



**REGIONAL DISTRICT
of
NORTH OKANAGAN**

REPORT

File No.: 3045.06

TO: Regional Growth Management Advisory Committee
FROM: Anthony Kittel, Regional Growth Strategy Coordinator
DATE: May 6, 2010
**SUBJECT: Governance and Service Delivery Working Group
Recommendations**

RECOMMENDATION:

That it be recommended to the Board of Directors that the draft Goals, Strategies and Actions recommended by the Governance and Service Delivery Working Group and contained in the report dated May 6, 2010 from the Regional Growth Strategy Coordinator, be considered for inclusion within the draft Regional Growth Strategy;

And further, that the draft Goals, Strategies and Actions suggestions be referred to member municipalities and First Nations to provide comment prior to July 30, 2010.

DISCUSSION:

This report includes the draft policy recommendations that have been developed by the Governance and Service Delivery Working Group and discussed by the Regional Growth Strategy Support Team. The Governance and Service Delivery Working Group invited all North Okanagan regional and municipal Administrators and First Nations representatives to discuss and develop governance and service delivery policy recommendations. The Board of Directors, on December 9, 2009, passed the following motion:

“That as recommended by the Regional Growth Management Advisory Committee, the Governance and Service Delivery Working Group of the Regional Growth Strategy be directed to consider a “green field” approach (a fresh start with no jurisdictional boundaries or history) to look at what could be/should be done as well as a “brown field” approach (considering what exists in the Regional District today) to identify solutions for challenges to regional governance and service delivery”

The Governance and Service Delivery Working Group explored both approaches and, through their discussions, brought forward a series of broad, strategic recommendations that focuses on transparency, collaboration and cooperation.

The recommendations that are contained within this report are intended for consideration by the Regional Growth Management Advisory Committee and the Board of Directors for inclusion within the draft Regional Growth Strategy. All recommendations that have been considered by the Board of Directors will be forwarded to member municipalities and First Nations for consideration and comment.

BACKGROUND:

The development of the Governance and Service Delivery draft policy framework was guided by the Regional Growth Strategy Terms of Reference, endorsed on May 6, 2009 by the Board of Directors, the outcomes of the April 16, 2009 Elected Officials' Forum and the results of Phase I public engagement. As well, the Board of Directors tasked the Governance and Service Delivery with exploring governance and service delivery options based upon 'greenfield' and 'brownfield' approaches.

The Regional Growth Strategy Vision Statement was refined based on input received at the Elected Officials' Forum and endorsed by the Board of Directors on June 17, 2009, stated that "***Inclusive, accountable and effective governance based upon a foundation of regional cooperation***". The urban containment/rural protection draft policy framework has been developed by the Urban Containment Working Group based upon this direction.

The attached ***Regional Governance Overview Report***, dated November 24, 2009, was requested by the Governance and Service Delivery Working Group to inform their discussions. The document provides an overview of regional governance and service delivery models that have been used throughout the world.

RECOMMENDATIONS

Decision making over land use, service delivery, environmental protection and many other issues of concern to residents within the regional district is a shared responsibility. The Regional Growth Strategy intends to improve collaboration between all levels of government within the region: municipal, regional, provincial, federal and First Nations.

Better collaboration and information sharing can lead to improved coordination and cooperation which in turn can reduce duplication and inefficiencies in local and regional governance and improve service delivery. It also builds on the core competencies of existing jurisdictions so that limited resources are utilized efficiently.

The governance and service delivery policy recommendations support expanding the opportunities for participation and communication in regional decision making. Collaboration among jurisdictions can be improved by:

- Making decisions in ways that are inclusive, coordinated, and transparent, based on mutual respect, respect for the rights of others, and a culture of collaborative management;
- Promoting early and on-going communication, and collaborative dialogue among jurisdictions at the regional level; and
- Continuing to develop a collaborative, multi-faceted approach to governance.

GOAL GS-1.0: Inclusive, Accountable and Effective Governance Based upon a Foundation of Regional Cooperation

The Regional District of North Okanagan and member municipalities agree:

STRATEGY GS-1.1: Regional District and municipal staff shall develop mechanisms by which they collaborate and coordinate on matters of regional or inter-jurisdictional significance. Activities may include regular staff meetings, referral systems, working groups, inter-jurisdictional committees and a formal role for Administrators within regional governance.

ACTION GS-1.1.1: Local and regional Administrators will have a formal role within the annual budget process. The formal role should include a review of function budgets, therefore fostering understanding and trust amongst participants.

ACTION GS-1.1.2: Regional and municipal staff will implement monthly meetings to coordinate and collaborate on regional or inter-jurisdictional initiatives and issues.

STRATEGY GS-1.2: That there shall be annual Elected Officials' Forums as a means for maintaining cross-regional communication and coordination on regional and inter-jurisdictional issues.

STRATEGY GS-1.3: All elected officials within the North Okanagan will attend a mandatory postelection Elected Officials' Orientation Session to clarify the regional services that are provided, the regional governance structure, the rationale for regional governance, and obligations of elected officials at the local and regional levels.

STRATEGY GS-1.4: Define and implement regional protocols that clearly delineate 'ground rules' to assist in inter-jurisdictional disputes through an efficient, equitable and transparent conflict resolution process that is embedded in all Establishment Bylaws.

STRATEGY GS-1.5: Implement a local and regional government public education program, including annual governance 'Trade Shows' during 'Local Government Awareness Week', to clarify the roles, responsibilities and limitations of current governance systems and enhance civic consciousness and participation in local and regional government.

STRATEGY GS-1.6: Petition the Province to review and revise their municipal boundary expansion policy by formalizing the role of municipalities and Regional Districts in the boundary expansion process on an occurrence basis.

STRATEGY GS-1.7: Support and participate in any review of Regional District legislation that clarifies and update the roles, responsibilities, limitations and authority of regional districts, provide Provincial guidance on regional governance issues and simplifies regional governance processes.

STRATEGY GS-1.8: Explore cost sharing opportunities, effective, efficient and fiscally responsible service delivery that strengthens regional collaborative relationships, recognizing a diversity of needs and priorities and engages in capacity building.

STRATEGY GS-1.9: Collaborate on the development of a regional approach that provides better coordination between jurisdictions on urban and rural land use proposals that have cross jurisdictional implications.

STRATEGY GS-1.10: Recognize the key roles played by the private and non-profit sectors in such areas as economic development, environmental protection, agriculture and affordable housing and consider partnerships and strategic alliances with groups and organizations prepared to invest in and/or support the goals and policies of the Regional Growth Strategy.

