

Introduction *to* *Regional Districts:* **Communities in Partnership**



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REGIONAL DISTRICTS IN BC

Each province in Canada has its own system of local government. British Columbia's system is similar to that of every other province in that it features, at its core, a network of municipalities. In every province, municipalities have been created to address the service needs of urban communities, and to provide democratic forums for local-decision making.

British Columbia's system is unique from others, however, in one key respect: the use of regional districts. Regional districts are local government authorities that exist to meet certain local government service needs that neither municipalities nor the province itself are particularly well-suited to address. One such need relates to the provision of basic local government services to small, unincorporated communities and rural areas of the province. Another need concerns the provision of services across municipalities and unincorporated areas, throughout broader sub-regional areas or entire regions. Regional districts, first introduced in the mid-1960s, were created specifically to address these needs.

Almost everyone in British Columbia lives within, and relies upon, one of the province's 27 regional districts. Not all British Columbians, however, have a good, basic understanding of what regional districts are, what they exist to do and how they function. This booklet sets out to help citizens develop this understanding.

This booklet is one part of the larger *Regional District Tool Kit* produced by the Union of British Columbia Municipalities, in partnership with BC's Ministry of Community Services. The *Tool Kit* is a comprehensive information resource designed to help various audiences – citizens, elected officials, media, First Nations, developers and others – better understand the regional district system. Readers who wish to learn the details about regional districts should consult the *Tool Kit's* other components. The full *Kit* is available online at www.civicnet.bc.ca.



WHAT ARE THEY?

Every regional district is made up of municipalities, referred to as member municipalities, and unincorporated areas, referred to as electoral areas. The individual jurisdictions that comprise a regional district work together to enable the organization to fulfill its purposes. This section of the booklet identifies and explains those purposes.

Service Providers

First and foremost, regional districts are local government service providers. They exist to play three important service-related roles:

- they are the **local governments** for their electoral areas, responsible for providing basic local services such as community planning, water supply, fire protection and nuisance regulation
- they are **inter-jurisdictional service bodies** that provide local government sub-regional services across jurisdictional boundaries to different combinations of municipalities and electoral areas
- they are **regional service bodies**, responsible for providing important regional services to their entire regional communities

Regional districts establish and provide their local, sub-regional

and regional services in direct response to the expressed needs, desires and instructions of the municipalities and electoral areas that comprise the region. The regional district **Board of Directors**, on which all electoral areas and member municipalities are represented, serves as the political forum in which these needs, desires and instructions are expressed.

There are certain services that every regional district is required by provincial law to deliver – general government administration, electoral area planning and solid waste management planning are perhaps the most notable. The number of required services, however, is small, both in absolute terms and relative to the number of voluntary services most regional districts choose to provide, in keeping with the wishes of their members.

The range of **voluntary services** provided by different regional districts is vast. It includes water and sewer utilities, recreation programs and facilities, community and regional parks, libraries, regulatory services such as animal control and building inspection, emergency planning and fire protection, economic development and film industry promotion, regional growth management, airports and even television rebroadcasting. Some of these services are provided locally to individual jurisdictions, while

others are provided to and on behalf of groups of municipalities and electoral areas that jointly choose to receive the services. Still others are provided regionally to every municipality and electoral area in the regional district. Any member jurisdiction or combination of jurisdictions can choose to provide services through their regional district.

Administrative Agencies

The provision of services to and on behalf of their members is, as noted, the primary purpose of regional districts. In addition to service provision, however, regional districts are called upon by the province to manage certain administrative functions. Two key examples are the processing of local government debt, and the collection of capital funds for hospital projects.

Debt – In 1971, the provincial government created the **Municipal Finance Authority (MFA)** as the central borrowing agency for municipalities and regional districts. By law, all local governments, with the exception of the City of Vancouver, are required to borrow funds for capital projects through the MFA. Regional districts function as a critical part of the MFA system. All capital borrowing requests from member municipalities and from the regional district corporation

itself must be coordinated and processed by the regional district before being forwarded to the MFA.

