for incorporation.

On March 13, 2024, correspondence was received from Minister Kang awarding the RDN a grant of \$45,000 for a Boundary Study for Electoral Area F (Attachment 2).

Study Process and Timeline

The Boundary Study provides a comprehensive assessment of quantitative and qualitative data to make recommendations for a boundary or boundaries within Electoral Area F that could form the basis for a future Incorporation Study and considers high-level implications of any proposed boundaries on a potential future incorporation. It does not analyze the impacts of each boundary scenario on residents in the area or the RDN (e.g. impacts on taxation). If the Minister and RDN Board decide to move forward with an Incorporation Study following the Boundary Study, a detailed technical examination of the impacts of incorporation would be undertaken as part of the subsequent Incorporation Study.

The terms of reference (Attachment 3), developed by the Ministry with input from the RDN, were approved by the RDN Board on June 25, 2024. Grant stipulation letters were also provided by the Ministry (Attachment 4). Neilson Strategies was retained by the RDN on August 27, 2024, to lead the study, working closely with Leftside Partners Inc. The study commenced in October 2024.

On January 21, 2025, Chair Craig wrote to the following Nations inviting them to provide comments or to meet with the RDN or Ministry to learn more, in addition to participating in the public engagement activities:

- | | |
|----------------------------|---------------------------|
| • Snuneymuxw First Nation | • We Wai Kai Nation |
| • Snaw-Naw-As First Nation | • Wei Wai Kum Nation |
| • Qualicum First Nation | • Tseshaht First Nation |
| • K'ómoks First Nation | • Hupačasath First Nation |

On February 11, 2025, RDN Board Chair met with Tseshaht First Nation at their request to discuss the Boundary Study. RDN staff followed up by providing requested spatial data and GIS files to the Nation.

The consultants' draft Options Impact Analysis was completed in April 2025. Two community meetings took place on May 8 and May 13, 2025, with 340 attendees in total. Separately, Director Salter held a town hall meeting on June 12, 2025. An online and printed survey was open from June 1 to 15, 2025. In addition to issuing news releases, mailouts, posters and print ads at various points in the study, the RDN developed a project page on Get Involved RDN, and a social media strategy to broaden public awareness and the sharing and collecting of information. The consultants' Electoral Area F Boundary Study Final Report, dated July 2025, is attached as Attachment 5.

Consistent with the consultants' recommendation in their Final Report, it is recommended that the Board request that an Incorporation Study be approved and funded by the Ministry, using **Boundary Option B** as the study area, as shown in Figure 6.2 of the Final Report, which encompasses most of Coombs and Errington.

It is noted the Terms of Reference for the Boundary Study included the geographical area within Electoral Area F. Therefore, Electoral Area G residents in the area referenced as "Area 1a" (identified on Figure 6.2 of the Final Report in the brown hatched area on the map) were not included in engagement and outreach activities. It is therefore recommended that engagement be undertaken with Electoral Area G residents within the area identified as Area 1a with the intention of including the "Possible Addition" lands (Area 1a) within the Incorporation Study area. As noted in the consultants' Final Report on page 55, some of the lands within Electoral Area F, shown in Area 1a, only make sense for inclusion if the adjoining Electoral Area G lands are part of the boundary. Such engagement might take the form of a mailout and a meeting with affected Electoral Area G residents (estimated at about 40 dwellings). Engagement materials already developed for the Boundary Study could be used, with some adjustments, to engage with affected Electoral Area G residents in Area 1a.

FINANCIAL IMPLICATIONS

In 2022 \$248,867 was originally budgeted for the Electoral Area F Governance and Services Study, made up of a \$60,000 grant from the Ministry with the remainder from taxation. After the Governance and Services Study \$151,481 remained. On March 13, 2024, the Ministry approved a Boundary Study for Electoral Area F and approved a \$45,000 grant. Including the \$45,000 grant, \$196,481 was available to complete the Boundary Study and put towards any subsequent studies.

Costs relating to the Boundary Study include consultant fees, hall rentals, sound and amplification equipment, printed materials, postage costs, advertising and communications, refreshments for public meetings and other expenses. The table below outlines spending, subject to receipt of final invoices.

Item	Actual Spending	Funding Source
Consultant fees	\$56,500	\$45,000 Ministry Grant \$11,500 2022 Taxation
Consultant disbursements to date	\$195	2022 Taxation
Advertising	\$4,558	2022 Taxation
Audio visual expenses	\$1,701	2022 Taxation
Miscellaneous disbursements (Open house materials, table and chair rental...)	\$1,172	2022 Taxation
Venue rentals	\$265	2022 Taxation
TOTAL	\$64,392	

The final report of study expenses is due to the Ministry on August 10, 2025. Not all invoices have yet been received. Should the Board wish to engage Electoral Area G residents within Area 1a, a preliminary estimate for this additional work is approximately \$6000. It is estimated that there will be approximately \$124,000 remaining to put towards an Incorporation Study for Electoral Area F (not including any additional feasibility funds in reserve), should the Board and the Ministry decide to proceed.

The Ministry advises that an Incorporation Study may take 1.5 to 2 years to complete. Studies are planned taking into account municipal election cycles where possible. It is unclear how much an Incorporation Study will cost, as they range in extent and complexity. Preliminary research indicates such studies may range from \$130,000 to over \$165,000. Provincial contribution to these studies varies widely and is dependent on variables such as population, road network, nature and scope of the studies, current Ministry budget pressures and concurrent demand for similar studies from other communities. Ministry staff indicate that grants up to \$150,000 towards an incorporation study may be available.

A referendum following an Incorporation Study may cost, as a rough preliminary estimate, approximately \$50,000, bearing in mind additional communication and engagement expenses, the cost of renting voting machines, external project management, venue rental costs and effects of inflation. A report with more precise information would be brought to the Board closer to the time. An Incorporation Study would likely not be completed before the end of 2026. Options relating to taxation to support any future incorporation referendum will be brought to the Board as part of the financial planning process.

STRATEGIC PLAN ALIGNMENT

5.1 Collaborate with the Province in undertaking restructure studies to improve the RDN's governance.

REVIEWED BY

- T. Moore, Chief Financial Officer
- D. Holmes, Chief Administrative Officer

ATTACHMENTS

1. Letter from CAO to Minister Kang EA F Incorporation Study Request May 30, 2023
2. Letter from Minister Kang Approving Area F Boundary Study Grant March 13, 2024
3. ToR RDN EA F Boundary Study June 25, 2024 final
4. Grant Stipulation Letters for Area F Boundary Study
5. Boundary Study for Electoral Area F Final Report