STRATEGY GS-1.11: Recognize the need to engage First Nations, whereas expanding dialogue will assist in building mutual appreciation, understanding and respect for land use planning processes across governments.

GOAL GS-2.0: Efficient, Effective and Fiscally Responsible Service Delivery

The Regional District of North Okanagan and member municipalities agree to:

STRATEGY GS-2.1: Develop a communication plan that will provide certainty to the public on the expected level of service throughout the North Okanagan. Urban levels of service will be constrained to the **Growth Areas** and rural service levels will be limited to the **Rural Protection Areas**.

STRATEGY GS-2.2: Request that the Province develop and update, as required, capital plans to meet the needs of the projected population for services, such as education, transportation networks, health care and law enforcement, and that Implementation Agreements are negotiated with local and regional governments for the delivery of services that reflect the policies and actions contained within the Regional Growth Strategy.

STRATEGY GS-2.3: Develop and implement a Regional Service Checklist for establishing a new regional or sub-regional services which clearly states roles, responsibilities, expectations, costs, scope and implications of entering into the service agreement.

STRATEGY GS-2.4: Strategic Service Plan Reviews should re-evaluate the business case when considering the projected growth of the community. Strategic Service Plans should be coordinated with Corporate Plans to ensure priorities are represented.

STRATEGY GS-2.5: Explore establishing agreements with senior levels of government that assist in financing service delivery, as more responsibility is transferred to local and regional government, in order to build capacity and resources.

REFERRAL:

The Board of Directors is encouraged to forward the draft Governance and Service Delivery policy framework to member municipal councils and First Nations for their comments and consideration. Referral of draft goals, strategies and actions would enable the Board of Directors to hear the views of municipal councils and First Nations and make any changes to the draft policies prior to public review and draft Regional Growth Strategy development. Since the opportunity would be available, the public may choose to provide their comments to councils rather than the Board of Directors at this stage of the process.

The Regional Growth Management Advisory Committee (RGMAC) may refer any recommendation to staff with direction on further development of the policies. This option allows RDNO staff and staff from the member municipalities to work on refinement of the policies, but it will add more time to the process. The RGMAC would need to provide staff with clear direction as to the policy areas that must be revised.

SUMMARY:

The draft Governance and Service Delivery Goals, Strategies and Actions Recommendations are the product of many discussions by the participating Administrators that sit on the Governance and Service Delivery Working Group.

The completion of the Regional Growth Strategy is a top priority for the Board of Directors. It is recommended that the Regional Growth Management Advisory Committee consider the draft governance and service delivery policies and recommend to the Board of Directors to consider and

Due to the accelerated timeline established by the Board of Directors on January 9, 2009, it is recommended that the closing date for comment be July 30, 2010. Additional opportunities for municipal council input and comment into the development of the policy framework of the Regional Growth Strategy will be available throughout the process.

Submitted by:



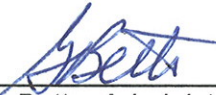
Anthony Kittel, Regional Growth Strategy Coordinator

Approved For Inclusion:

Endorsed by:



*Rob Smalles, MCIP
General Manager, Planning and Building*



Greg Betts, Administrator



REGIONAL DISTRICT OF NORTH OKANAGAN
REGIONAL GROWTH STRATEGY
"One Region, One Future"

Regional Governance Overview

Governance and Service Delivery Working Group

11/24/2009

Regional Governance Overview Governance and Service Delivery Working Group

1.0 Governance Models: An Overview

There are four main categories in regional government model: (1) one-level; (2) two-level ;(3) cooperative; and (4) metropolitan council.

The **one-level** alternative can be accomplished by three basic techniques: (1) **Annexation** (the absorption of nearly unincorporated territory); (2) **Municipal consolidation** (merger of two or more incorporated units); (3) **City-county consolidation** (the union of one or more municipality with the 'county' government).

The **two-level** alternative of regional reorganizations is based on the theory of federalism. With this technique, area-wide functions are delegated to area-wide government, while purely local functions remain with local government, creating a two-tier system. The two-tier system can take three basic forms:

- (1) **Metropolitan district** (a governmental unit that perform one or a few closely related functions in all or a substantial part of metropolitan area) ;]
- (2) **Comprehensive regional plan** (the simultaneous transfer of selected functions from municipalities and other local units to the regional government);
- (3) **Federation** (the establishment of a new area-wide government that is assigned new responsibilities region-wide).

The **cooperative** alternative model of regional government, also referred to as **inter-local agreements**, call for greater cooperation between existing governments without the creation of new one. This approach represents voluntary techniques to address regional problems while maintaining local control. Agreement can take the following basic forms:

- (1) A single government performs a service or provides a facility for one or more other local units, **inter-local service agreements**;
- (2) Two or more local government administers a function or operates a facility on a joint basis, **joint-power agreements**;
- (3) Two or more local governments assist or supply mutual aid to one another in emergency situations.

A fourth category of regional or metropolitan government is the **metropolitan council**. Metropolitan councils are permanent associations of governments that meet on a regular basis to discuss and seek agreement on various issues. However, because of its lack of authority, the council mechanism cannot be classified as a true metropolitan government except if the authority is derived from the provincial government.

Within the Canadian context, Ontario, Quebec, Alberta (Metro Edmonton) and British Columbia have implemented mandatory (Ontario, Quebec, Alberta) or voluntary (British Columbia) separate regional governance. Most Canadian provinces rely on a single tier arrangement with an emphasis on consolidation or amalgamation of municipalities and anticipated areas (very large municipalities).

2.0 A Menu of Options for Regional Governance

The following section details the menu of options pertaining to the construction of a regional board using the five critical practices identified in the American and international case studies. The Governance and Service Delivery Working Group is encouraged to examine the elements of an effective Regional Board from this menu of options. Below are summaries of Regional Board governance arrangements and structures that have been implemented throughout the world.

2.1 Cooperative Mechanisms

Single Voluntary Regional Board: This mechanism can be favorable in situations where regional consensus is imperative to the decision-making process. This mechanism works in situations where all parties are prepared and willing to cooperate, significant financial incentives for cooperation exist, relationships are respectful and nurtured through communication, and key stakeholders have the skills necessary to collaborate successfully. It also allows for some flexibility around issues that are sub-regional in nature. An example would be the Regional District system of British Columbia.

Single Mandatory Regional Board: This model is similar to the concept of a voluntary regional board except that participation is mandated by the province or state. Participation on the board is mandatory although for some issues municipalities may be given the right to opt out of decision-making process. This mechanism can be favorable in situations where regional consensus is imperative to the decision-making process. It also allows for some flexibility around issues that are sub-regional in nature. An example would be the Edmonton Capital Regional Board which the province mandated to address the lack of local coordination on major oil and gas industrial growth.