Hospital Funding – Regional districts are designated under provincial law as **Regional Hospital Districts (RHDs)** for the purpose of raising capital funds for hospital facilities in their areas. RHDs provide the local share (about 40 percent) of funding for capital costs associated with the construction, acquisition and maintenance of hospital facilities and major equipment in their areas. These capital costs are shared with the Health Authorities according to criteria established by legislation. RHD boards are comprised of municipal and electoral area directors who are members of the corresponding regional district. There are currently 23 RHDs, some of which overlap regional district boundaries. Note that due to provisions in the *Greater Vancouver Transportation Act*, the Greater Vancouver Regional District no longer has a RHD.

Federations

Regional districts are federations of the various municipalities and electoral areas that exist within the regional district boundaries. With the exception of certain provincially-mandated duties, regional districts derive their authority to act from

the municipalities and electoral areas that make up the region. These jurisdictions collectively decide what their regional districts should and should not do.

It is this reliance on their member jurisdictions for authority to act that makes regional districts distinct from regional governments in other provinces. Regional governments elsewhere are typically set up with exclusive legislated powers to provide specific services or take certain actions. In BC, the provincial government does mandate regional districts to undertake certain functions. On the whole, however, regional districts act only in response to the expressed needs and instructions of the individual

jurisdictions – municipalities and electoral areas – that comprise them.

As noted, regional districts were first introduced in the mid-1960s. Numerous legislative changes that have occurred since that time have modified the way in which regional districts act, and the range of requirements placed on regional districts by the provincial government. The changes that have taken place, however, have not fundamentally altered the basic nature of regional districts. They continue to function as federations of member jurisdictions, in place to serve the needs and interests of their members.

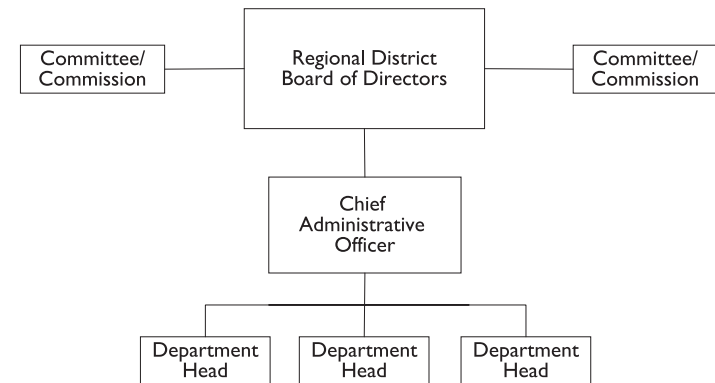
HOW DO THEY WORK?

British Columbia's regional districts differ significantly from one another in several respects, including size of population served, scope of services provided and area of land covered. All regional districts, however, share the same corporate structure, and function, more or less, in the same way.

Corporate Structure

The following chart presents the basic corporate structure used by

regional districts. At the top of the chart is the Board of Directors. The Board is the governing body of the regional district, ultimately responsible for all of the services provided and actions taken by the regional district corporation. Directors from the regional district's member municipalities are known as **Municipal Directors** and are appointed to the Board by their respective municipal councils. Directors from the region's electoral areas are known as **Electoral Area Directors**. They



are elected directly to the Board by the electors in the areas they represent.

Each Board of Directors is headed by a **Chair**, who is also the Chief Executive Officer of the regional district. Each year, the Board elects one Director to serve as Chair and another to serve as Vice-Chair.

Most regional districts have various committees and commissions to assist the Board in its decision-making. **Committees** are advisory in nature, which means that they provide recommendations to the Board on matters that fall within the Committees' mandates. **Commissions** are typically created to oversee regional district services on behalf of the Board. They usually have delegated authority from the Board to make certain decisions on behalf of the regional district.

Regional districts in BC operate in accordance with the **Board-CAO** model of government. The central feature of this model is the separation of governance and administration. The Board is the governing body in the model, responsible for setting a vision, developing strategies to achieve the vision, and formulating policies. The Chief Administrative Officer (CAO) is the professional manager, responsible for the administration of the regional district. The CAO implements the Board's policies and decisions, and handles all operations. The CAO also serves as the Board's chief policy advisor.

