

## Village of Sayward – Summary of Potential Dissolution Report

The Village of Sayward is looking at its long-term future. One option being reviewed is dissolution. This means Sayward would no longer be a municipality (represented by a Council) and would instead become part of the Strathcona Regional District as an electoral area (represented by a regional Board).

No decision has been made.

### What the review found

In 2026, the Village expects to collect about \$853,600 in municipal property taxes.

Under the dissolution model, total property taxes are estimated to drop to about \$537,800. This is a decrease of about \$315,800, or 37% overall.

### However, residential property taxes are fully expected to increase under dissolution.

The average residential property currently pays about \$2,323 in Village taxes. Under the dissolution model, this is estimated to increase to about \$2,586.

That is an increase of about \$263, or 11.3%.

This increase is expected because the way taxes are shared would change. Residential properties currently pay about 44% of Village taxes. Under the regional district model, they would pay about 77%, as determined by law.

### Why costs change under a regional district model

Even though some municipal costs are removed, new costs are also added under a regional district model:

- Administrative costs are charged to each service (instead of one municipal budget)
- A 5.25% fee is added for the Province to collect property taxes
- As part of an electoral area, Sayward properties would pay into existing regional district services
- Some grants and revenues currently received by the Village would be lost

At the same time, some properties would pay less. Business, industrial, and managed forest properties are expected to see tax decreases, which shifts more of the tax burden onto residential properties.

**Important: taxes could increase more than shown**

The analysis assumes administrative costs are shared across the regional district. If Sayward's administrative costs are instead charged more directly to the local area, taxes could increase further. In that case, total taxes could rise to about \$923,700, which is higher than current levels.

This would result in a much larger increase for residential properties.

**Future decisions will affect costs**

Future costs will depend on decisions made by the regional district board. This may include decisions to:

- Increase funding for infrastructure repairs and replacement
- Build up reserve funds for future projects
- Enhance service levels or maintenance

These decisions could increase costs over time. While these needs exist today, how and when they are funded would be determined by the regional district under a different decision-making process.

**Other important changes**

Sayward would lose about \$330,000 per year from the Small Communities Grant.

Sayward would also lose direct control over most of its Canada Community Building Fund money (about \$78,600 per year), and the amount received would significantly decrease.

Local decision-making would also change. Instead of a Mayor and four Councillors, Sayward residents would be represented by one Electoral Area Director on the Strathcona Regional District Board.

**Bottom line**

Dissolution may reduce total taxes overall, but residential property owners are expected to pay more, and potentially significantly more depending on how costs are shared.

Residential taxes are projected to increase by at least 11.3%, and increases could be higher depending on how administrative costs are allocated and services are structured in the future.