Multiple Issue-Based Boards: This model is based on the idea of developing issue specific (transportation, water delivery, land use planning, economic development, etc) boards or committees as is done in Berlin-Brandenburg, Germany where there are 5 issue based groups. One of the benefits of this type of mechanism is that if a board or committee is unable to collaborate effectively it will not necessarily prevent other boards from collaborating. As such this model can help to mitigate the risk of the regional body disbanding. This model also allows for participation to be either voluntary or mandatory and for there to be variation between the boards. The greatest weakness in this governance arrangement is the potential lack of coordination with regard to policy development and implementation across issues-based boards and potential inefficiencies that may result.

Multiple Stakeholder Boards: Boards with multiple stakeholders open up cooperative mechanisms to a more inclusive process. It invites participation on boards from multiple stakeholders including chambers of commerce, not-for-profits, First Nations, provincial government representatives etc. This approach allows for multiple stakeholders to be part of the decision-making process, but may be able to also make decision-making more complex and time consuming, as well as less accountable to regional citizens. Liverpool, England allows for this type of participation through membership based boards.

Capital City Significance: If the 'capital city' (largest city in the region) represents more than 70% of the regional population, there may be some acknowledgement of its special position in the region. Melbourne, Australia has developed a 'city-act' which mandates that the province recognizes, through both policy and funding, that the 'capital city' has unique characteristics and responsibilities. The Vancouver City Charter and the American 'home-rule' cities are other examples of legislated expanded powers to local governments.

Voluntary Associations: This requires a willingness to work together, to appreciate mutual benefits, the ability to negotiate from multiple perspectives (not just population equities and

inequities), systems and regional thinking, the ability to conceptualize integrated planning, leadership, the use of business model thinking, and a sense of the public good that is not parochial. It may require legislation that supports regional decision making powers. Such voluntary associations are fragile, informal and lack legislated decision-making power.

2.2 Services

Because the terms of reference for the Governance and Service Delivery Working Group refers to growth management, the following summaries of the kinds of services that the Region Board might provide must give priority to services that support economic growth and development. Consequently, regional planning, land use determination, transportation, and infrastructure have emerged as important issues. The categories of services to be offered through regional governance might also be influenced by the need to attract investors for new economic development in the area.

Many of the services offered by Regional Districts evolved over time. Some consideration might also be given to an incrementalist approach with regard to services offered by the Region Board. The initial scope of services offered might be expanded and enhanced..

Multiple Service Areas: Aside from coordinating overall regional planning and providing a venue for discussion around regional issues, the governing body would provide services in several areas. These might include data collection and analysis, public transportation, social services (such as programs on health or aging), environmental services (such as air and water quality monitoring, and resource management), technical and administrative assistance to member governments, emergency preparedness programs, and economic development. The body would also be responsible for distributing certain program-based provincial and federal funds, for instance, dividing a set amount of provincial transportation funding among municipalities in the region.

Single Service Areas: For single issue boards, the services offered could be varied, but would remain within the area of focus of the Board. The Board might plan and coordinate services, or merely implement the plans of the provincial government in terms of service delivery. In the case of Berlin-Brandenburg, Germany, there are 5 regional issue based boards/associations. However there are also over 200 inter-regional contracts some that fall within the scope of these issue-based boards and some that have been developed out of a need to collaborate.

Municipalities as Advocates: The primary purpose of an advocacy board is to advocate on behalf of the municipalities for a variety of issues. In this situation it is the provincial government that has decision-making power over regional issues. As such the board comes together as ad-hoc individual municipal representatives who work to come to a consensus on the different issues in order to show a united front to the decision-makers. This is the primary case in the Amsterdam (Netherlands) city-region where the federal or provincial government has decision-making power and the regional body is invited to sit at the table when decisions are being made but are not officially part of the decision-making process.

2.3 Decision-making and voting mechanisms

It is within the Terms of Reference for the Governance and Service Delivery Working Group to explore **decision-making and voting mechanisms** that appear to be fair. The systems should embody respect for the principle of one municipality/municipal representative having one vote as well as respect, in some form, for representation by population. .

Provincial Decision-Making: In this model the Boards acts as advisors or advocates to the provincial government. However it is the provincial government that has decision-making authority on regional matters. This model is used in the Melbourne, Australia city-region. In this instance the

province decides what areas need regional collaboration, what collaboration should look like, how policies or plans need to be developed and then they work with the regional municipalities to develop the specific policies and plans. The Board's role is to advocate on behalf of the municipalities and then develop policies and plans following the provincial mandates.

Consensus-based Decision Making: Consensus-based decision-making works best when the Board is not the final decision-maker for policies and plans and when decision-making is not mandatory. This model allows parties to come together to discuss issues that are of common interest and work towards an agreement. In this issue if there is tension parties may opt-out of the process, thus leaving parties with similar interests and opinions to reach agreements. Many international regional governance systems use this model as they are primarily voluntary organizations that advise provincial/state decision-making authorities.

Representation by Population: This model, which demonstrates characteristics of many of the US regions, uses a democratic vote as a final decision-making tool. For this model to be effective there needs to be a formula that acknowledges the variations in population of participating municipalities. For example, the city with the highest percentage of the population of the region would have more representatives on the Board(s) giving them more votes. Another way of determining Board membership and votes is through property taxes. With this type of formula, municipalities with higher property taxes would have more votes. Although representation by population is more democratic than a system of 1 municipality – 1 vote system it may still not be completely representative as it would most likely be based on proportionate representation as opposed to actual representation. It is important that no one municipality has enough voting power that it can determine a vote or have veto power. It was common in the US for decisions made by this type of Board to be non-binding, with individual municipalities responsible for implementation.

Double Majority: The concept of double majority used in this report is one where each municipality has 1 representative on the board and therefore 1 vote. However in order to acknowledge variations in population or tax base a second calculation is made which gives proportionately more weight to those municipalities with higher population or tax bases.

2.4 Dispute resolution mechanisms

The matter of a reasonable *dispute resolution mechanism* is rare throughout the world at a regional level. In most instances such a process is not required because extensive consultations and negotiation are the most frequently successful channels for the formulation of regional policy.

Province as Moderator: In this model, the province provides a mediation service and moderates disagreement.

Independent Moderator: In this model, an independent moderator is available to the Board to help resolve disputes.

Voting Mechanism: In some cases, the voting mechanism itself can act as a dispute resolution mechanism. Issues do not go to vote unless there is thought to be general consensus that the issue will pass, there is an opportunity to use voting as a way to resolve disagreements.