Reporting to the CAO are the regional district's **Department Heads**, professional managers who are accountable to the CAO for the administration of particular functions (e.g., finance) or areas of service (e.g., development services). The number of Department

Heads in a regional district typically depends on the size of the organization and the range of services being provided.

Service Establishment

The provision of services, as explained, is central to regional districts. Before a service can be provided, however, it must be established. All regional districts follow the same basic process to establish services. The figure below illustrates this process.

Step 1. In step 1 the **idea** for a new service emerges. There are several potential sources of ideas, including regional district directors, citizens, municipal councils, municipal staff, the regional district board, regional district staff, and others.

Step 2. The second step involves some kind of **service feasibility study**. The extent of the actual study will vary depending on the potential size and scope of the service. Most studies, however, will

run through a checklist of items to confirm that:

- the proposed service has a clear purpose
- the proposed service has a defined and agreed-upon scope
- the parties agree on a way to share costs
- the parties agree on how the service should be governed
- the parties agree on a process for service review
- a start-up plan has been developed
- support among elected officials is broad

Step 3. If the proposed service is deemed feasible, a **service establishing bylaw** is developed at step 3.

Step 4. Step 4 involves the **adoption of the bylaw**. Adoption begins with an initial vote (first three readings) of the Board in which

every Director present must participate. After this initial vote, the province's **Inspector of Municipalities** must approve the bylaw. The electors in the jurisdictions that have chosen to participate in the service must also approve the bylaw. Approval of the electors may be obtained in all cases through referendum. In certain cases, the Board may choose to bypass the referendum route and obtain approval using an "alternative approval process" which requires opponents to register their opposition through petition. In still other cases, approval may be given on behalf of a participating area by the Municipal Council, the Electoral Area Director or the Board.

Voting

The Board of Directors in every regional district is a collective decision-making body that acts through resolutions and bylaws. Before a resolution can be made or a bylaw adopted, voting must occur. In municipalities, voting is a relatively straightforward matter: every member of Council votes on every issue, and every member receives one vote. In regional districts, voting is not always so simple.

Special voting rules are needed in regional districts to reflect specific realities, namely that regional districts are federations of different sized jurisdictions, and that region-

al district services are subscribed to and funded by different combinations of jurisdictions. In the context of voting, these realities mean that not all Directors have the right to vote on all matters, or have the same number of votes in all situations.

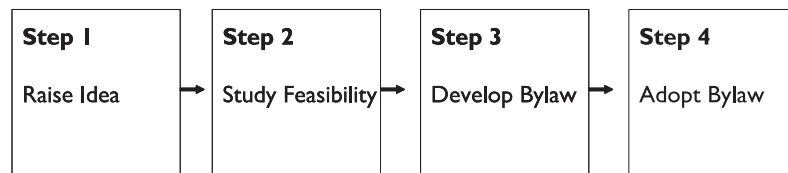
Three key regional district voting rules determine what kind of vote is taken in each instance:

Unweighted Corporate Vote. Under this type of vote, every Director votes and receives one vote. Unweighted corporate votes are used to decide matters that affect the corporation and all jurisdictions that comprise the regional district. Examples of such matters include:

- establishing bylaws for services
- regulatory bylaws
- resolutions and bylaws that govern the conduct of the Board's business
- various planning and land use management issues

Weighted Corporate Vote. Weighted corporate votes govern decisions on money matters, including the adoption of the annual financial plan, borrowing, the acquisition and disposal of property, and key contracts. Each Director on the Board

Service Establishment
Generic Process



is entitled to vote. Each receives a number of votes that is proportional to the size of the population the Director represents.

Stakeholder Vote. Stakeholder votes are used to make decisions related to the administration and operation of regional district services. Only Directors representing jurisdictions that participate in the service in question are entitled to vote. All stakeholder votes are weighted votes; as such, each participating Director receives a num-

ber of votes that is proportional to the size of population he or she represents.

