

## **Q & A from November 20, 2024 Public Open House Silver Sands Status Change**

**Q: Are we the only summer village currently exploring this option?**

A: Most summer villages in the area have given consideration to the status change option, especially given the grant funding challenges in recent years. Many of our peer councils have actively participated in preliminary talks with Municipal Affairs staff on the pros and cons, process and engagement expectations related to undertaking a status change. To date, we are only aware of two other summer villages who have resolved to actively pursue this option, and only one other who has initiated the process (studies and engagement with community).

It should be stated that Silver Sands is one of very few summer villages that are in a realistic position to consider the status change question: our relative size, population demographics, service delivery standards and growth opportunities mean that there is a uniquely legitimate discussion to be had on this issue.

**Q: Alberta Beach recently changed municipal status (from Summer Village to Village), have we reached out to them and what can we learn from their experience?**

A: Alberta Beach changed municipal status in 1999. Although this was a different era, with different consideration, many of the underlying themes in the discussion – and their decision – resonate in the current discussion.

We have reached out to Alberta Beach for their perspective. Two driving factors seem to have been drivers of their decision: Community Character (more full-timers/permanent residents, and more commercial growth driving more need for full-time services) and Funding Opportunities (they received \$50,000 in funding to support changing status, but also gained access to a more beneficial capital grant model meaning more funds to expand services to meet these growing needs). They do note, however, that the negatives included rebranding costs, and of course the loss of elector rights for non-resident property owners.

**Q: Do we need to “re-invent the wheel” or can we recycle what Alberta Beach did to meet our own case (and save consultant cost)?**

A: While we can certainly use Alberta Beach’s example as a starting point, in the 25 years since they changed status, much has changed, and we need to ensure that our process is consistent with current expectations from Municipal Affairs and community stakeholders.

Municipal Affairs expects a robust, in-depth engagement on this issue; they want communities to be able to demonstrate that the decision isn’t just about “more money” but about better service delivery and supporting long-term growth – this will require analysis that was not required (formally) in the past.

Similarly, every community is different – and so we need to understand the service level expectations of Silver Sands in this process and can not just rely on Alberta Beach’s assessment of their own unique community. This is why we anticipate needing to hire an independent consultant to assist in gathering and sorting municipal-specific information for Silver Sands if this project is to proceed to the next stages.

**Q: What are the Pros and Cons of a Status Change?**

A: In short, the discussion boils down to funding levels vs. electoral rights.

Villages received \$90,000 per year more in “base” capital funding than do Summer Villages under the new Local Government Fiscal Framework funding model. This funding can be used to maintain or expand existing assets to support service delivery and foster responsible community growth. Ultimately, these extra funds can help stabilize municipal budgets and reduce pressure for tax rate increases. For example, more funds can mean that we can replace existing equipment when the time comes by using grant funds – rather than increasing taxes. Similarly, these funds could be used to support new roads, lighting, water, sewer, land development, or other municipal activities that promote or support commercial and residential growth – increasing the tax base, and in turn reducing pressure to increase the tax rates. This is generally seen as a “Pro” in the discussion.

On the other hand, the primary “Con” of the status change is that there would be a change in electoral rights. Summer Villages receive a special exemption in the local Authorities Election Act whereby property owners and residents are allowed to vote in their municipal election and run for office. In Villages, only residents are granted the right to vote or run for office in municipal elections. A status change would mean that seasonal property owners and seasonal residents would no longer be allowed to participate in local elections.

**Q: Is it fair to say that “If I lose my vote, I lose my say?”**

A: While your vote at the municipal election is certainly an important exercise of democracy, it is not the only opportunity that stakeholders have in influencing local authority policy and service delivery. Seasonal property owners and seasonal residents will still have the same rights to participate in presentations to council, public hearings, open houses, appeal processes, and community engagements outside of the electoral process. In this way, although a seasonal property owner/resident may not be able to vote in elections, they still get to formally participate in, for example, Land Use Bylaw public hearings, or development appeals.

It is worth noting that since 2002, there have been 12 different people serving on Council in Silver Sands. Of these, 9 have been considered full-time residents and three have been seasonal residents. At various times, we have had councils comprised of all “Full-Time” councillors. Noting this, it might be fair to say that even “full-time” candidate councillors can have the interest of the entire community in mind when doing their job, and that “seasonal

property” concerns and aspirations are not summarily ignored if they do not have a voice on council. While seasonal properties may lose their vote in municipal elections, they do not lose their voice in the community.

**Q: If we switch to a Village, does it open the opportunity for development?**

A: Rebranding as a Village means an opportunity to market the community as something other than a seasonal/summer community. If done right, this can increase interest by both residential and commercial developers to capitalize on the “year-round” potential of the community. Working hand-in-hand, it would be foreseeable that new development would result in new service delivery expectations, more full-time residences and vice versa.

Again, growing the assessment is an investment in the community helping to expand the tax base and stabilize tax rate, but it might also result in a general trend towards supporting and promoting permanent, rather than simply recreational, properties and developments. In theory, the additional grant funding received for being a Village will allow the municipality to expand services and support growth responsibly, without burdening the taxpayers and by finding balance between the recreational and full-time characteristics of the community.

**Q: Speaking of taxes, what is expected to happen to tax rates if we switch to a Village?**

A: Survey #1 ultimately asks if the residents and property owners in Silver Sands support doing additional research on this very topic. The reality is that until we do a service delivery gap analysis and financial modeling of meeting the desired service levels (over the next ten years), we will only be able to speculate on what the status change (and additional funds resulting from same) would do to municipal taxes.

Having said that, if the municipality was to change status, the additional \$90,000 would presumably give the municipality the option to stabilize the tax rates over into the foreseeable future (ten + years). This could be done by shoring up asset replacement and avoiding higher equipment operating costs by meeting asset management schedules. If additional growth in the tax base is realized, it is foreseeable that a lower mill rate would be possible as well. However, we will need to run the scenarios on these options in order to give specifics as part of proposed future engagement on this initiative.