Informal/Consensus-Based: In this model, issues tend to be resolved informally through consensus, in subcommittees or among officials and members themselves, prior to their presentation to the main voting body, and so formal dispute resolution mechanisms are not needed. In the event that a dispute does not resolve itself informally, a majority vote in the main body (in our case, the Board of Directors).

2.5 Funding Mechanisms

Contract-based Funding: In this model the Board would submit proposals to potential funders for regional projects. These funders would often include the provincial or federal governments though may also include the private sector.

Membership Dues: Membership dues are often collected from the Board members. This is especially effective when Board membership is open to both public and private groups and individuals. Money collected through membership dues are often small and used to help cover administrative costs of the regional government.

Regional Growth Funds: In some instances there is a special provincial budget item for regional growth. This may be new money coming into the province or a change in allotment of existing funds. In Glasgow, Scotland, £90 million were put into a 3-year fund for regional growth. In Perth, Australia, a \$75 million regional investment fund put into place.

Incentive Funds: Outside of the scope of project funds, additional funds may be made available to municipalities as an incentive for collaborating with others in the region. These funds must be locally and regionally relevant, and meaningful in terms of the potential impact. They must also be sufficiently valuable so as to motivate regional cooperation.

Private Sector Financing: In Liverpool, UK, there is relatively little financial support from the state for regional initiatives. As a result the regional body seeks funding through the private sector. This can be an effective way to fund regional initiatives. However, it may also alter the power relations between the public and private sector.

Mixed Sources of Funding: In this model, which represents common features of the US and Canadian regional government system,, several sources of funding are identified, including provincial, local, and federal grants; various public and private sources; and municipality membership dues, which are calculated based on population and may also take into account such considerations as available funds and anticipated benefits. Provincial and federal grants may be tied to specific service or program areas, such as transportation or regional growth.

3.0 British Columbia: The Regional District System

Prior to the introduction of the regional district (RD) in 1965, land use and planning were done directly by the provincial government, whereas local services (such as fire protection, lighting, water management) were provided by independently incorporated improvement districts or municipalities under contract with the province.

Rapid expansion in urban and outlying rural areas highlighted the resulting fragmentation in the provision of—or planning for—services. There was no general-purpose local government, or any statute or procedure facilitating aggregation to achieve benefits of regional service delivery. In 1964, the Municipal Act was amended to authorize the incorporation of regional districts and over the next three years, 28 would be created. Due to restructuring and further amalgamation, at this time there are 27 regional districts in British Columbia.

The Local Government Act recognizes local government as an *independent, responsible and accountable level of government* (S. 1). It empowers local government with broad corporate powers (S. 176). A number of changes affect regional districts directly, granting additional flexibility to design, deliver, regulate and pay for services

As a form of government, regional districts are best characterized by *diversity and adaptability*. As a response to the growth BC underwent in the 1960s and the differences between BC's various

regions and municipalities, regional districts were introduced as a means to provide access, accountability and efficiency to local and regional government. They provide a forum for mediating interests of a diverse membership: rural/urban; municipal/electoral area; and large/small. They also help manage 'fringe issues' that are unincorporated areas beyond municipal boundaries, which grew at rapid rates but did not participate in growth planning or cost-sharing. Regional Districts provide a solution to the 'free-rider' problem of rural users benefiting from urban services without shouldering their share of the costs. Hence, the flexibility inherent in the model accommodates large geographic areas, whose interests and needs differ from compact urban centres.

Principles of Regional Districts

Federal – Confederal: Regional Districts exist to further the interests of their members. They do not constitute a distinct level of government, but are part of the municipal system.

Voluntary: Regional Districts are *voluntary* organizations that are *self-organizing*. They provide services their members agree to support. Contrary to other models of aggregation (amalgamation or two-tier), unilateral offloading of services and responsibilities is not an option. Regional Districts do as much—or as little—as their members see fit. They are based on voluntary and cooperative relationships.

Consensual: Regional Districts generally rely on *borrowed power* (local government powers, functions and/or services that have been voluntarily transferred to the regional government) rather than on statutory authority or direct power. There are extensive procedures for obtaining consent of member municipalities and elector assent through referenda, petition and counter-petition.

Flexibility: The same legislative framework permits different approaches and the provision of different services.

Fiscal equivalence: There must be close equivalence between the benefits and costs of services. Each service has a cost recovery formula. Electoral areas and municipalities that contribute to a regional function or service are involved in discussion, decision-making and voting regarding that service/function.

Soft boundaries: Services do not need to encompass the entire district. Boundaries can be modified; members of a RD can opt out of, or choose to opt into, the provision of a service. In some cases, services can be provided to areas belonging to another regional district. For example, regional districts have entered into agreements with neighbouring First Nations communities to deliver certain services.

Governance Structure: Regional districts are federations of municipalities and electoral areas. The system balances representation by population with representation by community. Representation of municipal areas on the district's Board of Directors is ensured by director(s) who are members of a municipal council and appointed by the council for terms up to three years; representation of electoral areas is direct as the population elects directors for terms of three years. Regional districts accomplish three series of roles. While each district performs these roles, emphasis on one or another may vary according to a given region's needs and requirements. Hence, the scope of a regional district's power is contingent on its interpretation and application of these principles.

1. A regional district is a **regional government**. It represents regional residents and communities and is the vehicle for advancing interests of a region as a whole. It sets waste management plans and devises long-term growth plans for the area. It is also a vehicle for delivering typical regional services, such as electoral area governance, solid waste management and regional financial planning.

2. Regional districts provide a **political and administrative framework for inter-municipal or sub-regional service delivery** on a partnership basis through the creation of a 'benefiting area'. Municipalities and electoral areas decide on a service they wish to provide jointly. The service need not encompass the entire region, but is limited to a benefiting area. The partners establish the service and the cost recovery mechanism.
3. Regional districts constitute **local government** for unincorporated areas (electoral areas). Residents of electoral areas elect a representative to sit on the regional district board.

British Columbia has more than 40 years' experience in the development of regional governance institutions. Such an integrated system provides a political and administrative platform for service provision regionally; sub-regionally and locally. Regional districts form an all-purpose regional government; a federation of municipal and unincorporated electoral areas whose purpose is to provide services to people and governments as well as representation to rural areas. They rely on borrowed power rather than on legislated power, and therefore, it is a form of government that is quite 'loose' in the types of services provided. In fact, they operate on the principle that members get what they agree to pay for, and procedures for withdrawal from the provision of services are laid out.¹

Regional districts deliver benefits of economies of scale and greater efficiency in the planning and delivery of services. In addition, it provides better service 'coverage' as rural areas are part of and contributes towards—the delivery of regional services. In addition, the model affords flexibility to members and accountability without creating a distinct level of government and bureaucracy.