These three rules apply to all regional districts in British Columbia with the exception of the Greater Vancouver Regional District (GVRD). At the GVRD, all votes, whether corporate or stakeholder, are on a weighted basis, except for the election of the Chair and Vice-Chair, in which case an unweighted secret ballot vote is used.

REGIONAL DISTRICT FINANCE

Regional district finance – the system through which regional districts collect, spend and account for public monies – is understandably a topic of interest to residents and property holders that fund regional district services. This section of the booklet identifies and explains some of the key features of the system.

Services

A key feature of regional district finance is the use of separate, individual funds for different services. Every regional district service is accounted for separately using a **dedicated service fund**. The fund identifies

the full cost to the regional district of providing the service, including a portion of general overhead. Each year, revenues specific to the service must be collected to pay the full cost. No service is permitted to run an operating deficit in any year.

Because each fund is dedicated to a service, revenues and costs specific to one service cannot be shifted to or spread among other services. Each regional district service has its own group of participating jurisdictions. Participants in one service are not expected to subsidize, and are not permitted to be subsidized by, participants of other services. A key principle of the regional district system is “fiscal equivalence”, which

in practice means that participating jurisdictions and the residents within them “pay for what they get”. The use of separate, dedicated service funds supports this principle.

Revenue Collection

The major revenue sources for regional district services include **property value taxes, parcel taxes and fees and charges**. Fees and charges, such as recreation admission fees and water usage charges, are collected directly from service users by the regional district or its agent that delivers the service. Property value and parcel taxes are collected on behalf of the regional district by other governments. In participating electoral areas taxes are collected for the regional district by BC’s Ministry of Small Business and Revenue. Regional district taxes are collected in participating municipalities by the municipal governments.

Tax Notices

Strictly speaking, there is no such thing as a “regional district tax notice” since regional districts do not themselves collect tax revenues directly from property owners. Tax bills for regional district services do, however, appear both on the provincial property tax notices that are used in electoral areas, and on the municipal tax notices that are sent to residents of member municipalities.

Both types of notice list regional district services in which the jurisdiction participates. Beside some of the listed services is a tax rate, and beside the tax rate is the amount owing by the property owner. The amount owing is determined by multiplying the tax rate by the property’s assessed value. For services that are funded using parcel taxes, only the amount owing shows. The figure below illustrates how such information typically appears:

Regional District Services on Tax Notices			
Service	Assessed Value	Rate	Owing
Recreation	\$150,000	0.90	\$ 135.00
Fire Protection	\$150,000	0.85	\$ 127.50
EA Planning	\$150,000	0.34	\$ 51.00
E-911	\$150,000	0.05	\$ 10.00
Water	\$150,000	1.00	\$ 150.00

On both provincial (electoral area) and municipal tax notices, regional district services are itemized so that property owners can easily identify exactly what they are paying for each regional district service they receive. This approach is designed to maximize transparency and accountability.

Budgets

Regional districts are required by law to adopt an annual five-year budget — termed a **five-year financial plan**. The financial plan must set out the proposed operating and capital expenditures and revenue sources for each service during each year of the five year planning period. Prior to adoption, the Board undertake some degree of public consultation on the proposed plan. Open houses and public meetings are two of the more typical consultation tools used during the preparation of the plan.

wish to enter (or initiate). Jurisdictions choose to participate in regional district services when it is in their best interest to do so.

Q:How are Municipal Directors different from Electoral Area Directors?

A: Regional district Boards of Directors include both Municipal and Electoral Area Directors. Municipal Directors are appointed by, and are accountable to, their respective municipal councils. Electoral Area Directors are directly elected to the Board by the electors in their respective areas, and are accountable to those electors. All directors, municipal and electoral area, have responsibilities to the regional district corporation.

fied area. Through this service, regional districts create official community plans, zoning bylaws, development permit bylaws and other instruments to regulate how development in electoral areas may occur.

Regional districts are also responsible for preparing, in consultation with their member municipalities, regional growth strategies to manage growth throughout their entire regions. These plans provide a context for planning and regulation within municipalities and electoral areas.