In the case of British Columbia, and regarding the specificity of its population and its geographic dispersal, this model makes sense and is widely regarded as successful. It may not be equally applicable to other jurisdictions as regional districts have a 35-year history, and benefits from the trust and relations that have been established over time.²

Regional districts require a commitment to flexibility and openness—and a degree of political and social capital—which were established through years of practice. 30 years of meetings where council members from different municipalities as well as elected representatives of electoral areas meet and work together has established a resilient forum for interaction and cooperation.³

4.0 Other Examples

4.1 Portland, Oregon: Metropolitan Regional Governance

Seventeen years ago Oregon adopted a law requiring all local governments to plan according to specified state goal. Furthermore, the state goals have led local governments to adopt urban/rural boundaries and encourage higher-density housing, both intended to prevent urban sprawl. The Oregon law made no provision for statewide planning or for regional planning, except in the Portland area.

In 1979, citizens in the Portland metropolitan region voted to replace their Council of Governments with a directly elected regional council and executive to handle a moderate portfolio of regional

¹ Government of British Columbia, Ministry of Municipal Affairs, "Regional District Service Review and Withdrawal Provisions", *Using the New Local Government Act Bulletin*, No. F.3.5.0, December 2000.

² Cashaback, David. 2001. Regional District Governance in British Columbia,: A Case Study of Aggregation. Institute on Governance, June 2001.

³ Cashaback, David. 2001. Regional District Governance in British Columbia,: A Case Study of Aggregation. Institute on Governance, June 2001.

responsibilities including solid waste disposal, to regional visitor facilities and transportation planning.

In 1995, the voters approved a home rule charter for the regional government, now called Metro, emphasizing that its primary function was long-range land use and transportation planning. The charter reaffirmed Metro's statutory authority to require local government's local land use and transportation plans to conform to a regional framework plan.

Metro's planning program is the subject of extensive public participation; over 17,000 people have returned surveys, with their own postage, on the regional planning effort. Voters get to express their preferences on the subject by who they elect to the Metro Council from 25 cities and three counties in the Portland metropolitan area.

Metro is the directly elected regional government that serves more than 1.5 million residents in Clackamas, Multnomah and Washington counties, and the 25 cities in the Portland, Oregon, metropolitan area. The Metro Council includes a council president elected region-wide and six councilors elected by district. Metro also has an auditor who is elected region-wide.

Metro is the only regional government agency in the United States whose governing body, the Metro Council, is directly elected by the region's voters. This meets a provision of Metro's home rule charter, approved by the voters in 1992, which insists that Metro's leadership be elected, visible and accountable.

Principles of Metro Portland

Metropolitan Council: Separate level of government with enforcement power and voter-endorsed Charter. Establish growth boundaries and regional planning initiatives.

Mandatory: The primary role of Metro Portland is to maintain the Urban Containment Boundary and provide regional land use and transportation planning. All municipalities are obligated to incorporate planning objectives and decisions into their local planning. All regional service functions are determined by Metro Portland.

Statutory: Metro Portland relies on statutory authority and direct power, as enshrined within the Charter and Oregon State law. The elected councillors and president are responsible to their electoral districts, which do not correspond to municipal boundaries.

Fiscal responsibility: There must be close equivalence between the benefits and costs of services. Each service has a cost recovery formula. The regional auditor is elected through region-wide elections and is responsible for the efficient provision of services.

Governance Structure: The Metro Council consists of a president who is elected region-wide and six councilors who are elected by district every four years. The president presides over the council, sets its policy agenda, and appoints all members of Metro committees, commissions, and boards. The Metro Auditor, elected region-wide, operates independently from the Metro Council and is responsible for oversight of Metro's annual financial statements and conducting performance audits. The Council, with a one-member, on-vote formula, establishes policy and decides questions brought through the agreement of a majority of Councilors present (one member, one vote). A quorum, as defined by the Metro Portland Charter, is over 50% of the Councilors present.

The Metro Council provides leadership from a regional perspective, reflects an ongoing, innovative planning orientation, and focuses on issues that cross local boundaries and require collaborative solutions. The Metro Council establishes policies for and oversees the operation of

Metro's programs, develops long-range plans and annual budgets and establishes fees and other revenue measures.

4.2 Edmonton Capital Regional Board

On April 15, 2008 the provincial government of Alberta passed a regulation to establish the Capital Region Board. This Board is a corporation consisting of 25 municipalities that include and surround the City of Edmonton.

The act of government was a response to years of disharmony and dysfunction in the relationships between Capital Region municipal governments and a lack of effective leadership that could unite all parties in consensus decision-making. Growth pressures from an expansion of the oil and gas industry in Alberta were a catalyst for change. The creation of a formalized regional governance structure was seen as the solution to an intractable problem: the need to coordinate integrated land-use and transportation planning among inter-dependent municipalities.

On April 15, 2008, the Alberta government officially established the Capital Region Board as a multi-purpose board with authority to make binding decisions concerning matters included in its mandate, which revolves around issues of land-use planning and service sharing:

Critical Mandate: regional land-use planning.

Priority Mandates: inter-municipal transit, development of regional geographic planning information system, and strategic planning for regional affordable housing requirements.

Secondary Priorities: solid waste management, water management, policing, emergency services, social services, recreation, and economic development.

Within the Alberta Capital Region, the approach to service delivery has been to address multiple services areas, but under the broader umbrella of regional planning. Responding to population increases as a result of booms within the oil and gas industry, the Capital Region has been perennially concerned with issues of land-use, but also transit, housing, waste management, water, emergency services, social services, and recreation. Responding to population increases, but also to encourage the growth necessary to provide for and encourage economic development, the Capital Region has recently begun to think of regional planning in terms of growth management and, as such, has adopted a hierarchically ordered set of mandates that strikes a balance between the coordination of multiple service areas, and the need for solidarity through a unified sense of purpose in the form of a critical mandate: regional land-use planning.

Principles of Edmonton Capital Regional Board

Mandatory: The provincial government has established the Regional Board with the caveat that municipal mandatory participation is required with regard to the regional services provided.

Statutory: The Regional Board relies on provincial statutory authority and direct power.

Fiscal responsibility: There must be close equivalence between the benefits and costs of services. Each service has a cost recovery formula.

Governance Structure: The Regional Board is characterized by mandatory participation with voting representatives from each of the 25 municipalities in the region. The board is supervised by the province through representatives appointed by the Premier but in an *ex-officio* capacity. To encourage board efficacy, decision-making is bound by an obligation to attempt to reach consensus (one municipality, one vote) within a specified period of time (consensus defined as a

general agreement of all members). In order for a motion to pass, a double majority must be reached: in order to pass, an item must receive 17 of 25 votes AND these must represent 75% of the population in the region. There is also a provision that stipulates that the absence of a voting member is construed as a vote in affirmation for any motion that is put for vote. This voting structure is intended for instances where, time permitting, consensus could not be reached.

If a dispute arises, informal attempts to achieve a resolution occur through discussions at the Board level, then provincial mediation, followed by binding provincial arbitration if necessary (similar to the Regional Growth Strategy dispute resolution process).

4.3 The Twin Cities Metropolitan Council

An example of the direct statutory approach to region-wide growth management is the Minneapolis-St. Paul region in Minnesota. The Twin Cities Metropolitan Council has been around since 1967, created by state legislation to deal with regional sewer and water issues. Many had pushed for an elected metro council, but final compromises resulted in a Governor-appointed board. Mission and function of the council have expanded over the years to encompass broader growth management concerns within the region of seven counties and nearly 200 municipalities. Region-wide tax base sharing was added in 1971, supported by rural units and some of the poorer suburbs and bitterly opposed by the more affluent suburbs. The program pools 40% of the increase in assessed value of commercial and industrial property, applies a common millage rate, and distributes the revenue among all units in the region on the basis of "tax capacity" of each unit. This was made possible by the absence of strong divisions in Minnesota, the traditions of social reform that characterized the area and one-person-one-vote reapportionment that gave the Twin Cities enormous political power in the state. A 1994 attempt to add residential property to the pool was unsuccessful. In 1998, 137 local units were recipients, 49 donors.

The Twin Cities Metropolitan Council consists of 17 members who are appointed by the governor and are responsible for the development of certain area-wide services that local government is unable to provide, including sewage and water systems, transportation, regional parks, and major land uses. It plays a coordinating and regulatory role among the local governments.

The Metropolitan Council is the regional governmental agency in Minnesota serving the Twin Cities seven-county metropolitan area. The Met Council is granted regional authority powers in state statutes by the Minnesota Legislature. These powers can supersede decisions and actions of local governments. The legislature entrusts the Council to maintain public services and oversee growth of the state's largest metro area. This agency is similar to Metro in Portland, Oregon in that both agencies administer an urban growth boundary.

The Council's role in the Twin Cities metro area is defined by the necessary regional services it provides and manages. These include public transportation, wastewater treatment, regional planning, urban planning for municipalities, forecasting population growth, ensuring adequate affordable housing, maintaining a regional park and trails system, and "provides a framework for regional systems including aviation, transportation, parks and open space, water quality and water management

Principles of Twin Cities Metropolitan Council

Mandatory: The state government has established the appointed Metropolitan Council as a separate level of government that supersedes local decision-making on regionally mandated matters.

Statutory: The Council relies on state statutory authority and direct power as a separate level of government.

Fiscal responsibility: There must be close equivalence between the benefits and costs of services. Each service has a cost recovery formula. Region-wide tax sharing on the increased value of commercial and industrial lands to reduce completion for economic development and acknowledging that employment is concentrated in a 25% of the communities.

Governance Structure: The Met Council currently has 17 members, 16 of which represent a geographic district in the seven-county area with one chair who serves "at large." Instead of representing local governments and special districts, as the previous Metropolitan Planning Commission had done, the governor of Minnesota appoints the members of the metropolitan council. Except for the council chair that was to represent the area as a whole, each member would represent, on a one-person/one-vote basis, a particular district. Thus, the basic task of the council is to represent regional interests in certain designated areas over that of local interests. One of the major reasons why council membership was not comprised of local government representatives was to ensure that the council would not be influenced by local politics.

The Minnesota Senate may confirm or reject each appointment. Geographic districts vary in characteristics but were historically drawn by population percentage and the presence of major natural resources. Districts near the downtown core are much smaller while the edge districts encompass large amounts of rural land. The Council delivers regional services to communities and the public through these divisions and operating areas:

- **Regional Administration/Chair's Office** - Generally sets the goals and direction the Council will take with the metro area. It also manages finances and makes budget decisions on how shared funding and grant programs are distributed amongst the region.
- **Community Development** - The majority of land use, regional, urban, and community planning occur with this division. It also develops and administers regional and municipal frameworks as well as the long-range vision plans.
- **Transportation** - This division administers all bus and light rail lines. It also analyzes and develops future transportation options. However, road and street corridor planning is left to county and city governments. Highways are planned and managed by the Minnesota Department of Transportation. Additional public transit agencies also exist under an opt-out agreement of Metro Transit service.
- **Environmental Services** – This division is mandated to address water quality, water supply, and sewage treatment. It also has full jurisdiction of the wastewater treatment system. This includes maintenance and construction of wastewater interceptors and operation of eight wastewater treatment plants throughout the metro area. Treatment of drinking water and storm run-off water management are left to municipalities.
- **Municipal Urban Service Area (MUSA)** - While not a division, the MUSA is an urban growth boundary which instead of limiting development, limits the services and infrastructure needed for development. The most important service of which is connection to the sewage treatment system. Growth is controlled because state law prohibits disastrous septic tank systems and most cities require development to be connected to a system.

4.4 Puget Sound Regional Council

The Puget Sound Regional Council (PSRC) is an association of cities, towns, counties, ports and state agencies that serves as a forum for developing policies and making decisions about regional growth management, economic matters, and transportation issues in the central Puget Sound region. The PSRC is designated under federal law as the Metropolitan Planning Organization (MPO) for the Seattle-Tacoma-Everett area. PSRC also functions as the Regional Transportation Planning Organization (RTPO) for King, Kitsap, Pierce and Snohomish counties. In addition to the four counties, the Council's members include 67 cities and towns in the region, three ports, and two state agencies -- the Washington State

The mission of the PSRC, as established in the Interlocal Agreement, is "to preserve and enhance the quality of life in the central Puget Sound area." To achieve this mission, the PSRC:

- Prepares, adopts and maintains goals, policies, and standards for regional transportation and regional growth management based on local comprehensive plans of jurisdictions within the region; and
- Ensures that provisions of state and federal laws pertaining to regional transportation planning and regional growth management are implemented in the region.

The PSRC is a comprehensive planning agency that does not duplicate the activities of local and state operating agencies, but supports their needs with complementary planning and advocacy. The PSRC also serves as a center for the collection, analysis and dissemination of information vital to local governments in the region.