It should be noted that for the Islands Trust Area, the Island Trust has all the power and authority of a regional district for land use planning purposes.

QUESTIONS & ANSWERS

This section of the booklet anticipates and answers common questions that citizens may have about regional districts.

Q:Are regional districts a separate level of government?

A: Regional districts are not a separate level of government. Regional districts are, instead, federations of the municipalities and electoral areas that exist within their boundaries. Except in a limited number of instances (related to provincially-mandated services), regional districts act only in response to the expressed needs, interests and instructions

of their members. With few exceptions, regional districts derive both their legitimacy and authority to act from their member jurisdictions.

Q:Can municipalities or electoral areas be forced to participate in a regional district service?

A: With the exception of a few provincially-mandated services (e.g., solid waste management planning, general government administration), member jurisdictions cannot be forced to participate in regional district services. In general, individual jurisdictions are free to choose which services, if any, they

Q:What is the role of regional districts in land-use planning and growth management?

A: Regional districts are responsible for land-use planning and development approval in electoral areas. Regional districts exercise their responsibilities through a planning service in which every electoral area is required to participate and in which municipalities can, and often do, voluntarily participate in planning for all or part of the speci-

Q:What are Advisory Planning Commissions?

A: A regional district's Board of Directors may appoint an Advisory Planning Commission (APC) for one or more electoral areas. The role of the APC is to advise the Board, or the Electoral Area Director(s) on land use matters, the preparation of an official community plan, or a proposed development bylaw or permit. The APC must be established by bylaw, and may only advise on matters that are

referred to it by the Board or the Electoral Area Director(s). At least two-thirds of the members of the APC must be residents of the electoral area(s); the Director(s) may not serve on the APC, but may attend meetings.

Q:What is an Alternate Director?

A: Every Electoral Area Director must appoint an Alternate Director to carry out the Director’s responsibilities in his or her absence. Municipal Councils must also appoint an Alternate Director to take the place of the Municipal Director when required. Municipalities with more than one Municipal Director may appoint one Alternate per Director, or one or more general Alternates who are available to act in place of any one of the Directors.

When acting for the Director (Municipal or Electoral Area), the Alternate has all of the Director’s authority, including the authority to vote at the Board table, and to participate in discussions and development reviews. In the event that the Director, through death, resignation or disqualification, is unable to continue holding

office, the Alternate acts as the Director until:

- in the case of an electoral area, a by-election or the next general local government election
- in the case of a municipality, the Council appoints a new Director

Q:Why do some electoral area boundaries change over time?

A: Over time, some electoral areas – or parts of electoral areas – develop and take on characteristics of urban areas. Residents in these areas often begin to demand a broader range of urban, municipal services, and/or a higher degree of local control over decisions. Residents in one area may feel that their needs would be better addressed if the area were governed as part of an existing municipality, or as its own municipality. To that end, residents may choose to pursue a boundary change that would allow them to become part of an existing municipality, or a full local government restructure initiative that could result in an amalgamation with a municipality, or the incorporation of a new municipality.

Q:How can citizens participate in regional district decision-making processes?

A: There are a number of ways that citizens can get involved:

- by directly contacting their Regional District Directors and/or, in the case of municipal citizens, their Municipal Councils (to whom the Municipal Directors are accountable)
- by attending and speaking at a Regional District Regular Board Meeting (all of which are open to the public), a committee/ commission meeting, a public hearing or some other regional district public event
- by voting in elector assent referendums and/or participating in alternative approval processes (for proposed services)

- by attending the open houses and other events that most regional districts use to obtain feedback on their proposed five year financial plans

Citizens who own property in an electoral area may also participate in decision-making by petitioning the regional district to provide a new service to all or part of the electoral area. For a petition to be valid, it must be signed by the owners of at least 50% of the parcels in the proposed service area. The persons signing must also be the owners of parcels that in total represent at least 50% of the net taxable value of all and improvements in the proposed area.

More info

For more information on regional districts, see the UBCM website at www.civicnet.bc.ca for a full copy of the *Regional District Tool Kit* or consult the regional district in your area.



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Regional Districts
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