The PSRC's Interlocal Agreement with member governments establishes the organization's growth management, transportation, database, forum and technical assistance responsibilities. The Agreement highlights the following functions:

- Meet MPO responsibilities for the four counties, develop a regional transportation plan, review and approve expenditures of federal transportation funds, and identify short-range transportation system development needs and financial strategies.
- Fulfill RTPO requirements prescribed by state law for the four counties; ensure that regional transportation and land-use plans are integrated and that state, regional and local transportation plans are consistent.
- Maintain VISION 2020 as the adopted regional growth and transportation strategy, and prepare multicounty planning policies for the region.
- Develop and maintain a regional data base; forecast and monitor economic, demographic and travel conditions in the region
- Provide technical assistance to local governments, the state and federal governments, and business and community organizations.
- Provide a forum to discuss emerging regional issues.

Members include 68 cities and towns, counties, ports of Seattle, Tacoma and Everett, the Washington State Department of Transportation, and the Washington State Transportation Commission. The Regional Council is governed by a General Assembly and Executive Board. There are also advisory Growth Management and Transportation Policy boards. On the Growth Management Policy Board, there are non-voting members that are representatives from environmental, labor, business and community

Principles of Puget Sound Regional Council

Mandatory: The state government has had adopted Growth Management legislation that is enacted through the RSRC and acts as a separate level of government.

Statutory: The Council relies on state statutory authority and direct power as a separate level of government (both federal and state).

Fiscal responsibility: The PSRC has no taxing authority. Nearly 80 percent of the PSRC's revenue is derived from federal and state grants, and the remaining 20 percent is from dues paid by members and from other local sources.

Governance Structure: A General Assembly and Executive Board govern the PSRC. The Growth Management and Transportation Policy Boards advise the Executive Board. The **General Assembly** is composed of member jurisdictions and agencies. The full General Assembly includes all council and commission members from member jurisdictions who cast 1150 votes, which are weighed proportionally according to the population of each jurisdiction. The Assembly meets at least annually to review and vote on key Executive Board recommendations such as those concerning the annual budget and major policy documents.

Executive Board members are appointed by their General Assembly constituents to represent the member governments on a proportional basis. The Board is chaired by the PSRC's president, meets monthly, and carries out delegated powers and responsibilities between meetings of the General Assembly. The **Operations Committee** is composed of Executive Board members and is chaired by the PSRC's vice president. The committee reviews and makes recommendations to the Executive Board on the budget and work program, contracts and other financial and personnel issues.

In the Seattle region, the structure of the Puget Sound Regional Council (PSRC) is a product of a restructuring effort initiated in the late 1980s. During this period of rapid growth in the Seattle region, concerns began to surface about the direction of the predecessor MPO, the Puget Sound Council of Governments (PSCOG). Elected officials had developed a long-range Vision 2020 Regional Plan, but found its implementation difficult to achieve with the existing MPO structure and process. Acting as catalysts for change, the State of Washington developed its statewide Growth Management Act while the federal ISTEA legislation was enacted. Thus, in the early 1990s, the MPO was restructured, with the following changes made:

- In order to provide better direction, a new director was appointed and the mission and functions of the MPO were changed to focus on regional transportation planning and regional growth management.
- In order to be more inclusive of the major transportation agencies in the region, representatives from the three major ports, the State DOT, and the State Transportation Commission were added to the Executive Board. Furthermore, transit representation was provided through a requirement that at least fifty percent of county and city elected officials who serve on the 26-member Executive Board must also serve on one of the six transit agency boards in the region.
- In order to create a more representative process, full-time weighted voting in proportion to jurisdictional population was instituted for both the General Assembly and the Executive Board. The General Assembly is composed of all elected officials representing the executive and legislative branches of cities, towns, counties, and tribal governments in the region, with the weight of each jurisdiction's vote proportional to the total population within the regional agency's jurisdiction. The 26-member Executive Board has proportional representation based on county or city status and population, and also has population-weighted voting. The result is that nearly one-half of the votes on both the General Assembly and the Executive Board are represented by the 4 counties in the region with nearly one-half of the votes represented by the 81 municipalities in the region. Additional votes are controlled by the major transportation agencies in the region.

4.5 The Metropolitan Government of Nashville and Davidson County

The 1962 Nashville-Davidson County consolidation was driven largely by the need to improve services in unincorporated, rural areas and to give the residents of these areas a greater voice in local government. Nashville's annexation of unincorporated territory and attempts to tax commuters gave further impetus to the consolidation effort. City/county consolidation, with differentiated service level areas and tax rates, offered an alternative to further annexation.

A consolidated city-county is a city and county that have been merged into one unified jurisdiction. It is simultaneously a city, which is a municipal corporation, and a county, which is an administrative division of a state. Under normal circumstances, an urban municipality merges with the unincorporated areas that benefit from urban services, eliminating the 'free rider' issue, while maintaining a municipal council governance structure.

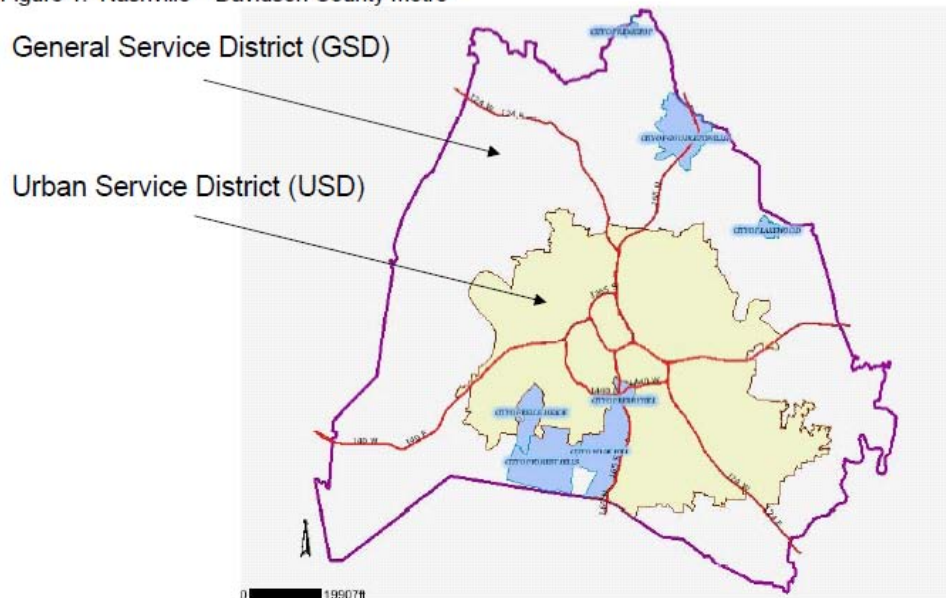
Consolidated city-counties have mostly eliminated duplication of service delivery efforts which has increased efficiency, effectiveness, and either lowered service delivery costs or reduced rate of the service delivery cost increases.

All consolidated city-counties elect mayors and include a mix of representatives elected by district or at large. Metro Nashville has an elected mayor and a part-time council of 40 representatives, which is a mixture of representatives elected by district and at-large. Nashville's council includes a special representation structure for the USD (the area within the old Nashville city limits).

Typically, consolidated city-counties are divided into a general service district (GSD) and an urban service district (USD).

- **GSD:** a uniform base-level tax rate paid throughout the county pays for basic countywide services.
- **USD:** additional municipal services are provided within the old city limits and are paid for by a correspondingly higher tax rate imposed within the USD territory. (Ex: The USD might have waste disposal services plus recycling and special collections; but the GSD would have only waste disposal services).

Figure 1: Nashville – Davidson County Metro



Many city-county consolidations have used their two-tier service/tax districts to segregate debit and other obligations to the taxpayers of the jurisdictions that originally incurred the costs. Six incorporated cities remain outside the framework, although they pay the GSD tax and receive GSD services. Most provide higher levels of various services, which they pay for through their higher municipal tax rates. Some contract with the Metro government for additional services.

Six incorporated cities remain outside Metro Nashville, although they pay the GSD tax and receive GSD services. Most provide higher levels of various services, which they pay for through their higher municipal tax rates. Some contract with the Metro government for additional services.

Nashville/Davidson County Metro has been credited with better local government accountability; economies of scale in sewers, schools, and fleet operations; equalization of service quantity and quality; substantial elimination of city and county fiscal inequities; and a better national image.

Metro Nashville has an elected mayor and a part-time council of 40 representatives, which is a mixture of representatives elected by district and at-large. Nashville's council includes a special representation structure for the USD (the area within the old Nashville city limits).

Principles of Metropolitan Government of Nashville and Davidson County

Mandatory: Metro Nashville is a 'single-tier' government that regulates service delivery throughout the 'municipality', resulting in a single jurisdiction.

Statutory: Metro Nashville was established by voter referendum and legislative authority as a single level of government. .

Fiscal responsibility: Services in the GSD, which encompasses all of Davidson County, include general government administration, police, basic fire and ambulance, courts, jails, health, welfare, schools, libraries, mass transit, and parks and recreation. Services in the USD, which encompasses the old city of Nashville and recently urbanized areas, include increased levels of police and fire protection, water, sanitation systems, street lighting, street cleaning and refuse collection. Under the provisions of the charter, the metropolitan government may expand the USD to areas that need additional services, provided it can provide those services within a year of imposing the additional USD tax rate. All county taxpayers pay a GSD tax but only residents of urbanized areas pay the additional USD tax.

Governance Structure: A 40-member Metropolitan Council, with 35 elected by district and 5 elected at large, adopts a budget for the metropolitan government. There is also a three-member urban council whose sole purpose is to levy a property tax for the USD sufficient to finance the costs of providing urban services. The urban council is made up of the three at-large council members from the USD receiving the highest votes, and if need be, USD district council members chosen by the Metropolitan Council. In practice, the larger Metropolitan Council establishes the property tax rate, and the urban council adopts it *pro forma*.

4.6 One-Tier Regional Governments in Canada

A number of large cities in Canada are one-tier. These include, for example, Ontario cities such as Toronto, Ottawa, Hamilton, and Sudbury, all of which were created through the amalgamation of upper and lower tier municipalities. One-tier governments have also been created in cities in:

- Nova Scotia - the Halifax Regional Municipality (HRM) was created through the amalgamation of the Cities of Halifax and Dartmouth, the Town of Bedford, and Halifax County in 1996. Because services are provided at different levels in different parts of the new municipality (especially between the urban and rural areas), there are base property tax rates (urban, suburban, and rural), two additional customized rates for the two former cities, and over 60 area rates in the new municipality.
- Manitoba - the City of Winnipeg and its twelve area municipalities were amalgamated to form a single city in 1971. Originally, residents' advisory groups (RAGs) were part of the City but it was felt that these did not improve responsiveness or accountability. These groups were subsequently abolished.

- Quebec - the City of Montreal with a population of 1 million and 27 other municipalities on the island of Montreal (with a total population of 800,000) was merged on January 1, 2002. The new city is divided into 27 boroughs, each responsible for local services such as garbage collection, swimming pools, snow clearing, and libraries. Nine of the boroughs are located in the central city where none existed previously. Thus, although residents of the ex-suburbs lost control over some municipal services, residents of the former City of Montreal gained more autonomy.

Table 1: Overview of Governance Examples

Governance Model	Jurisdiction	Rational For Establishment	Primary Purpose	Secondary Purpose	Governance Structure
Voluntary Regional Board/Voluntary Federation	British Columbia Regional District System	Population growth, inefficiency in service delivery, regional planning needs, unincorporated areas unregulated	Service Delivery	Regional Governance, mediating inter-jurisdictional issues	Appointed Regional Board (13 appointed/elected Directors)
Metropolitan Council	Portland, Oregon	Population growth, urban sprawl, declining quality of life	Regional land use and transportation planning	Regional governance, service delivery	Elected Metro Council (1 president, 6 district councillors)
Mandatory Regional Board	Edmonton Capital Regional Board, Alberta	Growth pressure due to the oil and gas industry	Regional land use and transportation planning	Service provision, economic development	Mandatory participation by 25 municipalities, one municipality, one vote, procedure for consensus building and dispute resolution
Metropolitan Planning Organization	Puget Sound Regional Council	Growth management and inter-jurisdictional coordination on land use/planning	Regional land use and transportation planning	Regional coordination	The 26-member Executive Board has proportional representation based on county or city status and population, and also has population-weighted voting.
Governor-Appointed Regional Council	Twin Cities Metropolitan Council, Minnesota	Coordinated regional service delivery	Service Delivery	Transportation planning, urban containment boundary management	16 members and one chair, All members are appointed by the governor.
Consolidated City/County	Metropolitan Government of Nashville and Davidson County	Inadequate services to unincorporated areas and as an alternative to annexation	Service Delivery	Metro planning, improved governance	Part-time Council with 40 elected representatives and a mayor. Typical municipal council simple majority.